

*Scenic Terrace North
Community Development District*

Meeting Agenda

August 16, 2023

AGENDA

Scenic Terrace North

Community Development District

219 E. Livingston St., Orlando, Florida 32801
Phone: 407-841-5524 – Fax: 407-839-1526

August 9, 2023

Board of Supervisors Meeting Scenic Terrace North Community Development District

Dear Board Members:

A regular Board of Supervisors Meeting of the **Scenic Terrace North Community Development District** will be held on **Wednesday, August 16, 2023 at 1:30 PM at 346 E. Central Ave., Winter Haven, FL 33880.**

Zoom Video Link: <https://us06web.zoom.us/j/82770504160>

Zoom Call-In Number: 1-646-876-9923

Meeting ID: 827 7050 4160

Following is the advance agenda for the meeting:

Board of Supervisors Meeting

1. Roll Call
2. Public Comment Period (¹Speakers will fill out a card and submit it to the District Manager prior to the beginning of the meeting)
3. Approval of Minutes of the July 19, 2023 Board of Supervisors Meeting
4. Consideration of Series 2023 Developer Agreements
 - A. True-Up Agreement
 - B. Completion Agreement
 - C. Acquisition Agreement
 - D. Collateral Assignment Agreement
 - E. Declaration of Consent
 - F. Notice of Lien of Special Assessments
5. Consideration of Interlocal Agreement between the Scenic Terrace North CDD and Scenic Terrace South CDD Regarding Mutual Cooperation for the Financing, Operation, and Maintenance of Certain Amenities to be Acquired and/or Constructed
6. Consideration of Joint Acquisition Agreement between the Scenic Terrace North CDD and Scenic Terrace South CDD Regarding the Joint Acquisition of Certain Work Product and Improvements
7. Consideration of Disclosure and Consent Amenity Conflict Waiver
8. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. District Manager's Report
 - i. Approval of Check Register
 - ii. Balance Sheet & Income Statement
9. Other Business
10. Supervisors Requests and Audience Comments
11. Adjournment

¹ Comments will be limited to three (3) minutes

MINUTES

**MINUTES OF MEETING
SCENIC TERRACE NORTH
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Scenic Terrace North Community Development District was held Wednesday, **July 19, 2023** at 1:30 p.m. at 346 E. Central Avenue, Winter Haven, Florida.

Present and constituting a quorum:

Rennie Heath	Chairman
Lauren Schwenk	Vice Chairman
Patricia Hudson	Assistant Secretary
Daniel Arnette	Assistant Secretary
Chuck Cavaretta	Assistant Secretary

Also present were:

Jill Burns	District Manager, GMS
Roy Van Wyk	District Counsel, KVV Law
Rey Malave	District Engineer, Dewberry
Chase Arrington	District Engineer, Dewberry
Lisa Kelley	District Engineer, Dewberry
Ashton Bligh	Bond Counsel, Greenberg Trairug
Heather Wertz	Consulting Engineer, Absolute Engineering

FIRST ORDER OF BUSINESS

Roll Call

Ms. Burns called the meeting to order and called the roll. Five Board members were present constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Ms. Burns noted that there were no members of the public present at this time or via Zoom.

THIRD ORDER OF BUSINESS

**Approval of Minutes of the April 19, 2023
Board of Supervisors Meetings**

Ms. Burns presented the minutes from the April 19, 2023 Board of Supervisors meeting and asked for any changes or corrections from the Board.

On MOTION by Ms. Schwenk, seconded by Ms. Hudson, with all in favor, the Minutes of the April 19, 2023 Board of Supervisors Meeting, were approved.

FOURTH ORDER OF BUSINESS

Presentation and Approval of Engineer's Report dated July 18, 2023

Mr. Malave reviewed the engineer's report dated July 18, 2023 which was included in the agenda package.

On MOTION by Mr. Heath, seconded by Mr. Arnette, with all in favor, the Engineer's Report dated July 18, 2023, was approved.

FIFTH ORDER OF BUSINESS

Presentation and Approval of Supplemental Assessment Methodology for Series 2023 Bonds dated July 19, 2023

Ms. Burns reviewed the Supplemental Assessment Methodology for the Series 2023 bonds which was included in the agenda package.

On MOTION by Mr. Heath, seconded by Mr. Arnette, with all in favor, the Supplemental Assessment Methodology for Series 2023 Bonds dated July 19, 2023, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2023-04 Amended and Restated Delegation Resolution (Series 2023 Bonds)

Ms. Bligh presented the resolution which was included in the agenda package for Board review.

On MOTION by Ms. Schwenk, seconded by Mr. Heath, with all in favor, Resolution 2023-04 Amended and Restated Delegation Resolution (Series 2023 Bonds), was approved.

SEVENTH ORDER OF BUSINESS

Public Hearings

A. Public Hearing on the Adoption of the Fiscal Year 2024 Budget

Ms. Burns stated this public hearing has been advertised in the paper. Do we have a motion to open?

On MOTION by Mr. Heath, seconded by Mr. Cavaretta, with all in favor, Opening the Public Hearing, was approved.

Ms. Burns stated no members of the public are present at this time so asking for a motion to close.

On MOTION by Mr. Cavaretta, seconded by Mr. Arnette, with all in favor, Closing the Public Hearing, was approved.

i. Consideration of Resolution 2023-05 Adopting the District's Fiscal Year 2024 Budget and Appropriating Funds

Ms. Burns presented the resolution to the Board and offered to answer any questions.

On MOTION by Ms. Hudson, seconded by Mr. Heath, with all in favor, Resolution 2023-05 Adopting the District's Fiscal Year 2024 Budget and Appropriating Funds, was approved.

ii. Consideration of Fiscal Year 2023/2024 Developer Funding Agreement

Ms. Burns presented Developer Funding Agreement with Highland Sumner, LLC to the Board and offered to answer any questions.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Fiscal Year 2023/2024 Developer Funding Agreement, was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Construction Funding Agreement

Ms. Burns presented the Construction Funding Agreement which was included in the agenda package for Board review.

On MOTION by Ms. Schwenk, seconded by Mr. Heath, with all in favor, the Construction Funding Agreement, was approved.

NINTH ORDER OF BUSINESS

Consideration of Temporary Construction and Access Easement Agreement

Ms. Burns presented the Temporary Construction and Access Easement Agreement which was included in the agenda package for Board review.

On MOTION by Mr. Heath, seconded by Mr. Cavaretta, with all in favor, the Temporary Construction and Access Easement Agreement, was approved.

TENTH ORDER OF BUSINESS

**Review and Ranking of Proposals
Received for Construction Services**

Ms. Wertz reviewed the proposals received for construction services. After Board discussion, the decided to waive irregularities of responsiveness and time.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, Waiving Irregularities Regarding Responsiveness and Time Submittal and Accepting the Rankings and Authorization to Send the NITA to Tucker Paving, was approved.

ELEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2023-06
Appointing an Assistant Treasurer**

Ms. Burns presented the resolution which would appoint Darrin Mossing as the Assistant Treasurer.

On MOTION by Mr. Heath, seconded by Ms. Hudson, with all in favor, Resolution 2023-06 Appointing Darrin Mossing an Assistant Treasurer , was approved.

TWELFTH ORDER OF BUSINESS

**Consideration of Resolution 2023-07
Designation of a Regular Monthly Meeting
Date, Time, and Location for Fiscal Year
2024**

Ms. Burns stated the schedule in the agenda package is the same as the current schedule for this year.

On MOTION by Ms. Schwenk, seconded by Mr. Cavaretta, with all in favor, Resolution 2023-07 Designation of a Regular Monthly Meeting Date, time, and Location for Fiscal Year 2024, was approved.

THIRTEENTH ORDER OF BUSINESS

**Consideration of Resolution 2023-08
Designating a Date, Time, and Location
for a Landowners' Meeting and Election**

Ms. Burns stated this needs to be held on November 7th the first Tuesday of the month by Statute. The time proposed is 9:10 at the Holiday Inn.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, Resolution 2023-08 Designating November 7th at 9:10 a.m. at Holiday Inn for the Landowner's Meeting and Election, was approved.

FOURTEENTH ORDER OF BUSINESS

**Ratification of Notice of Boundary
Amendment**

Ms. Burns reviewed the Notice of Boundary Amendment and noted that this needed to be ratified by the Board.

On MOTION by Ms. Hudson, seconded by Ms. Schwenk, with all in favor, the Notice of Boundary Amendment, was ratified.

FIFTEENTH ORDER OF BUSINESS

**Acceptance of Fiscal Year 2022 Audit
Report**

Ms. Burns stated page 30 of the agenda has the report to management which summarizes this audit. She noted it was a clean audit with no findings or incidents of noncompliance. The District does not meet any of the conditions for financial emergency and submitted to the state by the June 30th deadline.

On MOTION by Mr. Cavaretta, seconded by Mr. Arnette, with all in favor, Accepting the Fiscal Year 2022 Audit Report, was approved.

SIXTEENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i. Memo Regarding Ethics Training for Elected Officials

Mr. Van Wyk stated included in the agenda are the ethics training requirements and some of the options for the Supervisors to consider.

B. Engineer

i. Acceptance of Annual District Engineering Report

Mr. Malave had nothing further to report.

C. District Manager's Report

i. Approval of Check Register

Ms. Burns presented the check register that is included in the agenda package for the Board to review. She asked for any questions on those, otherwise looking for a motion to approve.

On MOTION by Ms. Hudson, seconded by Mr. Cavaretta, with all in favor, the Check Register, was approved.

ii. Balance Sheet & Income Statement

Ms. Burns stated financial packets were included in the package for review. No action is necessary from the Board.

SEVENTEENTH ORDER OF BUSINESS

Other Business

There being no comments, the next item followed.

EIGHTEENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

There being no comments, the next item followed.

NINETEENTH ORDER OF BUSINESS

Adjournment

Ms. Burns adjourned the meeting.

On MOTION by Mr. Heath, seconded by Ms. Hudson, with all in favor, the meeting was adjourned.

Secretary/Assistant Secretary

Chairman/Vice Chairman

SECTION IV

SECTION A

This instrument was prepared by and
upon recording should be returned to:

Roy Van Wyk, Esq.
Kilinski | Van Wyk, PLLC
2016 Delta Boulevard, Suite 101
Tallahassee, Florida 32303

**AGREEMENT BY AND BETWEEN THE SCENIC TERRACE NORTH COMMUNITY
DEVELOPMENT DISTRICT AND HIGHLAND SUMNER, LLC REGARDING
TRUE-UP AS TO SERIES 2023 SPECIAL ASSESSMENTS**

THIS TRUE-UP AGREEMENT (“Agreement”) is made and entered into this ____ day of ____ 2023, by and between:

SCENIC TERRACE NORTH COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in the City of Haines City, Florida, with a mailing address of 219 East Livingston Street, Orlando Florida 32801 (the “District”), and

HIGHLAND SUMNER, LLC, a Florida limited liability company, the developer and owner of all the lands within the District, with a mailing address of 346 E Central Avenue, Winter Haven, Florida 33880, and its successors and assigns (the “Landowner” or “Developer” and, together with the District, the “Parties”).

RECITALS

WHEREAS, the District was established by an ordinance adopted by the City Commission of the City of Haines City, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the “Act”), and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the District, pursuant to Chapter 190, *Florida Statutes*, is authorized to levy such taxes, special assessments, fees, and other charges as may be necessary in furtherance of the District’s activities and services; and

WHEREAS, Landowner is the owner of the lands within the District and a developer of the same, which lands are described in **Exhibit A** (the “District Lands”); and

WHEREAS, the District has adopted an improvement plan to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services as described in the *Scenic Terrace North Community Development District Engineer’s Report*, dated July 18, 2023 (the “Engineer’s Report”), attached to this Agreement as **Exhibit B**, together with the estimated costs of the improvements (the “Series 2023 Project”), are identified therein; and

WHEREAS, the District intends to finance a portion of the Series 2023 Project, through the anticipated issuance of its Scenic Terrace North Community Development District Special Assessment Bonds, Series 2023, in the principal amount of \$_____ (the “Series 2023 Bonds”); and

WHEREAS, pursuant to Resolution Nos. 2021-27, 2021-28, 2022-03, and 2023-__ the “Assessment Resolutions”) the District imposed special assessments on the District Lands (the “Series 2023 Special Assessments”) within the District to secure the repayment of the Series 2023 Bonds, including interest thereon; and

WHEREAS, Landowner agrees that all developable District Lands subject to the Series 2023 Special Assessments benefit from the timely design, construction, or acquisition of the Series 2023 Project; and

WHEREAS, Landowner agrees that the Series 2023 Special Assessments which were imposed on the District Lands within the District, have been validly imposed and constitute valid, legal, and binding liens upon the District Lands, which Series 2023 Special Assessments remain unsatisfied; and

WHEREAS, to the extent permitted by law, Landowner waives any defect in notice or publication or in the proceedings to levy, impose and collect the Series 2023 Special Assessments on the District Lands within the District; and

WHEREAS, the *Master Assessment Methodology for Scenic Terrace North Community Development District*, dated September 2, 2021 (the “Master Methodology”), as supplemented by the *Supplemental Assessment Methodology for Series 2023 Assessment Area*, dated July __, 2023 (the “Supplemental Methodology,” and together, the “Assessment Report”), provides that as the District Lands are platted or re-platted, the allocation of the amounts assessed to and constituting a lien upon District Lands within the District would be allocated and calculated based upon certain density assumptions relating to the number of each lot type to be constructed on the District Lands within the District, which assumptions were provided by Landowner; and

WHEREAS, Landowner intends that the District Lands within the District will be platted, planned, and developed based on then-existing market conditions, and the actual densities developed may be at some density less than the densities assumed in the District's Assessment Report; and

WHEREAS, the District's Assessment Report anticipates a mechanism by which Landowner shall, if required, make certain payments to the District in order to satisfy, in whole or in part, the assessments allocated and the liens imposed pursuant to the Assessment Resolutions, the amount of such payments being determined generally by a calculation of the remaining unallocated debt prior to the recording of any plat or site plan for a parcel or tract, as described in the District's Assessment Report (which payments shall collectively be referenced as the “True-Up Payment”); and

WHEREAS, Landowner and the District desire to enter into an agreement to confirm Landowner's intention and obligation, if required, to make the True-Up Payment related to the

Series 2023 Special Assessments on the District Lands, subject to the terms and conditions contained herein.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the Parties, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. RECITALS. The recitals stated above are true and correct and by this reference are incorporated into and form a material part of this Agreement.

SECTION 2. COVENANTS.

A. The provisions of this Agreement shall constitute a covenant running with District Lands, which lands are described herein in **Exhibit A**, and shall remain in full force and effect and be binding upon Landowner, its heirs, legal representatives, estates, successors, grantees, and assigns until released pursuant to the terms herein.

B. Landowner agrees that to the extent Landowner fails to timely pay all Series 2023 Special Assessments on the District Lands collected by mailed notice of the District, said unpaid Series 2023 Special Assessments (including True-Up Payments), may be placed on the tax roll by the District for collection by the Tax Collector pursuant to Section 197.3632, *Florida Statutes*, in any subsequent year.

SECTION 3. SPECIAL ASSESSMENT REALLOCATION.

A. *Assumptions as to the Series 2023 Special Assessments.* As of the date of the execution of this Agreement, Landowner has informed the District that Landowner intends to plat District Lands subject to the Series 2023 Special Assessments into a total of 330 single family homes or 402.25 Equivalent Residential Units (“ERUs”).

B. *Process for Reallocation of Assessments.* The Series 2023 Special Assessments on the District Lands will be reallocated among the District Lands as such lands are platted or replatted (hereinafter referred to as “plat” or “platted”). In connection with such platting of the District Lands of the District, the Series 2023 Special Assessments imposed on the lands being platted will be allocated based upon the precise number and type of lots within the area being platted. It is intended that the Series 2023 Special Assessments imposed upon the District Lands will be assigned to the number and type of platted lots platted. In furtherance thereof, at such time as any portion of the District Lands is to be platted, Landowner covenants that such plat or plats shall be presented to the District. The District shall allocate the Series 2023 Special Assessments to the number and type of lots being platted and the remaining District lands in accordance with the District’s Assessment Report and cause such reallocation to be recorded in the District’s Improvement Lien Book.

(i) It is or will be an express condition of the liens established by the Assessment Resolutions that any and all plats containing any portion of District Lands within the District owned by Landowner shall be presented to the District for review and allocation of the Series 2023 Special Assessments to the lots being platted and the

remaining property within the District Lands in accordance with the Assessment Report (“Reallocation”). Landowner covenants to comply with this requirement for the Reallocation. The District agrees that no further action by the Board of Supervisors shall be required. The District’s review of the plats shall be limited solely to the Reallocation of the Series 2023 Special Assessments and enforcement of the District’s assessment liens. Nothing herein shall in any way operate to or be construed as providing any other plat and plan approval or disapproval powers to the District.

(ii) The purpose of the True-Up calculation is to ensure that the bond debt will be able to be assigned to at least the number and type of platted lots within District Lands of Series 2023 Special Assessments of the District. Thus, at the time of platting of any portion of the District Lands, or any re-platting thereof, there must be at least the number of ERUs platted lots in District Lands to assign the bond debt to. If not, subject to subsection (v) below, the District would require a True-Up Payment from Landowner or the person or entity seeking to file such plat in an amount sufficient to reduce the remaining bond debt to the actual number of lots platted in District Lands in the par amount per platted lot as set forth in the Assessment Report.

(iii) The True-Up calculation shall be performed at the time any portion of District Lands subject to the Series 2023 Special Assessments is platted.

(iv) If at the time the True-Up calculation is performed, it is determined that less than the number and type of lots are to be platted within the District Lands, a True-Up Payment shall become immediately due and payable. Any such True-Up Payment determined to be due by shall be paid in full prior to approval of the plat. Such True-Up Payment shall be in addition to the regular Series 2023 Special Assessment installment payable for the District Lands. The District will take all necessary steps to ensure that True-Up Payments are made in a timely fashion to ensure its debt service obligations are met, and in all cases, Landowner agrees that such payments shall be made in order to ensure the District’s timely payment of the debt service obligations on the Series 2023 Bonds. The District shall record all True-Up Payments in its Improvement Lien book. If such True-Up Payment is made at least forty-five (45) days prior to an interest payment date on the Series 2023 Bonds, Landowner shall include accrued interest as part of the True-Up Payment to such interest payment date. If such True-Up Payment becomes due within forty-five (45) days of the next interest payment date, accrued interest shall be calculated to the next succeeding interest payment date.

(v) The foregoing is based on the District's understanding with Landowner that at least 402.25 ERUs will be assigned to the District Lands, as identified in the Assessment Report and Engineer’s Report. However, the District agrees that nothing herein prohibits more or less than the anticipated number of ERUs to be assigned to the District Lands. In the event Landowner plats less than 402.25 ERUs within the District Lands, the Landowner may either make a True-Up Payment or leave unassigned Series 2023 Special Assessments on the District Lands on the un-platted lands, if any, within the District Lands, provided the maximum debt allocation per developable acre as set forth in the Assessment Resolution is not exceeded. In no event shall the District collect the Series 2023 Special

Assessments pursuant to the Assessment Resolutions in excess of the total debt service related to the Series 2023 Project, including all costs of financing and interest. The District, however, may collect the Series 2023 Special Assessments in excess of the annual debt service related to the Series 2023 Project, including all costs of financing and interest, which shall be applied to prepay the Series 2023 Bonds. If the strict application of the True-Up methodology to any Reallocation for any plat pursuant to this paragraph would result in Series 2023 Special Assessments collected in excess of the District's total debt service obligation for the Series 2023 Project, the District agrees to take appropriate action by resolution to equitably Reallocate the assessments.

SECTION 4. ENFORCEMENT. This Agreement is intended to be an additional method of enforcement of Landowner's obligation to pay the Series 2023 Special Assessments on the District Lands and to abide by the requirements of the Reallocation of Series 2023 Special Assessments, including the making of the True-Up Payment, if any, as set forth in the Assessment Resolutions. A default by any Party under this Agreement shall entitle any other Party to all remedies available at law or in equity, but excluding special, consequential, or punitive damages.

SECTION 5. RECOVERY OF COSTS AND FEES. In the event any Party is required to enforce this Agreement by court proceedings or otherwise, then the substantially prevailing party, as determined by the applicable court or other dispute resolution provider, shall be entitled to recover from the other(s) all fees and costs incurred, including reasonable attorneys' fees and costs incurred prior to or during any litigation or other dispute resolution and including all fees and costs incurred in appellate proceedings.

SECTION 6. NOTICE. All notices, requests, consents, and other communications hereunder ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, by overnight delivery service, or electronic or hand delivered to the Parties, as follows:

A. If to the District: Scenic Terrace North
Community Development District
219 East Livingston Street
Orlando, Florida 32801
Attn: District Manager

With a copy to: Kilinski | Van Wyk, PLLC
PO Box 6386
Tallahassee, Florida 32314
Attn: Roy Van Wyk

B. If to Landowner: Highland Sumner, LLC
346 E Central Avenue
Winter Haven, Florida 33880
Attn: Warren K. (Rennie) Heath II

With a copy to:

Straughn & Turner, P.A.
255 Magnolia Avenue.
Winter Haven, FL 33880
Attn: Richard Straughn

Except as otherwise provided herein, any Notice shall be deemed received only upon actual delivery at the address or telecopy number set forth herein. If mailed as provided above, Notices shall be deemed delivered on the third business day unless actually received earlier. Notices hand delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the Parties may deliver Notice on behalf of the Parties. Any Party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name, address or telecopy number to which Notices shall be sent by providing the same on five (5) days' written notice to the parties and addressees set forth herein.

Notwithstanding the foregoing, to the extent Florida law requires notice to enforce the collection of any assessments placed on the District Lands by the District, then the provision of such notice shall be in lieu of any additional notice required by this Agreement.

SECTION 7. ASSIGNMENT.

A. Landowner may not assign its duties or obligations under this Agreement except in accordance with the terms of Section 7(C) below. This Agreement shall constitute a covenant running with title to all or any portion of the District Lands, binding upon Landowner and its successors and assigns including, without limitation, any purchaser and its successors and assigns as to the District Lands or portions thereof, and any transferee of any portion of the District Lands, but shall not be binding upon transferees permitted by Sections 7(B)(i), (ii) or (iii) below.

B. No portion of the District Lands may be transferred to any third party without complying with the terms of Section 7(C) below, other than:

- (i) Platted and fully-developed lots to homebuilders restricted from re-platting.
- (ii) Platted and fully-developed lots to end users.

(iii) Portions of the District Lands exempt from debt special assessments or to be dedicated to the City, the County, the District, or other governmental agencies.

Any transfer of any portion of the District Lands pursuant to subsections (i), (ii) or (iii) of this Section 7(B), shall constitute an automatic release of such portion of the District Lands from the scope and effect of this Agreement.

C. Landowner shall not transfer any portion of the District Lands to any third party, except as permitted by Sections 7(B)(i), (ii) or (iii) above, without satisfying the following conditions (“Transfer Conditions”):

- (i) delivering a recorded copy of this Agreement to such third party; and
- (ii) satisfying any True-Up Payment that results from a True-Up analysis that will be performed by the District Manager prior and as a condition to such transfer.

Any transfer that is consummated pursuant to this Section 7(C) shall operate as a release of Landowner from its obligations under this Agreement as to such portion of the District Lands only arising from and after the date of such transfer and satisfaction of all of the Transfer Conditions including payment of any True-Up Payment due pursuant to subsection 7(C)(ii) above, and the transferee shall be deemed to have assumed Landowner’s obligations in accordance herewith and shall be deemed the “Landowner” from and after such transfer for all purposes as to such portion of the District Lands so transferred.

SECTION 8. AMENDMENT. This Agreement shall constitute the entire agreement between the Parties regarding the subject matter discussed herein and may be modified in writing only by the mutual agreement of all Parties. This Agreement may not be amended without the prior written consent of the Trustee on behalf and acting at the direction of the bondholders owning more than fifty percent (50%) of the aggregate principal amount of the applicable the Series 2023 Bonds then outstanding with regard to material amendments.

SECTION 9. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of the District and Landowner, both the District and Landowner have complied with all the requirements of law, and both the District and Landowner have full power and authority to comply with the terms and provisions of this Agreement.

SECTION 10. TERMINATION. This Agreement shall continue in effect until it is rescinded in writing by the mutual assent of each Party, provided, however, that this Agreement and the covenants contained herein may not be terminated or released prior to platting and development of all the District Lands without the prior written consent of the Trustee on behalf and acting at the direction of bondholders owning more than fifty percent (50%) of the aggregate principal amount of the applicable Series 2023 Bonds then outstanding with regard to amendments having a material effect on the District’s ability to pay debt service on the Series 2023 Bonds.

SECTION 11. NEGOTIATION AT ARM’S LENGTH. This Agreement has been negotiated fully between the Parties as an arm’s length transaction. The Parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the Parties are deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against either Party.

SECTION 12. THIRD-PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and Landowner and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Except as provided in the immediately succeeding sentence, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other than the District and Landowner any right, remedy or claim under or by reason of this Agreement or any provisions or conditions of this Agreement; and all of the provisions, representations, covenants and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and Landowner and their respective representatives, successors and assigns. Notwithstanding anything herein to the contrary, the Trustee for the Series 2023 Bonds, on behalf of the owners of the Series 2023 Bonds, shall be a direct third-party beneficiary of the terms and conditions of this Agreement and shall be entitled to enforce Landowner's obligations hereunder. The Trustee shall not be deemed to have assumed any obligations hereunder.

SECTION 13. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of sovereign immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

SECTION 14. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted, and controlled according to the laws of the State of Florida. Each Party consents that the exclusive venue for any litigation arising out of or related to this Agreement shall be in a court of appropriate jurisdiction, in and for Polk County, Florida.

SECTION 15. PUBLIC RECORDS. Landowner understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and may require treatment as such in accordance with Florida law.

SECTION 16. EXECUTION IN COUNTERPARTS. This instrument may be executed in any number of counterparts, each of which, when executed and delivered, shall constitute an original, and such counterparts together shall constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

SECTION 17. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

SECTION 18. EFFECTIVE DATE. This Agreement shall become effective after execution by the Parties hereto on the date reflected above.

[Signature pages follow]

IN WITNESS WHEREOF, Landowner and District have caused this Agreement to be executed and delivered on the day and year first written above.

WITNESS:

HIGHLAND SUMNER, LLC, a Florida
limited liability company

By: Heath Construction and Management,
LLC

Its: Manager

Warren K. (Rennie) Heath II, its Manager

[Print Name]

[Print Name]

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence
or ☐ online notarization this ____ day of _____, 2023, by Warren K. (Rennie) Heath II, as
Manager of Heath Construction and Management, LLC, as Manager of Highland Sumner, LLC,
on behalf of the company

(Official Notary Signature)

Name: _____

Personally Known _____

OR Produced Identification _____

Type of Identification _____

[notary seal]

WITNESSES:

**SCENIC TERRACE NORTH
COMMUNITY DEVELOPMENT
DISTRICT**

[Print Name]

Lauren O. Schwenk
Vice Chairperson, Board of Supervisors

[Print Name]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization this ____ day of _____, 2023, by Lauren O. Schwenk, as Chairperson of the Board of Supervisors of Scenic Terrace North Community Development District.

[notary seal]

(Official Notary Signature)
Name: _____
Personally Known _____
OR Produced Identification _____
Type of Identification _____

Exhibit A:
Exhibit B:

Legal Description of the District Lands
*Scenic Terrace North Community Development District Engineer's
Report, dated July 18, 2023*

EXHIBIT A - LEGAL DESCRIPTION OF THE DISTRICT LANDS

A PORTION OF LAND LYING IN SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, THENCE RUN SOUTH 89°43'08" WEST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 FOR A DISTANCE OF 43.74 FEET; THENCE DEPARTING SAID NORTH LINE RUN SOUTH 00°13'50" EAST FOR A DISTANCE OF 22.16 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°33'34" EAST ALONG THE WEST RIGHT OF WAY LINE OF STATE ROAD 17, ALSO KNOWN AS SCENIC HIGHWAY, AS RECORDED IN OFFICIAL RECORDS BOOK 646, PAGE 443, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, FOR A DISTANCE OF 644.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°59'05" EAST ALONG SAID NORTH LINE AND THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 705.84 FEET TO THE NORTH EAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN SOUTH 00°36'22" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 667.03 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTH WEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN NORTH 89°55'13" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 689.39 FEET TO A POINT ON THE AFORESAID WEST RIGHT OF WAY LINE OF STATE ROAD 17 AS SHOWN ON FDOT RIGHT OF WAY MAP SECTION NO. 5029— RD (8), THENCE RUN SOUTH 00°33'34" EAST ALONG SAID WEST RIGHT OF WAY LINE FOR A DISTANCE OF 1318.91 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF HUGHES ROAD, AS RECORDED IN MAP BOOK 9, PAGE 12 THROUGH 30, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID NORTH RIGHT OF WAY LINE: NORTH 89°27'06" WEST, 126.48 FEET; NORTH 88°35'52" WEST, 100.01 FEET; NORTH 88°52'43" WEST, 100.00 FEET; NORTH 89°27'06" WEST, 100.00 FEET; NORTH 89°23'39" WEST, 100.00 FEET; NORTH 89°37'24" WEST, 100.00 FEET; NORTH 00°39'47" EAST, 3.50 FEET; SOUTH 89°58'32" WEST, 200.01 FEET; SOUTH 89°31'02" WEST, 100.02 FEET; NORTH 89°20'13" WEST, 100.00 FEET; NORTH 89°54'36" WEST, 200.01 FEET; SOUTH 00°39'47" WEST, 5.00 FEET; THENCE RUN NORTH 89°20'13" WEST FOR A DISTANCE OF 29.89 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF PALMERROY ROAD, AS RECORDED IN MAP BOOK 8, PAGE 99 THROUGH 100, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID EAST RIGHT OF WAY LINE: NORTH 23°51'25" WEST, 44.92 FEET; NORTH 05°21'16" WEST, 49.28 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET, NORTH 00°29'16" WEST FOR A DISTANCE OF 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; NORTH 01°38'01" WEST, 200.04 FEET; NORTH 00°39'29" EAST, 100.02 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; THENCE RUN NORTH 00°29'16" WEST, 20.16 FEET TO A POINT ON THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°57'35" WEST ALONG SAID SOUTH LINE AND THE SOUTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 1029.22 FEET TO THE SOUTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°32'44" WEST ALONG THE WEST LINE OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 661.46 FEET TO THE NORTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°50'22" EAST ALONG THE NORTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 333.31 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°33'19" WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 662.16 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°43'08" EAST ALONG THE NORTH LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A

DISTANCE OF 666.38 FEET TO THE NORTHEAST CORNER OF THE SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 00°34'31" EAST ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 31.81 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF FLOYD ROAD, AS RECORDED IN MAP BOOK 8, PAGE 106, AFORESAID PUBLIC RECORDS; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID SOUTH RIGHT OF WAY LINE: NORTH 86°38'31" EAST, 37.56 FEET; NORTH 86°38'21" EAST, 16.64 FEET; NORTH 87°32'49" EAST, 100.02 FEET; NORTH 89°15'56" EAST, 300.01 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 89°50'19" EAST, 100.02 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 88°07'11" EAST, 100.00 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; NORTH 89°50'19" EAST, 100.02 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; SOUTH 89°01'00" EAST, 100.08 FEET; THENCE RUN SOUTH 89°01'55" EAST A DISTANCE OF 34.67 FEET TO THE POINT OF BEGINNING.

CONTAINING 113.29 ACRES, MORE OR LESS.

LESS OUT:

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, LYING EAST OF SCENIC HIGHWAY (STATE ROAD 17) ACCORDING TO THE STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT OF WAY MAP, PROJ. 5209-RD. (8), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, RUN THENCE ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4, S.00°36'53"E., A DISTANCE OF 1332.66 FEET TO THE SOUTH BOUNDARY OF AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, S.89°55'02"E., A DISTANCE OF 36.65 FEET TO THE EASTERLY RIGHT OF WAY OF SAID SCENIC HIGHWAY (STATE ROAD 17) FOR A POINT OF BEGINNING; THENCE ALONG SAID EASTERLY RIGHT OF WAY, N.00°36'33"W., A DISTANCE OF 666.37 FEET TO THE NORTH BOUNDARY OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID NORTH BOUNDARY, S.89°58'33"E., A DISTANCE OF 624.63 FEET TO THE EASTERLY BOUNDARY THEREOF; THENCE ALONG SAID EASTERLY BOUNDARY, S.00°36'20"E., A DISTANCE OF 667.01 FEET TO AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, N.89°55'02"W., A DISTANCE OF 624.59 FEET TO THE POINT OF BEGINNING.

ALTOGETHER CONTAINING 103.731 ACRES, MORE OR LESS.

EXHIBIT B – ENGINEER’S REPORT

REFERENCE NO. 50144568

SCENIC TERRACE NORTH
COMMUNITY DEVELOPMENT
DISTRICT

Engineer's Report

JULY 18, 2023



ORIGINAL

SUBMITTED BY
Dewberry Engineers Inc.
800 N. Magnolia Avenue
Suite 1000
Orlando, Florida 32803
321.354.9656

SUBMITTED TO
Scenic Terrace North CDD
Attention: Jill Burns, District Manager
219 E. Livingston Street
Orlando, Florida 32801
407.841.5524

Engineer's Report

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1. Introduction

The Scenic Terrace North Community Development District (the "District" or "CDD") is located on the west side of SR 17 – Scenic Highway within the city limits of Haines City ("City"), Polk County, Florida. The CDD was established under the City Ordinance No.21-1741, which was approved by the City Commission on August 19, 2021. Under this ordinance, the District contained approximately 113.29 acres and was expected to consist of 330 residential lots of various sizes for single-family lots with recreation/amenity areas, parks, and associated infrastructure for the development. The City approved Ordinance No. 23-2042 on June 1, 2023, to amend the District's boundary, which reduced the acreage from 113.29 acres to 103.731 acres. The acreage being removed was originally designated to be a school development; therefore, the overall lot count of the District is unchanged and remains at 330 lots.

The District will own and operate the public roadways, utilizes systems, and stormwater management facilities, as well as the landscape, irrigation, signage, and recreational facilities within the development.

The Master Developer ("Developer") Highland Sumner, LLC is based in Winter Haven, Florida. The development is approved as a residential Planned Development (PD). A land use summary is presented in Table 1.

Public improvements and facilities financed, acquired, and/or constructed by the District will be designed and constructed to conform to regulatory criteria from the city, county, Southwest Florida Water Management District (SWFWMD), and other applicable agencies with regulatory jurisdiction over the development, an overall estimate of the probable cost of the public improvements are provided in Exhibit 7 of this report.

The Capital Improvement Plan (CIP) or this Engineer's Report reflects the present intentions of the District and the landowners. It should be noted that the location of the proposed facilities and improvements may be adjusted during the final design, permitting, and implementation phases. It should also be noted that these modifications are not expected to diminish the benefits to the property within the District. The District reserves the right to make reasonable adjustments to the development plan to meet applicable regulatory requirements of agencies with jurisdiction over the development while maintaining a comparable level of benefits to the lands served by the improvements. Changes and modifications are expected as changes in regulatory criteria are implemented.

Table 2.1 Land Uses

LAND USES	
LAND USE	AREA
Master Stormwater System	16.73 acres
Residential Land (Single-Family and Townhomes Lots)	45.671 acres
Roadways Infrastructure & Public Facilities	12.93 acres
Open Space/Conservation Areas/Parks	28.40 acres
TOTAL	103.731 acres

Table 2.2 Lot Types

Lot Types	
LAND USE	AREA
42-ft Lots	41
52-ft Lots	289
TOTAL	330

Implementation of any proposed facilities or improvements outlined in this report requires written approval from the District's Board of Supervisors. Estimated costs outlined in this report are based on the best available information, which includes, but is not limited to, previous experience with similar projects. Actual costs could be different than estimates because final engineering and specific field conditions may affect construction costs.

All roadway improvements including sidewalks in the right-of-way and storm drainage collection systems (from the curb inlets to their connection to the stormwater ponds) within the development will be maintained by the District. Water distribution and wastewater collection systems (gravity lines, force mains, and lift stations) will be dedicated to the City for ownership and maintenance upon completion.

2. Purpose and Scope

The purpose of this report is to provide engineering support for the funding of the proposed improvements within the District. This report will identify the proposed public infrastructure to be constructed or acquired by the District along with an Opinion of Probable Construction Costs. The District will finance, construct, acquire, operate, and maintain all or specific portions of the proposed public infrastructure.

The predominant portion of this report provides descriptions of the proposed public infrastructure improvements, determination of estimated probable construction costs, and the corresponding benefits associated with the implementation of the described improvements. Detailed site construction plans and specifications have not yet been completed and permitted for the improvements described herein. The engineer has considered and in specific instances has relied upon, the information and documentation prepared or supplied by others to prepare this Engineer's Report.

3. General Site Description

The development will consist of a total of 330 residential units and associated infrastructure. The development is a planned residential community consisting of 113.29 acres located west side of SR 17 – Scenic Highway from the northern boundary adjacent to Floyd Road and extending south to Hughes Road. The District is located within the incorporated area of Haines City in Polk County. The land uses and zoning for the development are LDR – RPUD, Residential Low, and Planned Unit Development. The development will be constructed in two phases.

4. Capital Improvements

The CIP consists of public infrastructure in the development. The primary portions of the CIP will provide for stormwater pond construction, roadways built to an urban roadway typical section, water, and sewer facilities including a lift station, and off-site improvements (including turn lanes and extension of water and sewer mains to serve the development). Assets will be purchased by the District at the lesser of fair market price or actual cost.

There will also be stormwater structures and conveyance culverts within the CIP, which will outfall into the various on-site stormwater ponds. These structures and pond areas comprise the overall stormwater facilities of the CIP. Installation of the water distribution and wastewater collection system will also occur at this time as well as the lift station serving the project. Below-ground installation of telecommunications and cable television will occur but will not be funded by the District. The incremental cost of undergrounding of power within the public rights-of-way or easements will be funded by the District.

As a part of the recreational component of the CIP, there are conservation areas that can serve as passive parks within the development that are available to the public for utilization of the facilities. The recreational areas will have connectivity via sidewalks to the other portions of the District. The recreational areas will be open to the public and be accessible by public roadways and sidewalks.

5. Capital Improvement Plan Components

The CIP for the District includes the following:

5.1 Stormwater Management Facilities

Stormwater management facilities consisting of storm conveyance systems and retention/detention ponds are contained within the District boundaries. Stormwater will be discharged via roadway curb and gutter and storm inlets. Storm culverts convey the runoff into the proposed retention ponds for water quality treatment and attenuation. The proposed stormwater systems will utilize dry retention and wet retention for biological pollutant assimilation to achieve water quality treatment. The design criteria for the District's stormwater treatment systems are regulated by the city, the county, and SWFWMD. There are various conservation areas throughout the District and will be preserved in the existing condition and these will accept stormwater discharges from our ponds as shown in Exhibit 6.

Federal Emergency Management Agency Flood Insurance Rate Map (FEMA FIRM) Panel No. 12105C0380G, dated December 22, 2016, demonstrates that the property is located within Flood Zones AE and X. Based on this information and the site topography, it appears that 100-year compensation will be done in areas where we will impact existing depressions throughout the development and the 100-year flood volumes will be compensated as it is required the county and FEMA.

During the construction of stormwater management facilities, utilities, and roadway improvements the contractor will be required to adhere to a Stormwater Pollution Prevention Plan (SWPPP) as required by the Florida Department of Environmental Protection (FDEP) as delegated by the Environmental Protection Agency (EPA). The SWPPP will be prepared to depict the proposed recommended locations of required erosion control measures and staked turbidity barriers specifically along the downgradient side of any proposed construction activity. The site contractor will be required to provide the necessary reporting as required by the National Pollutant Discharge Elimination System (NPDES) General Permit with erosion control, its maintenance, and any rainfall events that occur during construction activity.

5.2 Public Roadways

The proposed public roadway sections include a 24-foot roadway consisting of asphalt and with Miami curbs or Type F curb and gutter on both sides along with a 40-foot right-of-way. The proposed roadway section will consist of stabilized subgrade, a lime rock, crushed concrete, or cement-treated base, and asphalt type roadway wearing surface. The proposed curb is to be 2-feet wide and placed along the edge of the proposed roadway section for purposes of protecting the integrity of the pavement and to provide stormwater runoff conveyance to the proposed stormwater inlets.

The proposed roadways will also require signing and pavement markings within the public rights-of-way, as well as street signs depicting street name identifications and addressing, which will be utilized by the residents and public. As stated above, the District's funding of roadway construction will occur for all public roadways.

5.3 Water and Wastewater Facilities

A potable drinking water system inclusive of a water main, gate valves, fire hydrants, and appurtenances will be installed for the District. The water service provider will be the City of Haines City Public Utilities. The water system will be designed to provide an equally distributed system that provides redundancy to the system. These facilities will be installed within the proposed public rights-of-way and will provide potable drinking water (domestic) and fire protection services to serve the entire District.

A domestic wastewater collection system inclusive of gravity sanitary sewer mains and sewer laterals will be installed. The gravity sanitary sewer mains will be a minimum of eight (8)-inch diameter PVC pipe systems. The gravity sanitary sewer lines will be placed inside of the proposed public rights-of-way, under the proposed paved roadways. Sewer laterals will branch off from these sewer lines to serve the development. Lift stations are anticipated for this CIP. Flow from the lift station shall be connected to a

proposed force main that will pump to an existing force main that will connect to the city wastewater treatment facility.

The City's public utilities will provide the reclaimed water to be used for all irrigation within the CDD. The reclaimed water will be funded by the District and installed onsite within the roadways to provide for irrigation within the public right-of-way or any areas needing irrigation. Any water, sewer, or reclaim water pipes or facilities placed on private property will not be publicly funded.

5.4 Off-Site Improvements

The District will provide funding for the anticipated turn lanes at the development entrances. The site construction activities associated with the CIP are anticipated to be completed in the next two (2) to three (3) years. Upon completion of each phase, the improvements required inspections will be completed and final certifications of completions will be obtained from SWFWMD, Polk County Health Department (water distribution system), FDEP (wastewater collection), City of Haines City Public Utilities, and Polk County.

5.5 Amenities and Parks

The District will provide funding for an amenity center to include the following: parking areas, pavilion with restroom facilities, pool, all-purpose playfields, and walking trails between the phases and villages to provide connectivity to the various amenity centers within the CDD. In addition, there will be passive parks throughout the development, which will include benches and walking trails. All such amenities and parks will be accessible and open to residents and the public.

5.6 Electric Utilities and Lighting

The electric distribution system thru the District is currently planned to be underground. The District presently intends to fund the incremental cost of undergrounding of the electric conduits, transformer/cabinet pads, and electric manholes required by Duke Energy (Duke). As the electric facilities and equipment will be owned and maintained by Duke after the dedication, no tax-exempt bonds will be used for such facilities and equipment. The CDD will not fund the cost to purchase and install the street lighting along the internal roadways within the CDD with any tax-exempt bonds because these lights will be operated and maintained by Duke after the dedication, with the District funding maintenance services.

5.7 Entry Feature

Landscaping, irrigation, entry features, and buffer walls at the entrances and along the outside boundary of the development will be provided by the District. The irrigation system will use an irrigation well. The well and irrigation water mains to the various phases of the development will be constructed and acquired by the CDD with District funds and operated and maintained by the CDD. Landscaping for the roadways will consist of sod, perennial flowers, shrubs, ground cover, and trees for the internal roadways within the CDD. Perimeter fencing will be provided at the site entrances and perimeters. No entrance gates are included as part of such fencing. These items will be funded, owned, and maintained by the CDD.

5.8 Miscellaneous

The stormwater improvements, landscaping and irrigation, recreational improvements, and certain permits and professional fees as described in this report are being financed by the District to benefit the developable real property within the District. The construction and maintenance of the proposed public improvements will benefit the development for the intended use as a single-family/residential planned development.

5.9 Permitting

Construction permits for all phases are required and include the SWFWMD Environmental Resource Permit, Polk County Health Department, FDEP, and Haines City construction plan approval.

Following is a summary of required permits obtained or pending approval for the construction of the public infrastructure improvements for the District:

Permitting	
PERMITS	APPROVAL/EXPECTED DATE
Zoning Approval	Residential Planned Unit Development (RPUD) – 02/03/2022
Preliminary Plat	06/02/2022
SWFWMD ERP	10/18/2022
Construction Permits	08/23/2022
City of Haines City Public Utilities Water/Sewer	08/23/2022
FDEP Sanitary Sewer General Permit	09/02/2022
FDEP Water Distribution General Permit	10/11/2022
FDEP Notice of Intent	10/10/2022

6. Recommendation

As previously explained within this report, the public infrastructure, as described, is necessary for the development and functional operation as required by the City. The site planning, engineering design, and construction plans for the infrastructure are in accordance with the applicable requirements of the City of Haines City, Polk County, and SWFWMD. It should be noted that the infrastructure will provide its intended use and function so long as the construction and installation are in substantial conformance with the design construction plans and regulatory permits.

Items utilized in the Opinion of Probable Costs for this report are based upon the proposed plan infrastructure as shown on construction drawings incorporating specifications in the most current SWFWMD, Polk County, and the TWA regulations.

7. Report Modification

During the development and implementation of the designed public infrastructure improvements, it may be necessary to make modifications and/or deviations to the plans. However, if such deviations and/or revisions do not change the overall primary objective of the plan for such improvements, then the cost differences would not materially affect the proposed construction cost estimates.

8. Summary and Conclusion

The improvements as outlined are necessary for the functional development of the project. The project is being designed in accordance with current government regulatory requirements. The project will serve its intended function provided the construction is in substantial compliance with the design. Items of construction for the project are based upon current development plans.

9. Engineer's Certification

It is our professional opinion that the public infrastructure costs for the CIP provided in this report are reasonable to complete the construction of the public infrastructure improvements. Furthermore, the public infrastructure improvements will provide a special benefit to the assessable property within the District that is at least equal to the costs for said improvements. The general public, property owners, and property outside the District will benefit from the provisions of the District's CIP; however, these are incidental to the District's CIP, which is designed solely to provide special benefits peculiar to property within the District.

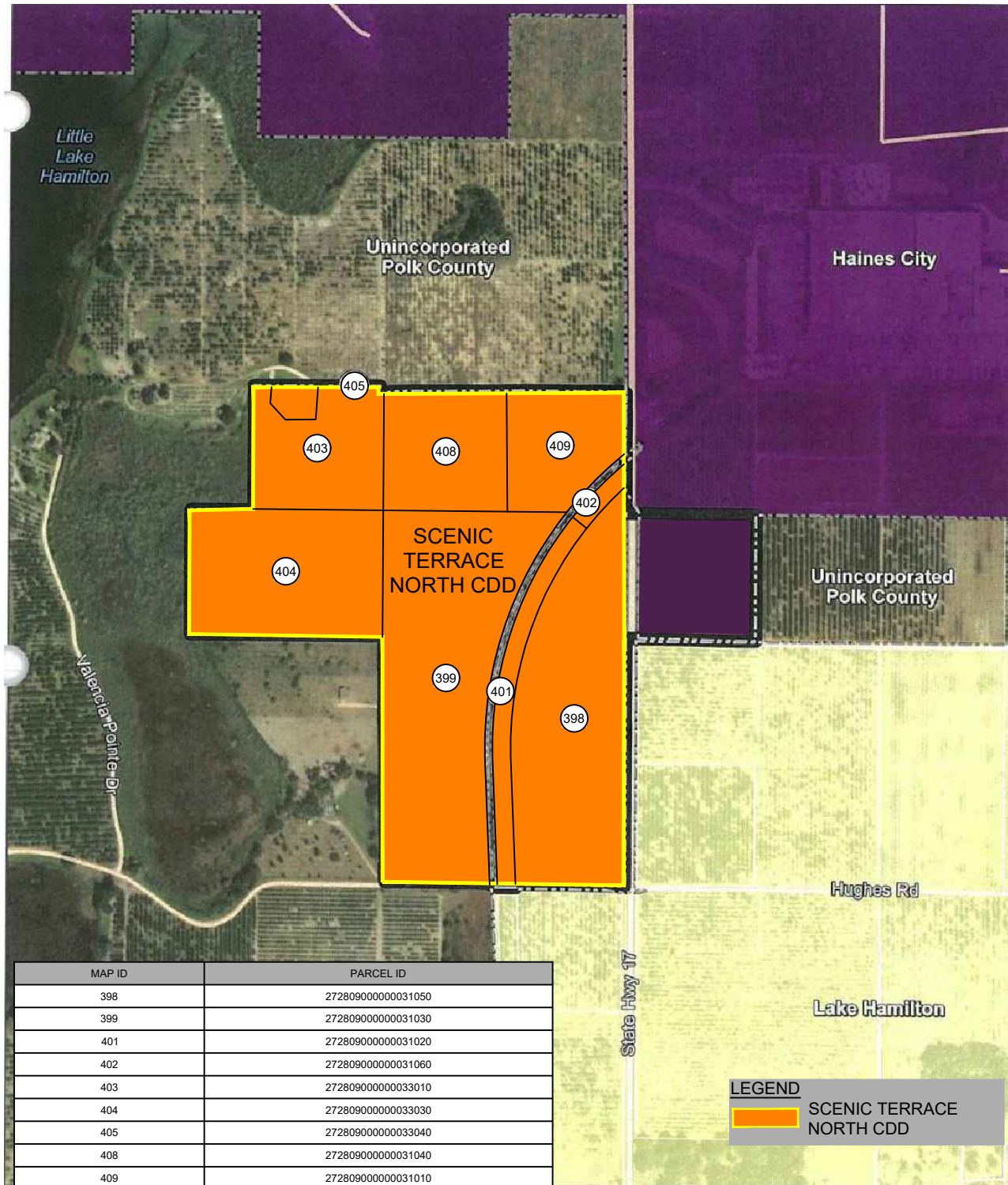
The Opinion of Probable Costs for the public infrastructure improvements is only an estimate and is not a guaranteed maximum price. The estimated costs are based upon current unit prices and on our experience with ongoing and similar projects and basis in the county and city. However, labor market, future costs of equipment; materials, changes to the regulatory permitting agencies' activities, and the actual construction processes employed by the chosen site contractor are beyond the engineer's control. Due to this inherent opportunity for changes (upward or downward) in the construction costs, the total, final construction cost may be more or less than this estimate.

Based upon the presumption that the CIP construction continues in a timely manner, it is our opinion that the costs of the CIP proposed represent a system of improvements benefitting all developable property located within the District, are fair and reasonable, and that the District-funded improvements are assessable improvements within the meaning of Chapter 190, F.S. We have no reason to believe that the CIP improvements cannot be constructed at the cost described in this report. We expect the improvements to be constructed or acquired by the District with bond proceeds, as indicated within this report. We believe that the District will be well served by the improvements discussed in this report.

I hereby certify that the foregoing is a true and correct copy of the engineer's report for the Scenic Terrace North Community Development District.



Reinardo Malavé, P.E.
Florida License No. 31588



SECTS 9, T28S, R27E

EXHIBITS 1 AND 3 - LOCATION AND BOUNDARY MAP SCENIC TERRACE NORTH CDD



DATE: 7/3/2023

LEGAL DESCRIPTION

LEGAL DESCRIPTION:

A PORTION OF LAND LYING IN SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, THENCE RUN SOUTH 89°43'08" WEST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 FOR A DISTANCE OF 43.74 FEET; THENCE DEPARTING SAID NORTH LINE RUN SOUTH 00°13'50" EAST FOR A DISTANCE OF 22.16 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°33'34" EAST ALONG THE WEST RIGHT OF WAY LINE OF STATE ROAD 17, ALSO KNOWN AS SCENIC HIGHWAY, AS RECORDED IN OFFICIAL RECORDS BOOK 646, PAGE 443, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, FOR A DISTANCE OF 644.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°59'05" EAST ALONG SAID NORTH LINE AND THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 705.84 FEET TO THE NORTH EAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN SOUTH 00°36'22" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 667.03 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN NORTH 89°55'13" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 689.39 FEET TO A POINT ON THE AFORESAID WEST RIGHT OF WAY LINE OF STATE ROAD 17 AS SHOWN ON FDOT RIGHT OF WAY MAP SECTION NO. 5029-RD (8); THENCE RUN SOUTH 00°33'34" EAST ALONG SAID WEST RIGHT OF WAY LINE FOR A DISTANCE OF 1318.91 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF HUGHES ROAD, AS RECORDED IN MAP BOOK 9, PAGE 12 THROUGH 30, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID NORTH RIGHT OF WAY LINE: NORTH 89°27'06" WEST, 126.48 FEET; NORTH 88°35'32" WEST, 100.01 FEET; NORTH 88°52'43" WEST, 100.00 FEET; NORTH 89°27'06" WEST, 100.00 FEET; NORTH 89°23'39" WEST, 100.00 FEET; NORTH 89°37'24" WEST, 100.00 FEET; NORTH 00°39'47" EAST, 3.50 FEET; SOUTH 89°58'32" WEST, 200.01 FEET; SOUTH 89°31'02" WEST, 100.02 FEET; NORTH 89°20'13" WEST, 100.00 FEET; NORTH 89°54'36" WEST, 200.01 FEET; SOUTH 00°39'47" WEST, 5.00 FEET; THENCE RUN NORTH 89°20'13" WEST FOR A DISTANCE OF 29.89 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF PALMER OY ROAD, AS RECORDED IN MAP BOOK 8, PAGE 99 THROUGH 100, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID EAST RIGHT OF WAY LINE: NORTH 23°51'25" WEST, 44.92 FEET; NORTH 05°21'16" WEST, 49.28 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°29'16" WEST FOR A DISTANCE OF 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; NORTH 01°38'01" WEST, 200.04 FEET; NORTH 00°39'29" EAST, 100.02 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; THENCE RUN NORTH 00°29'16" WEST, 20.16 FEET TO A POINT ON THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°57'35" WEST ALONG SAID SOUTH LINE AND THE SOUTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 1029.22 FEET TO THE SOUTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°32'44" WEST ALONG THE WEST LINE OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 661.46 FEET TO THE NORTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°50'22" EAST ALONG THE NORTH LINE OF

(CONTINUED ON SHEET 2)

SHEET 1 OF 7

SECTS 9, T28S, R27E

EXHIBIT 2 - LEGAL DESCRIPTION SCENIC TERRACE NORTH CDD



DATE: 7/3/2023

LEGAL DESCRIPTION

(CONTINUED FROM SHEET 1)

THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 333.31 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°33'19" WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 662.16 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°43'08" EAST ALONG THE NORTH LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 666.38 FEET TO THE NORTHEAST CORNER OF THE SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 00°34'31" EAST ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 31.81 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF FLOYD ROAD, AS RECORDED IN MAP BOOK 8, PAGE 106, AFORESAID PUBLIC RECORDS; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID SOUTH RIGHT OF WAY LINE: NORTH 86°38'31" EAST, 37.56 FEET; NORTH 86°38'21" EAST, 16.64 FEET; NORTH 87°32'49" EAST, 100.02 FEET; NORTH 89°15'56" EAST, 300.01 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 89°50'19" EAST, 100.02 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 88°07'11" EAST, 100.00 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; NORTH 89°50'19" EAST, 100.02 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; SOUTH 89°01'00" EAST, 100.08 FEET; THENCE RUN SOUTH 89°01'55" EAST A DISTANCE OF 34.67 FEET TO THE POINT OF BEGINNING.

LESS OUT:

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, LYING EAST OF SCENIC HIGHWAY (STATE ROAD 17) ACCORDING TO THE STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT OF WAY MAP, PROJ. 5209-RD.(8), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, RUN THENCE ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4, S.00°36'53"E., A DISTANCE OF 1332.66 FEET TO THE SOUTH BOUNDARY OF AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, S.89°55'02"E., A DISTANCE OF 36.65 FEET TO THE EASTERLY RIGHT OF WAY OF SAID SCENIC HIGHWAY (STATE ROAD 17) FOR A **POINT OF BEGINNING**; THENCE ALONG SAID EASTERLY RIGHT OF WAY, N.00°36'33"W., A DISTANCE OF 666.37 FEET TO THE NORTH BOUNDARY OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID NORTH BOUNDARY, S.89°58'33"E., A DISTANCE OF 624.63 FEET TO THE EASTERLY BOUNDARY THEREOF; THENCE ALONG SAID EASTERLY BOUNDARY, S.00°36'20"E., A DISTANCE OF 667.01 FEET TO AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, N.89°55'02"W., A DISTANCE OF 624.59 FEET TO THE **POINT OF BEGINNING**.

ALTOGETHER CONTAINING 103.731 ACRES, MORE OR LESS.

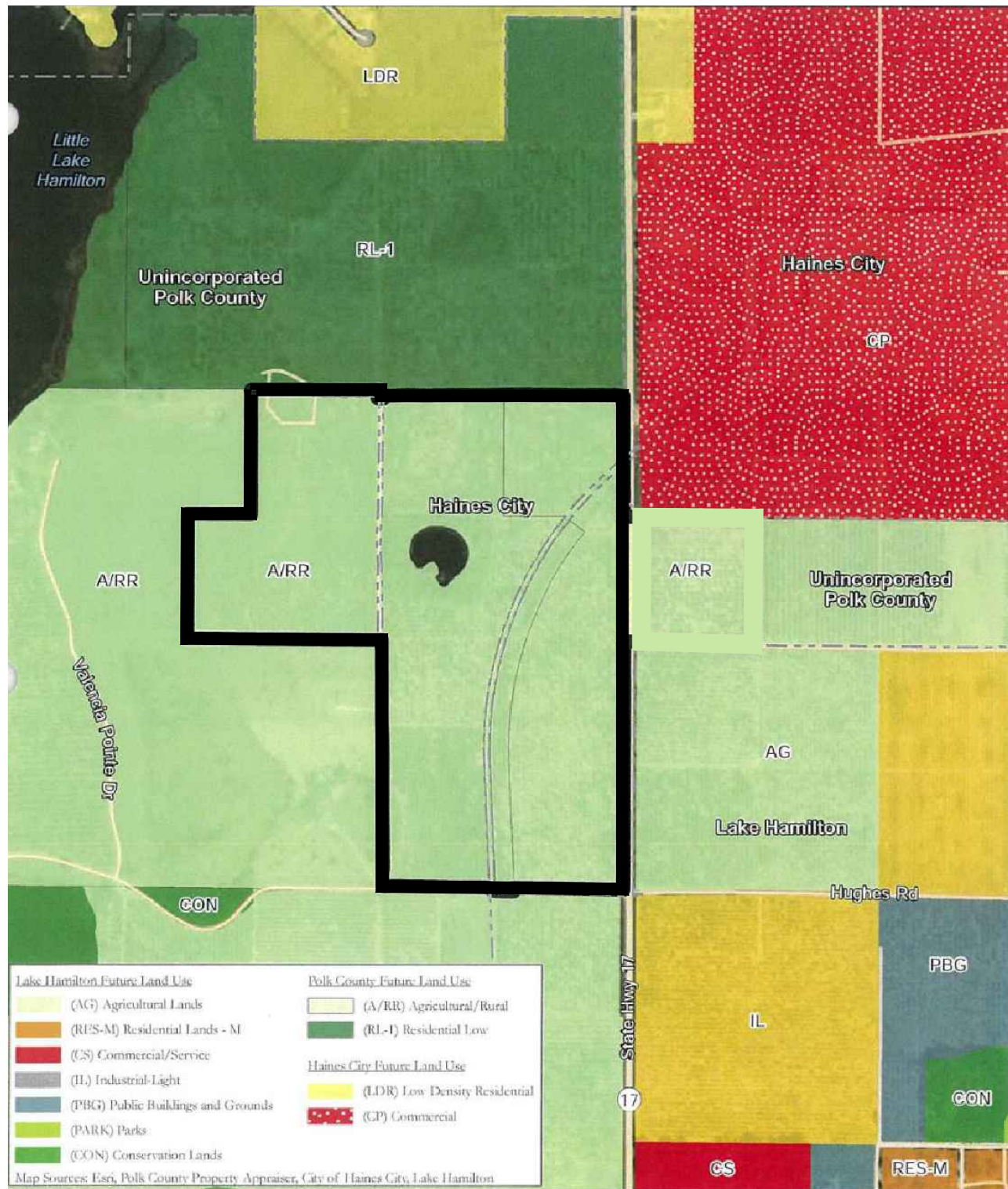
SHEET 2 OF 7

SECTS 9, T28S, R27E

EXHIBIT 2 - LEGAL DESCRIPTION SCENIC TERRACE NORTH CDD



DATE: 7/3/2023

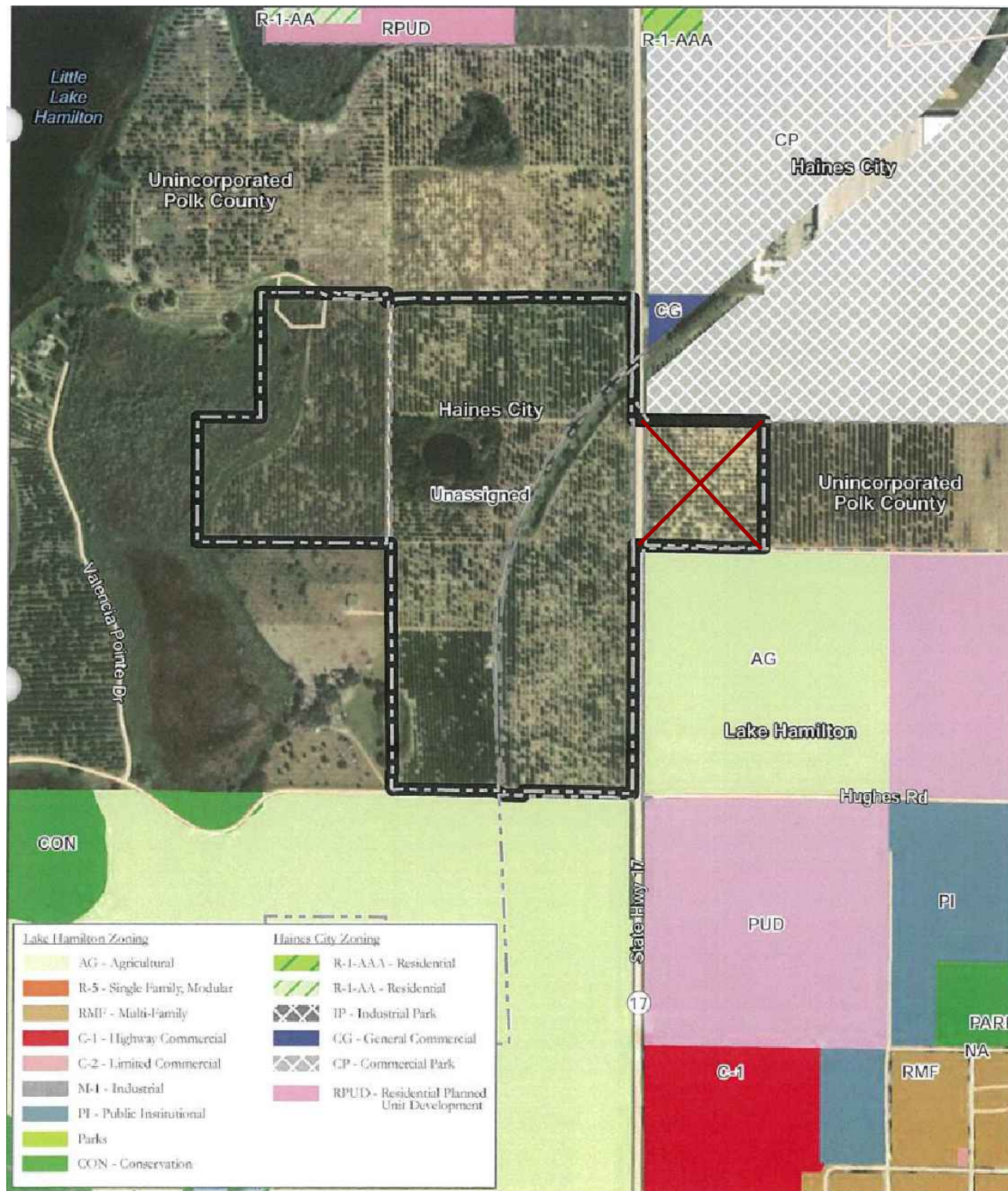


SECTS 9, T28S, R27E

EXHIBIT 7 - FUTURE LAND USE MAP SCENIC TERRACE NORTH CDD



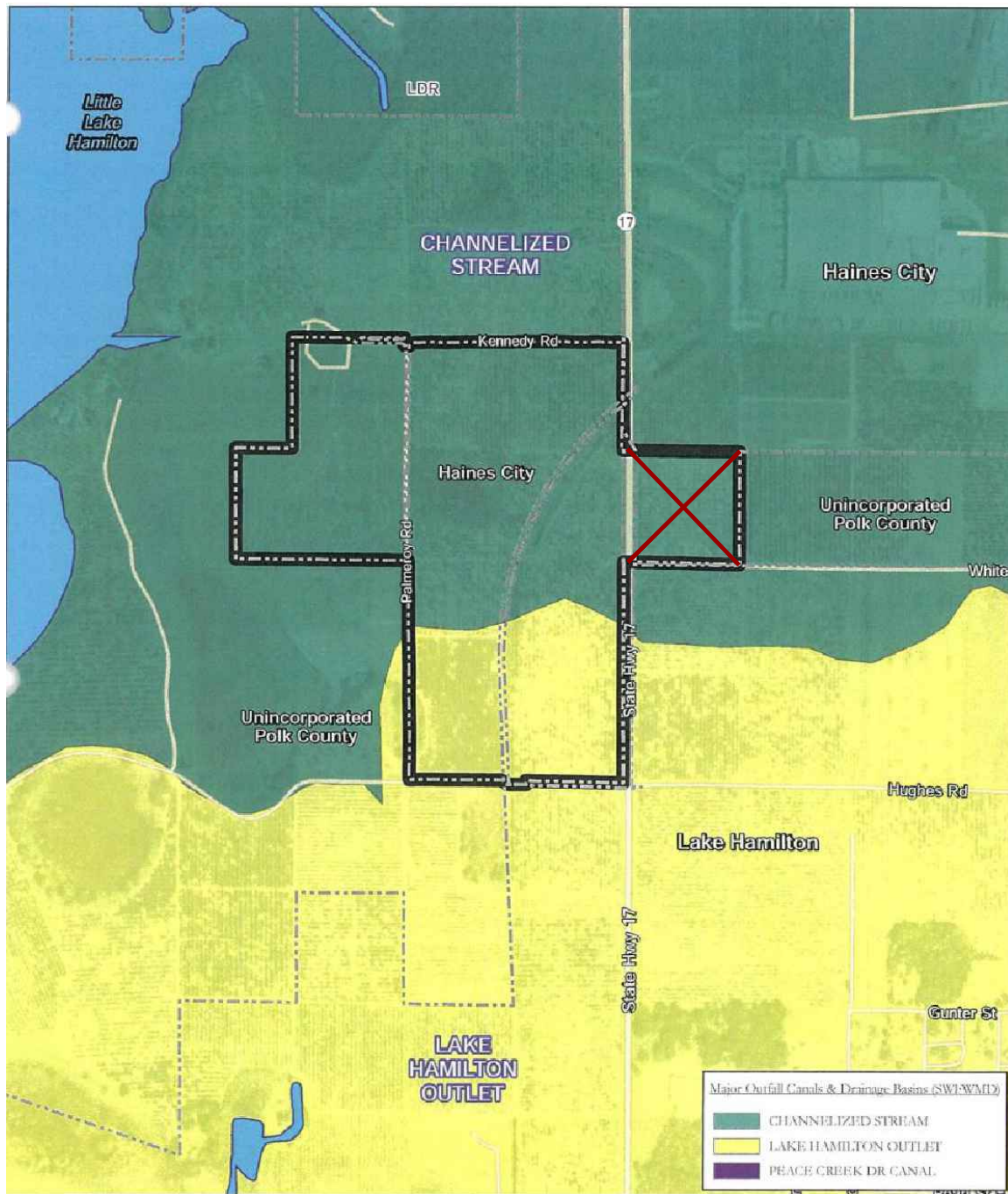
DATE: 7/3/2023



SECTS 9, T28S, R27E

EXHIBIT 5 - ZONING MAP SCENIC TERRACE NORTH CDD





SECTS 9, T28S, R27E

EXHIBIT 6 - DRAINAGE MAP SCENIC TERRACE NORTH CDD

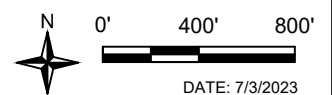


EXHIBIT 7A

Scenic Terrace North

Community Development District

Summary of Proposed District Facilities

District Infrastructure	Construction	Ownership	Capital Financing*	Operation and Maintenance
Stormwater Facilities	District	District	District Bonds	District
Lift Stations/Water/Sewer	District	City of Haines City	District Bonds	City of Haines City
Street Lighting	District	District	District Bonds	District
Onsite Road Construction	District	District	District Bonds	District
Offsite Road Construction	District	Polk County	District Bonds	Polk County
Entry Feature & Signage	District	District	District Bonds	District
Parks and Recreation Facilities	District	District	District Bonds	District

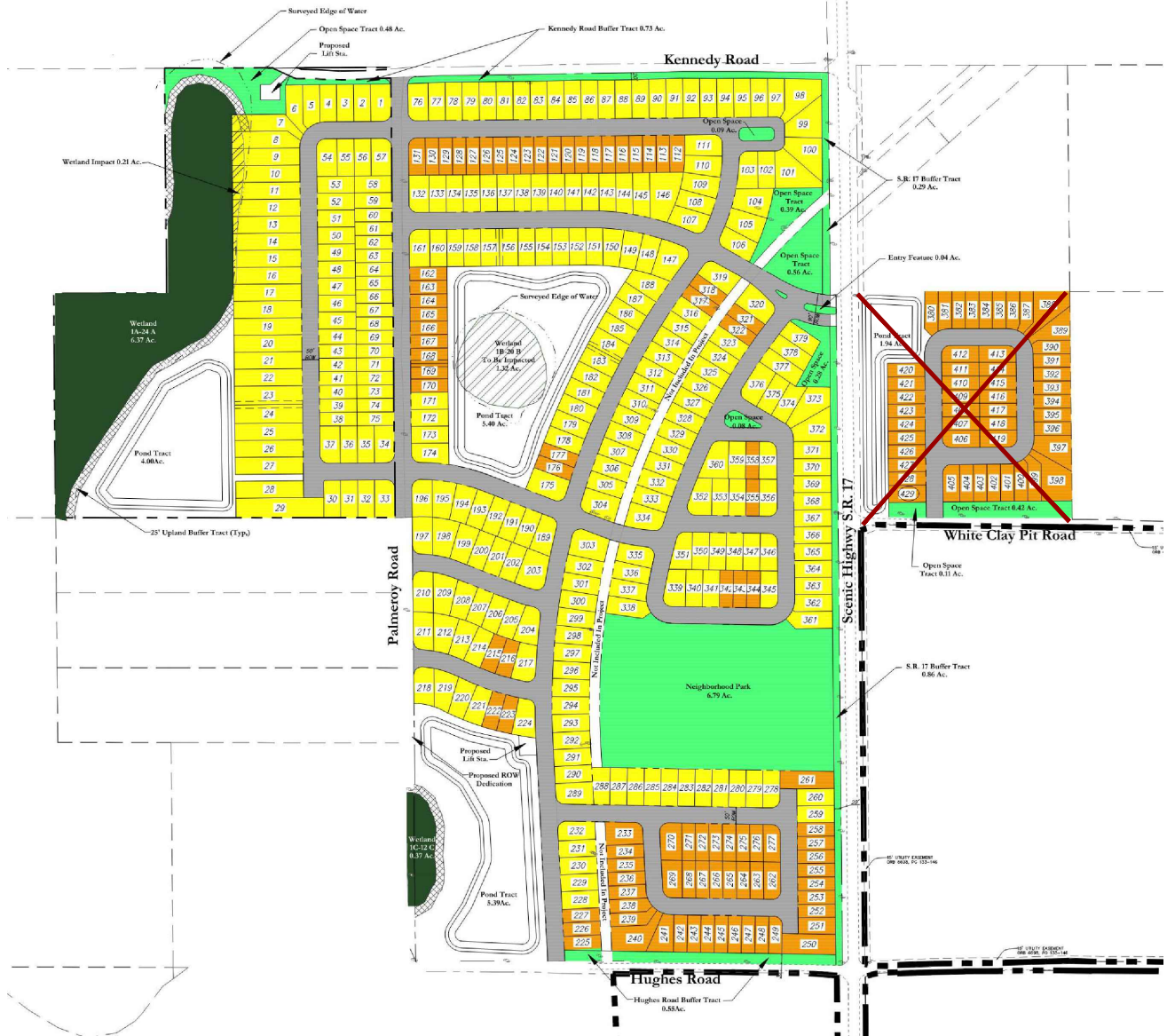
*Costs not funded by bonds will be funded by the developer.

EXHIBIT 7B
Scenic Terrace North Community Development District
Estimate of Probable Capital Improvement Costs^{7,10,11}
DATE: July 2023

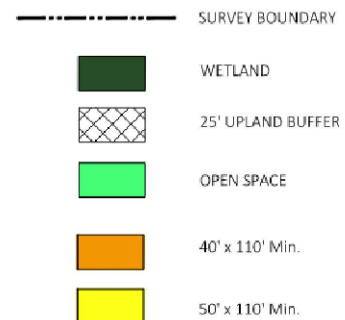
	TOTALS
Infrastructure ¹⁻¹¹	
Number of LOTS	330
Offsite Improvements	\$1,750,000.00
Stormwater Management ^{3,6}	\$2,200,000.00
Mass Grading and Master Stormwater Drainage ^{2,3}	\$3,100,000.00
Roadway - Curb, Paving and Drainage ⁴	\$3,250,000.00
Utilities (Water, Sewer, & Reuse)	\$4,600,000.00
Water	\$1,600,000.00
Reuse	\$900,000.00
Wastewater Systems	\$2,100,000.00
Electrical	\$800,000.00
Electrical Distribution (Incremental cost of undergrounding)	
Landscaping & Entry Feature ⁸	\$1,000,000.00
Parks and Amenities	\$800,000.00
SUBTOTAL CONSTRUCTION	\$17,500,000.00
General Consulting (Engr & Legal) @ 10% ⁵	\$2,000,000.00
Subtotal	\$19,500,000.00
Contingency @ 15%	\$2,625,000.00
Grand Total	\$22,125,000.00

Notes:

1. Infrastructure consists of public roadway improvements, Stormwater management facilities, sanitary sewer lift station and utilities, entry feature, landscaping and signage, and public neighborhood parks, all of which will be located on land owned by or subject to a permanent easement in favor of the District or another government entity.
2. Excludes grading of each lot in conjunction with home construction, which will be provided by home builder.
3. Includes Stormwater pond excavation. Does not include the cost of transportation of fill for use of private lots.
4. Includes sub-grade, base, asphalt paving, curbing, and civil/site engineering.
5. Includes subdivision infrastructure and civil/site engineering.
6. Stormwater does not include grading associated with building pads.
7. Estimates are based on 2023 cost.
8. Includes entry features, signage, hardscape, landscape, irrigation and buffer fencing.
9. CDD will enter into a Lighting Agreement with Duke Energy for the streetlight poles and lighting service. Includes only the incremental cost of undergrounding.
10. Estimates based on 330 lots.
11. The costs associated with the infrastructure are a master cost and is effectively shared by the entire project (All phases).

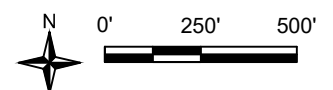


LEGEND



SECTS 9, T28S, R27E

EXHIBIT 8 - SITE PLAN SCENIC TERRACE NORTH CDD



SECTION B

**AGREEMENT BY AND BETWEEN THE SCENIC TERRACE NORTH
COMMUNITY DEVELOPMENT DISTRICT AND
HIGHLAND SUMNER, LLC, REGARDING THE
COMPLETION OF CERTAIN IMPROVEMENTS**

(SERIES 2023 BONDS)

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of ____ 2023, by and between:

SCENIC TERRACE NORTH COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in the City of Haines City, with a mailing address of 219 East Livingston Street, Orlando, Florida 32801 (the “District”), and

HIGHLAND SUMNER, LLC, a Florida limited liability company, the developer and owner of certain lands within the District, with a mailing address of 346 E Central Avenue, Winter Haven, Florida 33880, and its successors and assigns (the “Landowner” and, together with the District, the “Parties”).

RECITALS

WHEREAS, the District was established by an ordinance adopted by the City Commission of the City of Haines City, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the “Act”), and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, constructing, operating and/or maintaining certain infrastructure, including stormwater management facilities, water and sewer utilities, roadways, irrigation, off-site improvements, landscape and hardscape, street lighting, parks and recreation, and other infrastructure within or without the boundaries of the District, as described in that Engineer’s Report, as defined below (the “Improvements”); and

WHEREAS, Landowner is the owner and developer of all lands within the District (the “District Lands”), described in **Exhibit A** attached hereto and incorporated herein by this reference, which will be subject to the proposed issuance of the Series 2023 Bonds, defined herein; and

WHEREAS, the District has adopted an improvement plan to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services as described in the *Scenic Terrace North Community Development District Engineer’s Report*, dated July 18, 2023 (the “Engineer’s Report”), attached to this Agreement as **Exhibit B**, and the estimated costs of the portion of the Improvements, described as the “Series 2023 Project”, are identified therein; and

WHEREAS, the District has imposed debt special assessments on the District Lands within the District (the “Series 2023 Special Assessments”) to secure financing for a portion of the construction of the Series 2023 Project described in **Exhibit B**, and has validated the issuance of up to \$28,000,000 in special assessment bonds to fund the planning, design, permitting, construction and/or acquisition of Improvements including a portion of the Series 2023 Project; and

WHEREAS, the District intends to finance all or a portion of the Series 2023 Project through the anticipated issuance of its Scenic Terrace North Community Development District Special Assessment Bonds, Series 2023, in the principal amount of \$_____ (the “Series 2023 Bonds”); and

WHEREAS, Landowner has requested that the District limit the amount of debt special assessments imposed upon District Lands subject to the Series 2023 Special Assessments by allowing the Landowner to directly fund a portion of the Series 2023 Project; and

WHEREAS, Landowner has agreed to complete or cause funds to be provided to the District to complete the portion of the Series 2023 Project related to the District Lands, as set forth in the Engineer’s Report not funded by proceeds of the Series 2023 Bonds (the “Completion Costs”); and

WHEREAS, in consideration of the District limiting the amount of Series 2023 Special Assessments on District Lands, Landowner has requested that the District enter into this Agreement and to provide the terms and conditions under which the Completion Costs of the Series 2023 Project shall be provided; and

WHEREAS, in order to ensure that Series 2023 Project is completed and funding is available in a timely manner to provide for its completion, Landowner and the District hereby agree that the District will be obligated to issue no more than \$_____ in Series 2023 Bonds to fund the Series 2023 Project and Landowner will complete or will make provision for additional funds that may be needed in the future for the completion of the Series 2023 Project, over and above the amount of the Series 2023 Bonds including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the Parties, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated herein and form a material part of this Agreement.

2. COMPLETION OF IMPROVEMENTS. Landowner and the District agree and acknowledge that the District’s proposed Series 2023 Bonds will provide only a portion of the funds necessary to complete the Series 2023 Project. Therefore, Landowner hereby agrees to

complete the Series 2023 Project or cause such funds to be provided to the District in an amount sufficient to allow the District to complete those portions of the Series 2023 Project which may remain unfunded including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs (collectively, the “Remaining Improvements”), whether pursuant to existing contracts, including change orders thereto, or future contracts.

(a) Subject to Existing Contract. When all or any portion of the Remaining Improvements are subject to an existing District contract, the Landowner shall provide funds directly to the District in an amount sufficient to complete the Remaining Improvements pursuant to such contract, including change orders thereto.

(b) Not Subject to Existing Contract. When any portion of the Remaining Improvements is not the subject of an existing District contract, the Landowner may choose to complete, cause to be completed, or provide funds to the District in an amount sufficient to allow the District to complete or cause to be completed, those Remaining Improvements, subject to a formal determination by the District that the option selected by the Landowner will not materially and adversely impact the District.

Nothing herein shall cause or be construed to require the District to issue additional bonds or indebtedness to provide funds for any portion of the Remaining Improvements. The Parties hereby acknowledge and agree that the District’s execution of this Agreement constitutes the manner and means by which any and all portions of the Remaining Improvements are to be funded and completed. Notwithstanding the foregoing, in the event the Landowner, either jointly or individually, fails to timely provide funds or to complete the Remaining Improvements, the District may exercise its authority to issue additional bonds, notes or similar obligations, and certify for collection additional special assessments in an amount sufficient to complete the Remaining Improvements.

3. OTHER CONDITIONS AND ACKNOWLEDGMENTS.

(a) The District and Landowner agree and acknowledge that the exact location, size, configuration, and composition of the Series 2023 Project may change from that described in the Engineer’s Report depending upon final design of the development, permitting or other regulatory requirements over time, or other factors. Material changes to the Series 2023 Project shall be made by a written amendment to the Engineer’s Report, which shall include an estimate of the cost of the changes. Material changes to the Series 2023 Project shall require the prior written consent of the Trustee acting on behalf and at the direction of the bondholders owning more than 50% of an aggregate principal amount of the applicable Series 2023 Bonds then outstanding.

(b) The District and Landowner acknowledge and agree that the provision of funds under this Agreement or the completion of the Remaining Improvements will be considered a contribution in lieu of the imposition of debt special assessments upon the District Lands benefitted by the Series 2023 Project to the extent set forth in the assessment methodology.

(c) (i) The Landowner agrees that all developable lands within the District Lands,

including Landowner's property, benefit from the timely design, construction, or acquisition of the Series 2023 Project.

(ii) Landowner agrees that the Series 2023 Special Assessments which were imposed on the District Lands within the District, have been validly imposed and constitute valid, legal, and binding liens upon the District Lands, which Series 2023 Special Assessments remain unsatisfied.

(d) Notwithstanding anything to the contrary contained in this Agreement, the payment or performance by Landowner of its obligations hereunder are expressly subject to, dependent and conditioned upon (a) the issuance of \$ _____ par amount of Series 2023 Bonds and use of the proceeds thereof to fund a portion of the Series 2023 Project, and (b) the scope, configuration, size and/or composition of the Series 2023 Project not materially changing without the consent of Landowner. Such consent is not necessary, and Landowner must meet the completion obligations, or cause them to be met, when the scope, configuration, size and/or composition of the Series 2023 Project is materially changed in response to a requirement imposed by a regulatory agency.

4. DEFAULT AND PROTECTION AGAINST THIRD-PARTY INTERFERENCE. A default by any Party under this Agreement shall entitle the others to all remedies available at law or in equity, which may include, but not be limited to, the right of actual damages and/or specific performance, but excluding special, consequential, or punitive damages. Except as expressly otherwise provided in this Agreement, the District shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Except as expressly otherwise provided in this Agreement, nothing contained in this Agreement shall limit or impair the District's right to protect its rights under this Agreement from interference by a third party.

5. ENFORCEMENT OF AGREEMENT. If any Party is required to enforce this Agreement by court proceedings or otherwise, then the Parties agree that the substantially prevailing party shall be entitled to recover from the other(s) all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

6. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by all Parties hereto, but only with the written consent of the Trustee acting at the direction of the bondholders owning more than fifty percent (50%) of an aggregate principal amount of the Series 2023 Bonds then outstanding, with respect to material amendments.

7. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of the District and Landowner, both the District and Landowner have complied with all the requirements of law, and both the District and Landowner have full power and authority to comply with the terms and provisions of this Agreement.

8. NOTICES. All notices, requests, consents and other communications under this Agreement ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the Parties, as follows:

(a) If to the District: Scenic Terrace North
Community Development District
219 East Livingston Street
Orlando, Florida 32801
Attn: District Manager

With a copy to: Kilinski | Van Wyk, PLLC
PO Box 6386
Tallahassee, Florida 32314
Attn: Roy Van Wyk

(b) If to Landowner: Highland Sumner, LLC
346 E Central Avenue
Winter Haven, Florida 33880
Attn: Warren K. (Rennie) Heath, LLC

With a copy to: Straughn & Turner, P.A.
255 Magnolia Avenue.
Winter Haven, FL 33880
Attn: Richard Straughn

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for each Party may deliver Notice on behalf of such Party. Any Party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days' written notice to the parties and addressees set forth herein.

9. ARM'S LENGTH TRANSACTION. This Agreement has been negotiated fully between the District and Landowner as an arm's length transaction. Both Parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the Parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either Party.

10. THIRD PARTY BENEFICIARIES. Except as otherwise provided in this Section 10 with respect to Trustee, this Agreement is solely for the benefit of the Parties and no right or

cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Except as otherwise provided in this Section 10 with respect to Trustee, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other than the Parties hereto any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and Landowner and the respective representatives, successors, and assigns of each. Notwithstanding anything herein to the contrary, the Trustee for the Series 2023 Bonds, shall be a direct third-party beneficiary of the terms and conditions of this Agreement and shall be entitled to enforce the obligations of Landowner hereunder. The Trustee shall not be deemed to have assumed any obligations hereunder.

11. ASSIGNMENT. No Party hereto may assign this Agreement or any monies to become due hereunder without the prior written approval of the other Parties and the Trustee acting on behalf and at the direction of the bondholders owning more than 50% of an aggregate principal amount of the applicable Series 2023 Bonds then outstanding.

12. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted, and controlled according to the laws of the State of Florida. Each party consents that the exclusive venue for any litigation arising out of or related to this Agreement shall be in a court of appropriate jurisdiction, in and for Polk County, Florida.

13. EFFECTIVE DATE. This Agreement shall be effective upon execution by all Parties hereto.

14. PUBLIC RECORDS. Landowner understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and treated as such in accordance with Florida law.

15. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

16. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of sovereign immunity, or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

17. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

18. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties execute this Agreement on the day and year first written above.

ATTEST:

**SCENIC TERRACE NORTH
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

Warren K. (Rennie) Heath II
Chairperson, Board of Supervisors

WITNESS:

HIGHLAND SUMNER, LLC, a Florida
limited liability company

By: Heath Construction and Management,
LLC
Its: Manager

[Print Name]

Warren K. (Rennie) Heath II, its Manager

Exhibit A: Legal Description of District Lands
Exhibit B: *Scenic Terrace North Community Development District Engineer's Report*,
dated July 18, 2023

EXHIBIT A - LEGAL DESCRIPTION OF DISTRICT LANDS

A PORTION OF LAND LYING IN SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, THENCE RUN SOUTH 89°43'08" WEST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 FOR A DISTANCE OF 43.74 FEET; THENCE DEPARTING SAID NORTH LINE RUN SOUTH 00°13'50" EAST FOR A DISTANCE OF 22.16 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°33'34" EAST ALONG THE WEST RIGHT OF WAY LINE OF STATE ROAD 17, ALSO KNOWN AS SCENIC HIGHWAY, AS RECORDED IN OFFICIAL RECORDS BOOK 646, PAGE 443, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, FOR A DISTANCE OF 644.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°59'05" EAST ALONG SAID NORTH LINE AND THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 705.84 FEET TO THE NORTH EAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN SOUTH 00°36'22" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 667.03 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTH WEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN NORTH 89°55'13" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 689.39 FEET TO A POINT ON THE AFORESAID WEST RIGHT OF WAY LINE OF STATE ROAD 17 AS SHOWN ON FDOT RIGHT OF WAY MAP SECTION NO. 5029— RD (8), THENCE RUN SOUTH 00°33'34" EAST ALONG SAID WEST RIGHT OF WAY LINE FOR A DISTANCE OF 1318.91 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF HUGHES ROAD, AS RECORDED IN MAP BOOK 9, PAGE 12 THROUGH 30, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID NORTH RIGHT OF WAY LINE: NORTH 89°27'06" WEST, 126.48 FEET; NORTH 88°35'52" WEST, 100.01 FEET; NORTH 88°52'43" WEST, 100.00 FEET; NORTH 89°27'06" WEST, 100.00 FEET; NORTH 89°23'39" WEST, 100.00 FEET; NORTH 89°37'24" WEST, 100.00 FEET; NORTH 00°39'47" EAST, 3.50 FEET; SOUTH 89°58'32" WEST, 200.01 FEET; SOUTH 89°31'02" WEST, 100.02 FEET; NORTH 89°20'13" WEST, 100.00 FEET; NORTH 89°54'36" WEST, 200.01 FEET; SOUTH 00°39'47" WEST, 5.00 FEET; THENCE RUN NORTH 89°20'13" WEST FOR A DISTANCE OF 29.89 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF PALMERROY ROAD, AS RECORDED IN MAP BOOK 8, PAGE 99 THROUGH 100, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID EAST RIGHT OF WAY LINE: NORTH 23°51'25" WEST, 44.92 FEET; NORTH 05°21'16" WEST, 49.28 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET, NORTH 00°29'16" WEST FOR A DISTANCE OF 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; NORTH 01°38'01" WEST, 200.04 FEET; NORTH 00°39'29" EAST, 100.02 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; THENCE RUN NORTH 00°29'16" WEST, 20.16 FEET TO A POINT ON THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°57'35" WEST ALONG SAID SOUTH LINE AND THE SOUTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 1029.22 FEET TO THE SOUTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°32'44" WEST ALONG THE WEST LINE OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 661.46 FEET TO THE NORTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°50'22" EAST ALONG THE NORTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 333.31 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°33'19" WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 662.16 FEET TO THE NORTHWEST CORNER OF THE

NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°43'08" EAST ALONG THE NORTH LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 666.38 FEET TO THE NORTHEAST CORNER OF THE SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 00°34'31 " EAST ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 31.81 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF FLOYD ROAD, AS RECORDED IN MAP BOOK 8, PAGE 106, AFORESAID PUBLIC RECORDS; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID SOUTH RIGHT OF WAY LINE: NORTH 86°38'31" EAST, 37.56 FEET; NORTH 86°38'21" EAST, 16.64 FEET; NORTH 87°32'49" EAST, 100.02 FEET; NORTH 89°15'56" EAST, 300.01 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 89°50'19" EAST, 100.02 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 88°07'11" EAST, 100.00 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; NORTH 89°50'19" EAST, 100.02 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; SOUTH 89°01'00" EAST, 100.08 FEET; THENCE RUN SOUTH 89°01'55" EAST A DISTANCE OF 34.67 FEET TO THE POINT OF BEGINNING.

CONTAINING 113.29 ACRES, MORE OR LESS.

LESS OUT:

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, LYING EAST OF SCENIC HIGHWAY (STATE ROAD 17) ACCORDING TO THE STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT OF WAY MAP, PROJ. 5209-RD. (8), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, RUN THENCE ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4, S.00°36'53"E., A DISTANCE OF 1332.66 FEET TO THE SOUTH BOUNDARY OF AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, S.89°55'02"E., A DISTANCE OF 36.65 FEET TO THE EASTERLY RIGHT OF WAY OF SAID SCENIC HIGHWAY (STATE ROAD 17) FOR A POINT OF BEGINNING; THENCE ALONG SAID EASTERLY RIGHT OF WAY, N.00°36'33"W., A DISTANCE OF 666.37 FEET TO THE NORTH BOUNDARY OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID NORTH BOUNDARY, S.89°58'33"E., A DISTANCE OF 624.63 FEET TO THE EASTERLY BOUNDARY THEREOF; THENCE ALONG SAID EASTERLY BOUNDARY, S.00°36'20"E., A DISTANCE OF 667.01 FEET TO AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, N.89°55'02"W., A DISTANCE OF 624.59 FEET TO THE POINT OF BEGINNING.

ALTOGETHER CONTAINING 103.731 ACRES, MORE OR LESS.

EXHIBIT B – ENGINEER’S REPORT

REFERENCE NO. 50144568

SCENIC TERRACE NORTH
COMMUNITY DEVELOPMENT
DISTRICT

Engineer's Report

JULY 18, 2023



ORIGINAL

SUBMITTED BY
Dewberry Engineers Inc.
800 N. Magnolia Avenue
Suite 1000
Orlando, Florida 32803
321.354.9656

SUBMITTED TO
Scenic Terrace North CDD
Attention: Jill Burns, District Manager
219 E. Livingston Street
Orlando, Florida 32801
407.841.5524

Engineer's Report

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1. Introduction

The Scenic Terrace North Community Development District (the "District" or "CDD") is located on the west side of SR 17 – Scenic Highway within the city limits of Haines City ("City"), Polk County, Florida. The CDD was established under the City Ordinance No.21-1741, which was approved by the City Commission on August 19, 2021. Under this ordinance, the District contained approximately 113.29 acres and was expected to consist of 330 residential lots of various sizes for single-family lots with recreation/amenity areas, parks, and associated infrastructure for the development. The City approved Ordinance No. 23-2042 on June 1, 2023, to amend the District's boundary, which reduced the acreage from 113.29 acres to 103.731 acres. The acreage being removed was originally designated to be a school development; therefore, the overall lot count of the District is unchanged and remains at 330 lots.

The District will own and operate the public roadways, utilizes systems, and stormwater management facilities, as well as the landscape, irrigation, signage, and recreational facilities within the development.

The Master Developer ("Developer") Highland Sumner, LLC is based in Winter Haven, Florida. The development is approved as a residential Planned Development (PD). A land use summary is presented in Table 1.

Public improvements and facilities financed, acquired, and/or constructed by the District will be designed and constructed to conform to regulatory criteria from the city, county, Southwest Florida Water Management District (SWFWMD), and other applicable agencies with regulatory jurisdiction over the development, an overall estimate of the probable cost of the public improvements are provided in Exhibit 7 of this report.

The Capital Improvement Plan (CIP) or this Engineer's Report reflects the present intentions of the District and the landowners. It should be noted that the location of the proposed facilities and improvements may be adjusted during the final design, permitting, and implementation phases. It should also be noted that these modifications are not expected to diminish the benefits to the property within the District. The District reserves the right to make reasonable adjustments to the development plan to meet applicable regulatory requirements of agencies with jurisdiction over the development while maintaining a comparable level of benefits to the lands served by the improvements. Changes and modifications are expected as changes in regulatory criteria are implemented.

Table 2.1 Land Uses

LAND USES	
LAND USE	AREA
Master Stormwater System	16.73 acres
Residential Land (Single-Family and Townhomes Lots)	45.671 acres
Roadways Infrastructure & Public Facilities	12.93 acres
Open Space/Conservation Areas/Parks	28.40 acres
TOTAL	103.731 acres

Table 2.2 Lot Types

Lot Types	
LAND USE	AREA
42-ft Lots	41
52-ft Lots	289
TOTAL	330

Implementation of any proposed facilities or improvements outlined in this report requires written approval from the District's Board of Supervisors. Estimated costs outlined in this report are based on the best available information, which includes, but is not limited to, previous experience with similar projects. Actual costs could be different than estimates because final engineering and specific field conditions may affect construction costs.

All roadway improvements including sidewalks in the right-of-way and storm drainage collection systems (from the curb inlets to their connection to the stormwater ponds) within the development will be maintained by the District. Water distribution and wastewater collection systems (gravity lines, force mains, and lift stations) will be dedicated to the City for ownership and maintenance upon completion.

2. Purpose and Scope

The purpose of this report is to provide engineering support for the funding of the proposed improvements within the District. This report will identify the proposed public infrastructure to be constructed or acquired by the District along with an Opinion of Probable Construction Costs. The District will finance, construct, acquire, operate, and maintain all or specific portions of the proposed public infrastructure.

The predominant portion of this report provides descriptions of the proposed public infrastructure improvements, determination of estimated probable construction costs, and the corresponding benefits associated with the implementation of the described improvements. Detailed site construction plans and specifications have not yet been completed and permitted for the improvements described herein. The engineer has considered and in specific instances has relied upon, the information and documentation prepared or supplied by others to prepare this Engineer's Report.

3. General Site Description

The development will consist of a total of 330 residential units and associated infrastructure. The development is a planned residential community consisting of 113.29 acres located west side of SR 17 – Scenic Highway from the northern boundary adjacent to Floyd Road and extending south to Hughes Road. The District is located within the incorporated area of Haines City in Polk County. The land uses and zoning for the development are LDR – RPUD, Residential Low, and Planned Unit Development. The development will be constructed in two phases.

4. Capital Improvements

The CIP consists of public infrastructure in the development. The primary portions of the CIP will provide for stormwater pond construction, roadways built to an urban roadway typical section, water, and sewer facilities including a lift station, and off-site improvements (including turn lanes and extension of water and sewer mains to serve the development). Assets will be purchased by the District at the lesser of fair market price or actual cost.

There will also be stormwater structures and conveyance culverts within the CIP, which will outfall into the various on-site stormwater ponds. These structures and pond areas comprise the overall stormwater facilities of the CIP. Installation of the water distribution and wastewater collection system will also occur at this time as well as the lift station serving the project. Below-ground installation of telecommunications and cable television will occur but will not be funded by the District. The incremental cost of undergrounding of power within the public rights-of-way or easements will be funded by the District.

As a part of the recreational component of the CIP, there are conservation areas that can serve as passive parks within the development that are available to the public for utilization of the facilities. The recreational areas will have connectivity via sidewalks to the other portions of the District. The recreational areas will be open to the public and be accessible by public roadways and sidewalks.

5. Capital Improvement Plan Components

The CIP for the District includes the following:

5.1 Stormwater Management Facilities

Stormwater management facilities consisting of storm conveyance systems and retention/detention ponds are contained within the District boundaries. Stormwater will be discharged via roadway curb and gutter and storm inlets. Storm culverts convey the runoff into the proposed retention ponds for water quality treatment and attenuation. The proposed stormwater systems will utilize dry retention and wet retention for biological pollutant assimilation to achieve water quality treatment. The design criteria for the District's stormwater treatment systems are regulated by the city, the county, and SWFWMD. There are various conservation areas throughout the District and will be preserved in the existing condition and these will accept stormwater discharges from our ponds as shown in Exhibit 6.

Federal Emergency Management Agency Flood Insurance Rate Map (FEMA FIRM) Panel No. 12105C0380G, dated December 22, 2016, demonstrates that the property is located within Flood Zones AE and X. Based on this information and the site topography, it appears that 100-year compensation will be done in areas where we will impact existing depressions throughout the development and the 100-year flood volumes will be compensated as it is required the county and FEMA.

During the construction of stormwater management facilities, utilities, and roadway improvements the contractor will be required to adhere to a Stormwater Pollution Prevention Plan (SWPPP) as required by the Florida Department of Environmental Protection (FDEP) as delegated by the Environmental Protection Agency (EPA). The SWPPP will be prepared to depict the proposed recommended locations of required erosion control measures and staked turbidity barriers specifically along the downgradient side of any proposed construction activity. The site contractor will be required to provide the necessary reporting as required by the National Pollutant Discharge Elimination System (NPDES) General Permit with erosion control, its maintenance, and any rainfall events that occur during construction activity.

5.2 Public Roadways

The proposed public roadway sections include a 24-foot roadway consisting of asphalt and with Miami curbs or Type F curb and gutter on both sides along with a 40-foot right-of-way. The proposed roadway section will consist of stabilized subgrade, a lime rock, crushed concrete, or cement-treated base, and asphalt type roadway wearing surface. The proposed curb is to be 2-feet wide and placed along the edge of the proposed roadway section for purposes of protecting the integrity of the pavement and to provide stormwater runoff conveyance to the proposed stormwater inlets.

The proposed roadways will also require signing and pavement markings within the public rights-of-way, as well as street signs depicting street name identifications and addressing, which will be utilized by the residents and public. As stated above, the District's funding of roadway construction will occur for all public roadways.

5.3 Water and Wastewater Facilities

A potable drinking water system inclusive of a water main, gate valves, fire hydrants, and appurtenances will be installed for the District. The water service provider will be the City of Haines City Public Utilities. The water system will be designed to provide an equally distributed system that provides redundancy to the system. These facilities will be installed within the proposed public rights-of-way and will provide potable drinking water (domestic) and fire protection services to serve the entire District.

A domestic wastewater collection system inclusive of gravity sanitary sewer mains and sewer laterals will be installed. The gravity sanitary sewer mains will be a minimum of eight (8)-inch diameter PVC pipe systems. The gravity sanitary sewer lines will be placed inside of the proposed public rights-of-way, under the proposed paved roadways. Sewer laterals will branch off from these sewer lines to serve the development. Lift stations are anticipated for this CIP. Flow from the lift station shall be connected to a

proposed force main that will pump to an existing force main that will connect to the city wastewater treatment facility.

The City's public utilities will provide the reclaimed water to be used for all irrigation within the CDD. The reclaimed water will be funded by the District and installed onsite within the roadways to provide for irrigation within the public right-of-way or any areas needing irrigation. Any water, sewer, or reclaim water pipes or facilities placed on private property will not be publicly funded.

5.4 Off-Site Improvements

The District will provide funding for the anticipated turn lanes at the development entrances. The site construction activities associated with the CIP are anticipated to be completed in the next two (2) to three (3) years. Upon completion of each phase, the improvements required inspections will be completed and final certifications of completions will be obtained from SWFWMD, Polk County Health Department (water distribution system), FDEP (wastewater collection), City of Haines City Public Utilities, and Polk County.

5.5 Amenities and Parks

The District will provide funding for an amenity center to include the following: parking areas, pavilion with restroom facilities, pool, all-purpose playfields, and walking trails between the phases and villages to provide connectivity to the various amenity centers within the CDD. In addition, there will be passive parks throughout the development, which will include benches and walking trails. All such amenities and parks will be accessible and open to residents and the public.

5.6 Electric Utilities and Lighting

The electric distribution system thru the District is currently planned to be underground. The District presently intends to fund the incremental cost of undergrounding of the electric conduits, transformer/cabinet pads, and electric manholes required by Duke Energy (Duke). As the electric facilities and equipment will be owned and maintained by Duke after the dedication, no tax-exempt bonds will be used for such facilities and equipment. The CDD will not fund the cost to purchase and install the street lighting along the internal roadways within the CDD with any tax-exempt bonds because these lights will be operated and maintained by Duke after the dedication, with the District funding maintenance services.

5.7 Entry Feature

Landscaping, irrigation, entry features, and buffer walls at the entrances and along the outside boundary of the development will be provided by the District. The irrigation system will use an irrigation well. The well and irrigation water mains to the various phases of the development will be constructed and acquired by the CDD with District funds and operated and maintained by the CDD. Landscaping for the roadways will consist of sod, perennial flowers, shrubs, ground cover, and trees for the internal roadways within the CDD. Perimeter fencing will be provided at the site entrances and perimeters. No entrance gates are included as part of such fencing. These items will be funded, owned, and maintained by the CDD.

5.8 Miscellaneous

The stormwater improvements, landscaping and irrigation, recreational improvements, and certain permits and professional fees as described in this report are being financed by the District to benefit the developable real property within the District. The construction and maintenance of the proposed public improvements will benefit the development for the intended use as a single-family/residential planned development.

5.9 Permitting

Construction permits for all phases are required and include the SWFWMD Environmental Resource Permit, Polk County Health Department, FDEP, and Haines City construction plan approval.

Following is a summary of required permits obtained or pending approval for the construction of the public infrastructure improvements for the District:

Permitting	
PERMITS	APPROVAL/EXPECTED DATE
Zoning Approval	Residential Planned Unit Development (RPUD) – 02/03/2022
Preliminary Plat	06/02/2022
SWFWMD ERP	10/18/2022
Construction Permits	08/23/2022
City of Haines City Public Utilities Water/Sewer	08/23/2022
FDEP Sanitary Sewer General Permit	09/02/2022
FDEP Water Distribution General Permit	10/11/2022
FDEP Notice of Intent	10/10/2022

6. Recommendation

As previously explained within this report, the public infrastructure, as described, is necessary for the development and functional operation as required by the City. The site planning, engineering design, and construction plans for the infrastructure are in accordance with the applicable requirements of the City of Haines City, Polk County, and SWFWMD. It should be noted that the infrastructure will provide its intended use and function so long as the construction and installation are in substantial conformance with the design construction plans and regulatory permits.

Items utilized in the Opinion of Probable Costs for this report are based upon the proposed plan infrastructure as shown on construction drawings incorporating specifications in the most current SWFWMD, Polk County, and the TWA regulations.

7. Report Modification

During the development and implementation of the designed public infrastructure improvements, it may be necessary to make modifications and/or deviations to the plans. However, if such deviations and/or revisions do not change the overall primary objective of the plan for such improvements, then the cost differences would not materially affect the proposed construction cost estimates.

8. Summary and Conclusion

The improvements as outlined are necessary for the functional development of the project. The project is being designed in accordance with current government regulatory requirements. The project will serve its intended function provided the construction is in substantial compliance with the design. Items of construction for the project are based upon current development plans.

9. Engineer's Certification

It is our professional opinion that the public infrastructure costs for the CIP provided in this report are reasonable to complete the construction of the public infrastructure improvements. Furthermore, the public infrastructure improvements will provide a special benefit to the assessable property within the District that is at least equal to the costs for said improvements. The general public, property owners, and property outside the District will benefit from the provisions of the District's CIP; however, these are incidental to the District's CIP, which is designed solely to provide special benefits peculiar to property within the District.

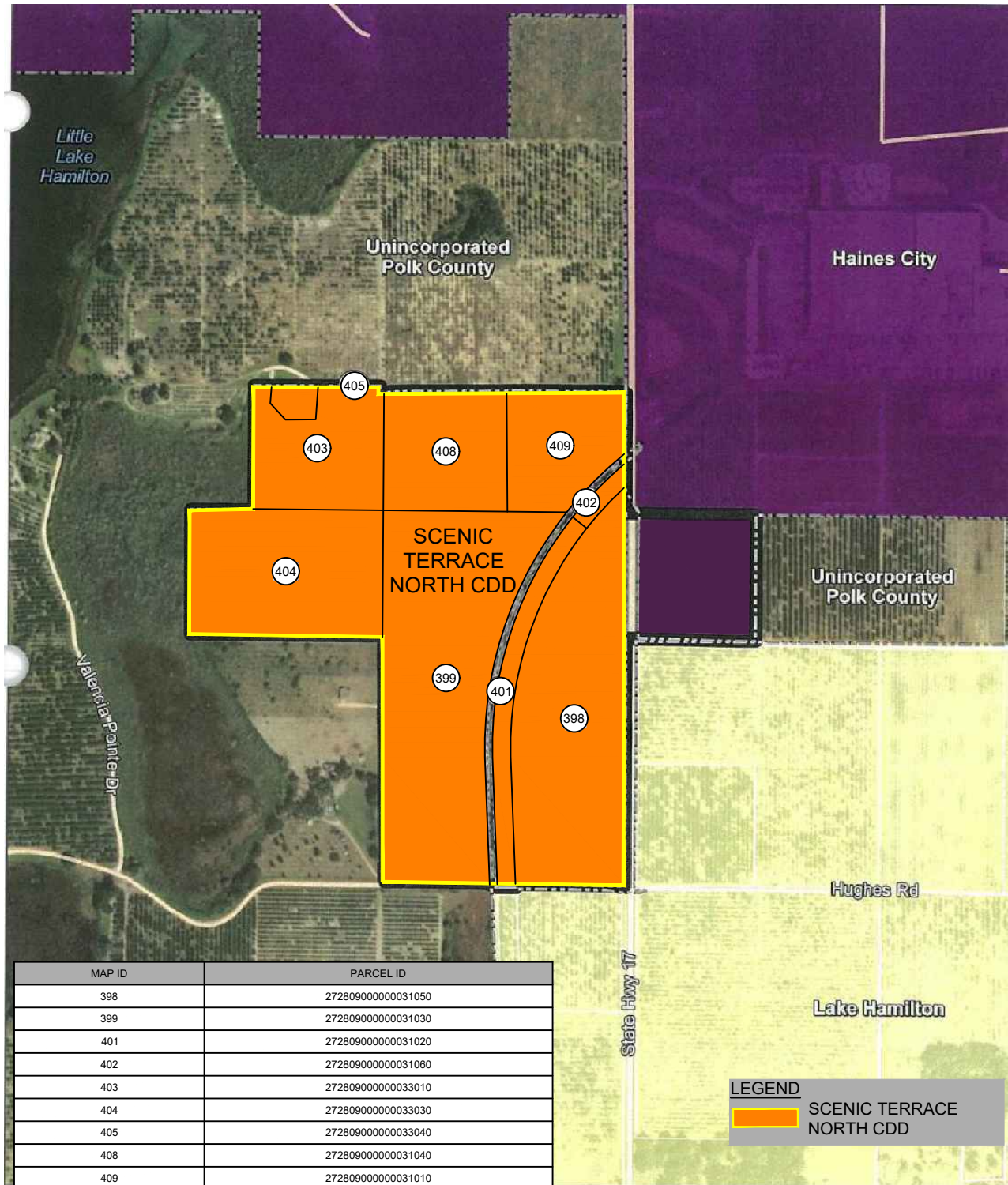
The Opinion of Probable Costs for the public infrastructure improvements is only an estimate and is not a guaranteed maximum price. The estimated costs are based upon current unit prices and on our experience with ongoing and similar projects and basis in the county and city. However, labor market, future costs of equipment; materials, changes to the regulatory permitting agencies' activities, and the actual construction processes employed by the chosen site contractor are beyond the engineer's control. Due to this inherent opportunity for changes (upward or downward) in the construction costs, the total, final construction cost may be more or less than this estimate.

Based upon the presumption that the CIP construction continues in a timely manner, it is our opinion that the costs of the CIP proposed represent a system of improvements benefitting all developable property located within the District, are fair and reasonable, and that the District-funded improvements are assessable improvements within the meaning of Chapter 190, F.S. We have no reason to believe that the CIP improvements cannot be constructed at the cost described in this report. We expect the improvements to be constructed or acquired by the District with bond proceeds, as indicated within this report. We believe that the District will be well served by the improvements discussed in this report.

I hereby certify that the foregoing is a true and correct copy of the engineer's report for the Scenic Terrace North Community Development District.



Reinardo Malavé, P.E.
Florida License No. 31588



SECTS 9, T28S, R27E

EXHIBITS 1 AND 3 - LOCATION AND BOUNDARY MAP SCENIC TERRACE NORTH CDD



DATE: 7/3/2023

LEGAL DESCRIPTION

LEGAL DESCRIPTION:

A PORTION OF LAND LYING IN SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, THENCE RUN SOUTH 89°43'08" WEST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 FOR A DISTANCE OF 43.74 FEET; THENCE DEPARTING SAID NORTH LINE RUN SOUTH 00°13'50" EAST FOR A DISTANCE OF 22.16 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°33'34" EAST ALONG THE WEST RIGHT OF WAY LINE OF STATE ROAD 17, ALSO KNOWN AS SCENIC HIGHWAY, AS RECORDED IN OFFICIAL RECORDS BOOK 646, PAGE 443, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, FOR A DISTANCE OF 644.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°59'05" EAST ALONG SAID NORTH LINE AND THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 705.84 FEET TO THE NORTH EAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN SOUTH 00°36'22" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 667.03 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN NORTH 89°55'13" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 689.39 FEET TO A POINT ON THE AFORESAID WEST RIGHT OF WAY LINE OF STATE ROAD 17 AS SHOWN ON FDOT RIGHT OF WAY MAP SECTION NO. 5029-RD (8); THENCE RUN SOUTH 00°33'34" EAST ALONG SAID WEST RIGHT OF WAY LINE FOR A DISTANCE OF 1318.91 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF HUGHES ROAD, AS RECORDED IN MAP BOOK 9, PAGE 12 THROUGH 30, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID NORTH RIGHT OF WAY LINE: NORTH 89°27'06" WEST, 126.48 FEET; NORTH 88°35'32" WEST, 100.01 FEET; NORTH 88°52'43" WEST, 100.00 FEET; NORTH 89°27'06" WEST, 100.00 FEET; NORTH 89°23'39" WEST, 100.00 FEET; NORTH 89°37'24" WEST, 100.00 FEET; NORTH 00°39'47" EAST, 3.50 FEET; SOUTH 89°58'32" WEST, 200.01 FEET; SOUTH 89°31'02" WEST, 100.02 FEET; NORTH 89°20'13" WEST, 100.00 FEET; NORTH 89°54'36" WEST, 200.01 FEET; SOUTH 00°39'47" WEST, 5.00 FEET; THENCE RUN NORTH 89°20'13" WEST FOR A DISTANCE OF 29.89 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF PALMER OY ROAD, AS RECORDED IN MAP BOOK 8, PAGE 99 THROUGH 100, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID EAST RIGHT OF WAY LINE: NORTH 23°51'25" WEST, 44.92 FEET; NORTH 05°21'16" WEST, 49.28 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°29'16" WEST FOR A DISTANCE OF 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; NORTH 01°38'01" WEST, 200.04 FEET; NORTH 00°39'29" EAST, 100.02 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; THENCE RUN NORTH 00°29'16" WEST, 20.16 FEET TO A POINT ON THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°57'35" WEST ALONG SAID SOUTH LINE AND THE SOUTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 1029.22 FEET TO THE SOUTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°32'44" WEST ALONG THE WEST LINE OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 661.46 FEET TO THE NORTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°50'22" EAST ALONG THE NORTH LINE OF

(CONTINUED ON SHEET 2)

SHEET 1 OF 7

SECTS 9, T28S, R27E

EXHIBIT 2 - LEGAL DESCRIPTION SCENIC TERRACE NORTH CDD



DATE: 7/3/2023

LEGAL DESCRIPTION

(CONTINUED FROM SHEET 1)

THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 333.31 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°33'19" WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 662.16 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°43'08" EAST ALONG THE NORTH LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 666.38 FEET TO THE NORTHEAST CORNER OF THE SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 00°34'31" EAST ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 31.81 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF FLOYD ROAD, AS RECORDED IN MAP BOOK 8, PAGE 106, AFORESAID PUBLIC RECORDS; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID SOUTH RIGHT OF WAY LINE: NORTH 86°38'31" EAST, 37.56 FEET; NORTH 86°38'21" EAST, 16.64 FEET; NORTH 87°32'49" EAST, 100.02 FEET; NORTH 89°15'56" EAST, 300.01 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 89°50'19" EAST, 100.02 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 88°07'11" EAST, 100.00 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; NORTH 89°50'19" EAST, 100.02 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; SOUTH 89°01'00" EAST, 100.08 FEET; THENCE RUN SOUTH 89°01'55" EAST A DISTANCE OF 34.67 FEET TO THE POINT OF BEGINNING.

LESS OUT:

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, LYING EAST OF SCENIC HIGHWAY (STATE ROAD 17) ACCORDING TO THE STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT OF WAY MAP, PROJ. 5209-RD.(8), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, RUN THENCE ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4, S.00°36'53"E., A DISTANCE OF 1332.66 FEET TO THE SOUTH BOUNDARY OF AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, S.89°55'02"E., A DISTANCE OF 36.65 FEET TO THE EASTERLY RIGHT OF WAY OF SAID SCENIC HIGHWAY (STATE ROAD 17) FOR A **POINT OF BEGINNING**; THENCE ALONG SAID EASTERLY RIGHT OF WAY, N.00°36'33"W., A DISTANCE OF 666.37 FEET TO THE NORTH BOUNDARY OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID NORTH BOUNDARY, S.89°58'33"E., A DISTANCE OF 624.63 FEET TO THE EASTERLY BOUNDARY THEREOF; THENCE ALONG SAID EASTERLY BOUNDARY, S.00°36'20"E., A DISTANCE OF 667.01 FEET TO AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, N.89°55'02"W., A DISTANCE OF 624.59 FEET TO THE **POINT OF BEGINNING**.

ALTOGETHER CONTAINING 103.731 ACRES, MORE OR LESS.

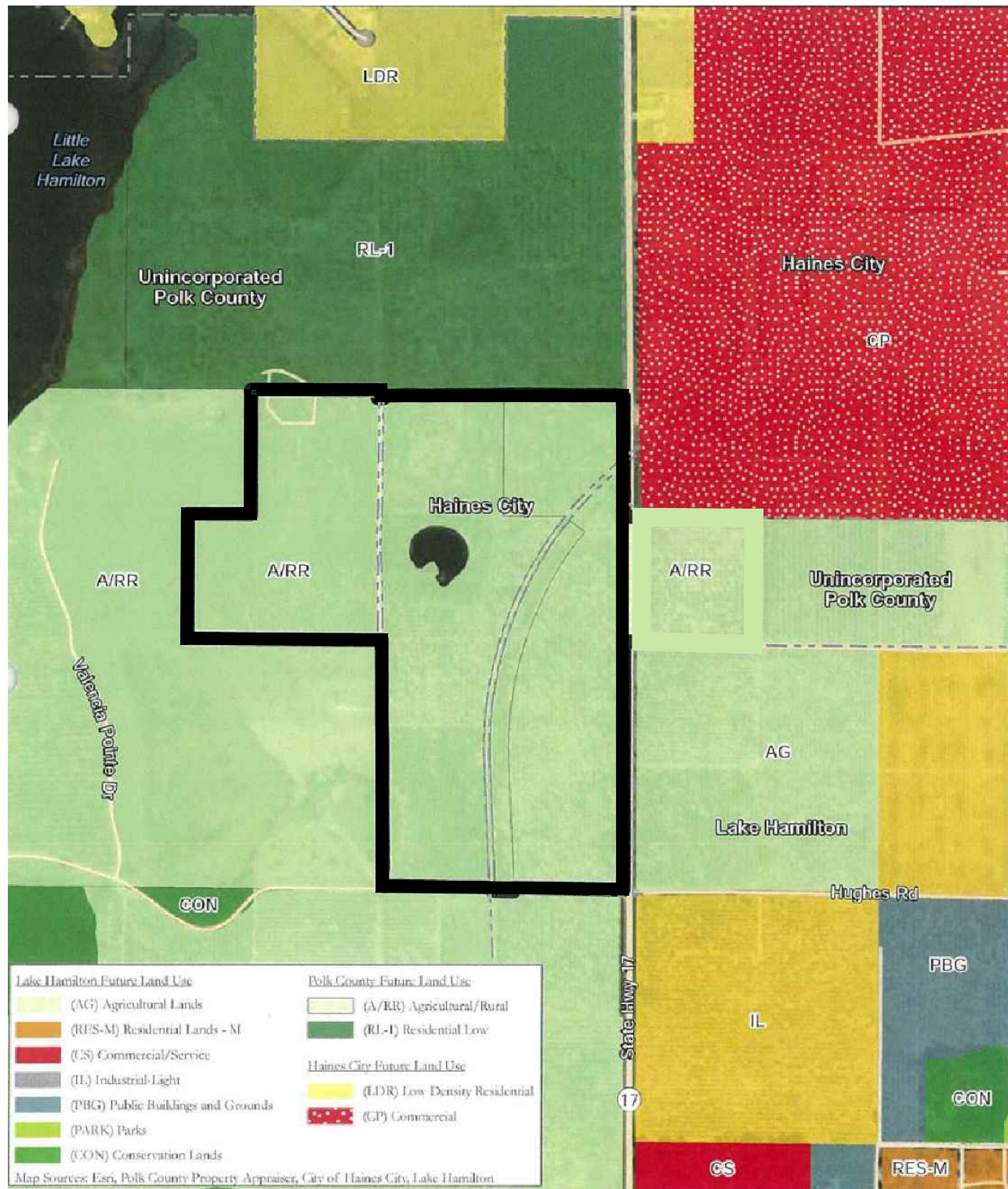
SHEET 2 OF 7

SECTS 9, T28S, R27E

EXHIBIT 2 - LEGAL DESCRIPTION SCENIC TERRACE NORTH CDD



DATE: 7/3/2023

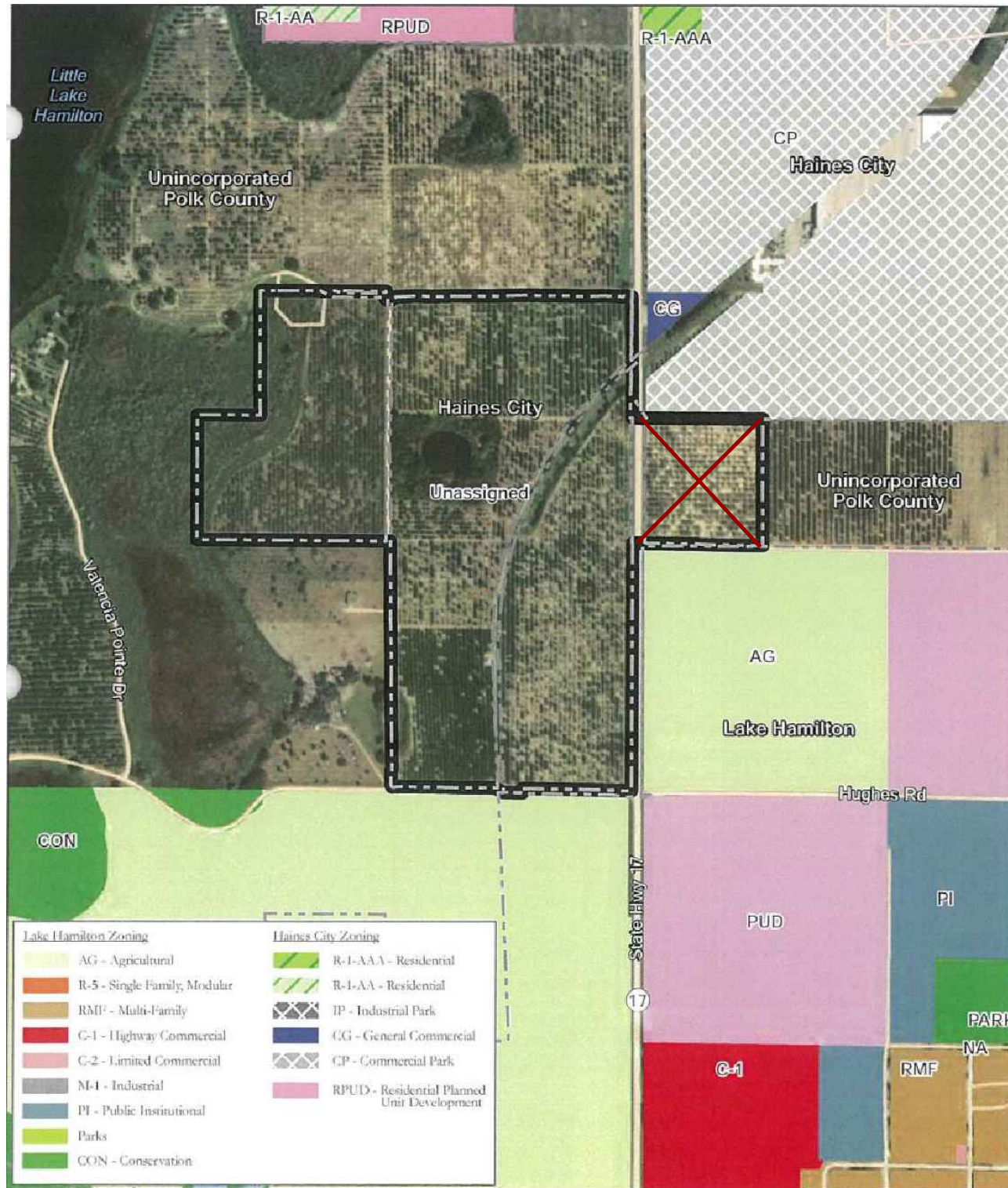


SECTS 9, T28S, R27E

EXHIBIT 7 - FUTURE LAND USE MAP SCENIC TERRACE NORTH CDD



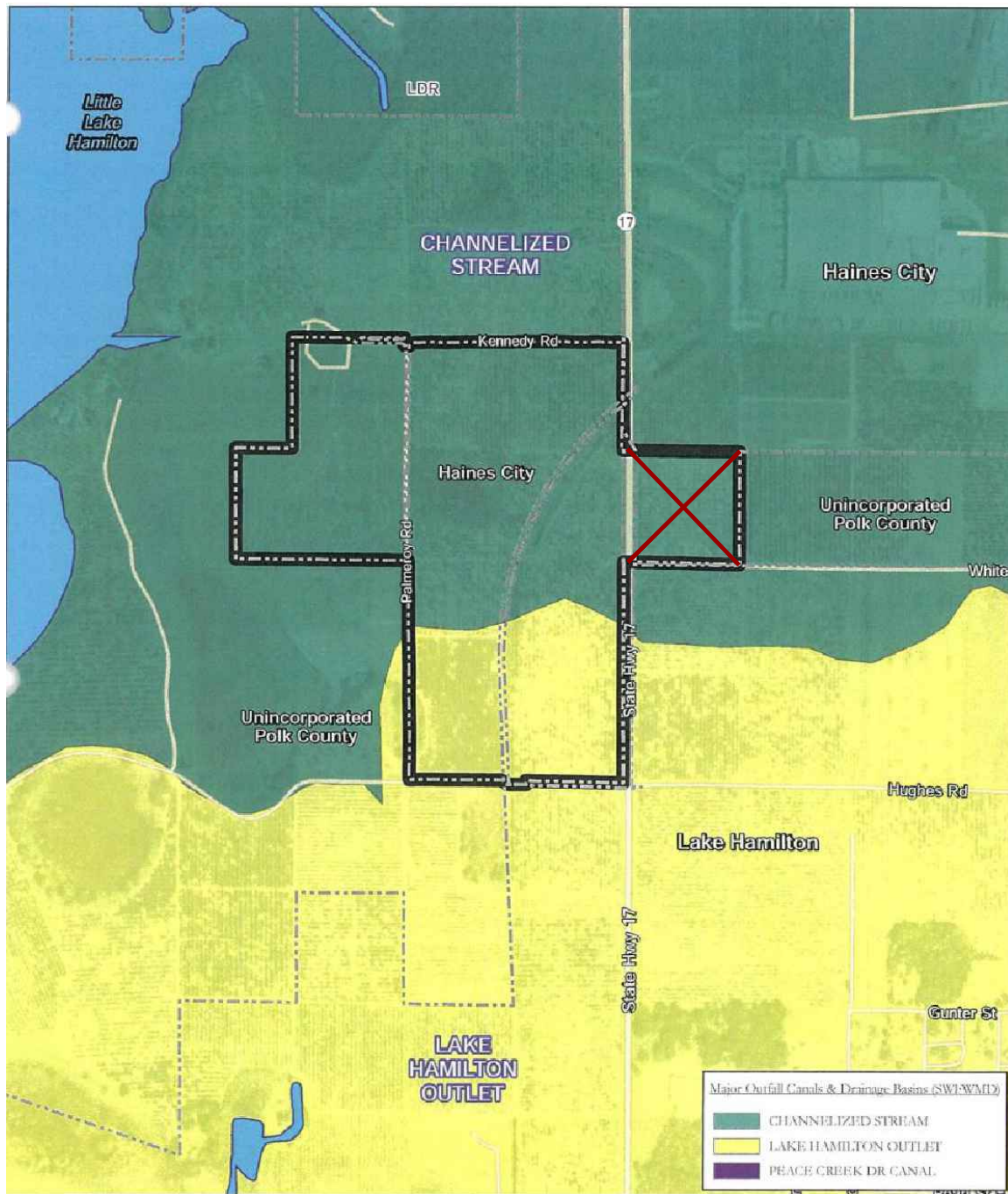
DATE: 7/3/2023



SECTS 9, T28S, R27E

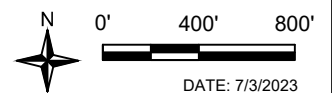
EXHIBIT 5 - ZONING MAP SCENIC TERRACE NORTH CDD





SECTS 9, T28S, R27E

EXHIBIT 6 - DRAINAGE MAP SCENIC TERRACE NORTH CDD



DATE: 7/3/2023

EXHIBIT 7A

Scenic Terrace North

Community Development District

Summary of Proposed District Facilities

District Infrastructure	Construction	Ownership	Capital Financing*	Operation and Maintenance
Stormwater Facilities	District	District	District Bonds	District
Lift Stations/Water/Sewer	District	City of Haines City	District Bonds	City of Haines City
Street Lighting	District	District	District Bonds	District
Onsite Road Construction	District	District	District Bonds	District
Offsite Road Construction	District	Polk County	District Bonds	Polk County
Entry Feature & Signage	District	District	District Bonds	District
Parks and Recreation Facilities	District	District	District Bonds	District

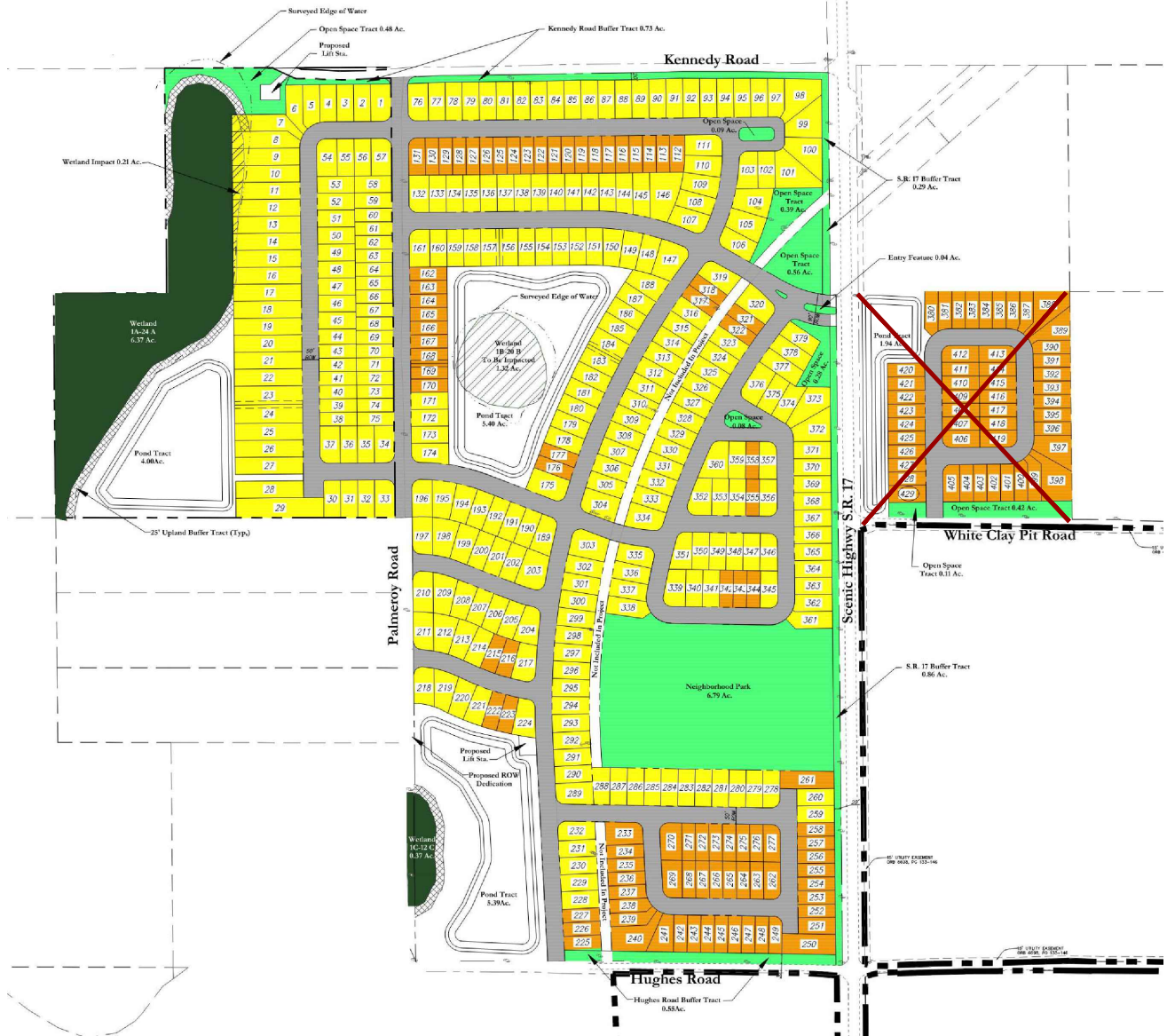
*Costs not funded by bonds will be funded by the developer.

EXHIBIT 7B
Scenic Terrace North Community Development District
Estimate of Probable Capital Improvement Costs^{7,10,11}
DATE: July 2023

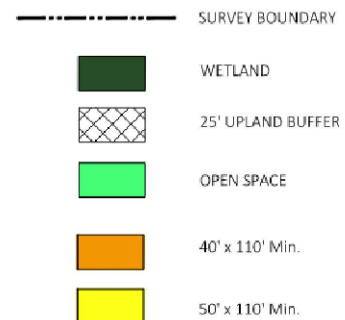
	TOTALS
Infrastructure ¹⁻¹¹	
Number of LOTS	330
Offsite Improvements	\$1,750,000.00
Stormwater Management ^{3,6}	\$2,200,000.00
Mass Grading and Master Stormwater Drainage ^{2,3}	\$3,100,000.00
Roadway - Curb, Paving and Drainage ⁴	\$3,250,000.00
Utilities (Water, Sewer, & Reuse)	\$4,600,000.00
Water	\$1,600,000.00
Reuse	\$900,000.00
Wastewater Systems	\$2,100,000.00
Electrical	\$800,000.00
Electrical Distribution (Incremental cost of undergrounding)	
Landscaping & Entry Feature ⁸	\$1,000,000.00
Parks and Amenities	\$800,000.00
SUBTOTAL CONSTRUCTION	\$17,500,000.00
General Consulting (Engr & Legal) @ 10% ⁵	\$2,000,000.00
Subtotal	\$19,500,000.00
Contingency @ 15%	\$2,625,000.00
Grand Total	\$22,125,000.00

Notes:

1. Infrastructure consists of public roadway improvements, Stormwater management facilities, sanitary sewer lift station and utilities, entry feature, landscaping and signage, and public neighborhood parks, all of which will be located on land owned by or subject to a permanent easement in favor of the District or another government entity.
2. Excludes grading of each lot in conjunction with home construction, which will be provided by home builder.
3. Includes Stormwater pond excavation. Does not include the cost of transportation of fill for use of private lots.
4. Includes sub-grade, base, asphalt paving, curbing, and civil/site engineering.
5. Includes subdivision infrastructure and civil/site engineering.
6. Stormwater does not include grading associated with building pads.
7. Estimates are based on 2023 cost.
8. Includes entry features, signage, hardscape, landscape, irrigation and buffer fencing.
9. CDD will enter into a Lighting Agreement with Duke Energy for the streetlight poles and lighting service. Includes only the incremental cost of undergrounding.
10. Estimates based on 330 lots.
11. The costs associated with the infrastructure are a master cost and is effectively shared by the entire project (All phases).

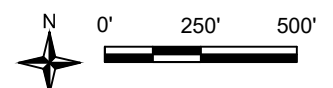


LEGEND



SECTS 9, T28S, R27E

EXHIBIT 8 - SITE PLAN SCENIC TERRACE NORTH CDD



SECTION C

**AGREEMENT BY AND BETWEEN THE SCENIC TERRACE NORTH COMMUNITY
DEVELOPMENT DISTRICT AND HIGHLAND SUMNER, LLC,
REGARDING THE ACQUISITION OF WORK PRODUCT,
IMPROVEMENTS, AND REAL PROPERTY**

(SERIES 2023 BONDS)

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of ____ 2023, by and between:

SCENIC TERRACE NORTH COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in the City of Haines City, Florida, with a mailing address of 219 East Livingston Street, Orlando Florida 32801 (the “District”), and

HIGHLAND SUMNER, LLC, a Florida limited liability company, the developer and owner of certain lands within the District, with a mailing address of 346 E Central Avenue, Winter Haven, Florida 33880, and its successors and assigns (the “Landowner” or “Developer” and, together with the District, the “Parties”).

RECITALS

WHEREAS, the District was established for the purposes of planning, financing, constructing, acquiring, operating and/or maintaining certain public infrastructure, as authorized by Chapter 190, *Florida Statutes*; and

WHEREAS, the District has adopted an improvement plan to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services as described in the *Scenic Terrace North Community Development District Engineer’s Report*, dated July 18, 2023 (the “Engineer’s Report”), attached to this Agreement as **Exhibit A**, and the estimated costs of the portion of the “Improvements” described as the “Series 2023 Project”, are identified therein; and

WHEREAS, the Landowner is the owner and the developer of certain lands located within the boundaries of the District described in the Engineer’s Report and further described in **Exhibit B** (the “District Lands”), within which a portion of the District Improvements will be located; and

WHEREAS, the District intends to finance a portion of the Series 2023 Project through the anticipated issuance of its Scenic Terrace North Community Development District Special Assessment Bonds, Series 2023, in the principal amount of \$ _____ (the “Series 2023 Bonds”); and

WHEREAS, because the Series 2023 Bonds have not yet been issued, the District has not had sufficient monies on hand to allow the District to fund the cost of preparation of the necessary surveys, reports, drawings, plans, permits, specifications, and related documents which would

allow the timely commencement and completion of construction of the Improvements (the “Work Product”); and

WHEREAS, the District acknowledges the Landowner’s need to have the Improvements constructed in an expeditious and timely manner in order to develop the District lands including the lands encompassing the Series 2023 Project; and

WHEREAS, the District agrees that it will not have sufficient monies to proceed with either the preparation of the Work Product or the commencement of construction of the Improvements described in **Exhibit A** until such time as the District has closed on the sale of the Series 2023 Bonds; and

WHEREAS, to avoid a delay in the commencement of the construction of the Improvements, the Landowner has advanced, funded, commenced, and completed and/or will complete certain work to enable the District to expeditiously provide the Improvements; and

WHEREAS, the District desires to commence the acquisition of certain Work Product and the Improvements, and accept assignment of certain agreements regarding the same; and

WHEREAS, in conjunction with the acquisition of the Work Product and/or Improvements, the Landowner desires to convey to the District interests in real property sufficient to allow the District to own, operate, maintain, construct, or install the Improvements, if any such conveyances are appropriate, and such conveyances shall be in fee simple, perpetual easement, or other interest as may be in the best interests of the District (the “Real Property”); and

WHEREAS, the Landowner and the District desire to enter into this Agreement to set forth the process by which the District may acquire the Work Product, Improvements, and/or Real Property.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the Parties, the receipt and sufficiency of which are hereby acknowledged, the District and the Landowner agree as follows:

SECTION 1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated herein and form a material part of this Agreement.

SECTION 2. WORK PRODUCT. The District agrees to pay the lesser of actual cost incurred by the Landowner or fair market value, for preparation of the Work Product in accordance with the provisions of this Agreement. The Landowner shall provide copies of any and all invoices, bills, receipts, or other evidence of costs incurred by the Landowner for the Work Product. The Parties agree to cooperate and use good faith and best efforts to undertake and complete the acquisition process contemplated by this Agreement on such date as the Parties may jointly agree upon (the “Acquisition Date”). The Parties agree that separate or multiple Acquisition Dates may be established for any portion of the acquisitions contemplated by this Agreement. The District Engineer shall review all evidence of cost and shall certify to the District’s Board of Supervisors (the “Board”) the total actual amount of cost, which, in the District

Engineer's sole opinion, is reasonable for the Work Product. The District Engineer's opinion as to cost shall be set forth in an Engineer's Certificate which shall accompany the requisition for the funds from the trustee for the Series 2023 Bonds (the "Trustee"). In the event that the Landowner disputes the District Engineer's opinion as to cost, the District and the Landowner agree to use good faith efforts to resolve such dispute. If the Parties are unable to resolve any such dispute, the Parties agree to jointly select a third-party engineer whose decision as to any such dispute shall be binding upon the Parties. Such decision by a third-party engineer shall be set forth in an Engineer's Affidavit which shall accompany the requisition for the funds from the Trustee. The Parties acknowledge that the Work Product is being acquired for use by the District in connection with the construction of the Improvements.

A. The Landowner agrees to convey to the District, and solely to the extent permitted by the terms of the Work Product, the Work Product upon payment of the sums determined to be acceptable by the District Engineer and approved by the District's Board pursuant to and as set forth in this Agreement.

B. The Landowner agrees to release to the District all right, title, and interest which the Landowner may have in and to the above described Work Product, as well as all common law, statutory, and other reserved rights, including all copyrights in the Work Product and extensions and renewals thereof under United States law and throughout the world, and all publication rights and all subsidiary rights and other rights in and to the Work Product in all forms, mediums, and media, now known or hereinafter devised; provided, however, that the District agrees and acknowledges that the Landowner shall retain the right, title and interest to use the Work Product, and the District shall grant the Landowner a license to use the Work Product to the extent reasonably required by the Landowner in connection with the ownership, construction, development, and management of the Series 2023 Project or other lands owned by Landowner to which such Work Product pertains. To the extent determined necessary by the District, the Landowner shall use commercially reasonable efforts to obtain all releases from any professional providing services in connection with the Work Product to enable the District to use and rely upon the Work Product. Such releases may include, but are not limited to, any architectural, engineering, or other professional services.

C. Except as otherwise separately agreed by the Parties with respect to any particular acquisition of Work Product, and without intending to modify any of the other terms of this Agreement, any conveyance of Work Product shall be on an "AS-IS" basis, and without any representation or warranty from the Landowner to the District in respect thereto.

D. The Landowner agrees to make reasonable good faith efforts, but without imposing any requirement on Landowner to pay for additional warranty rights on behalf of the District, to provide or cause to be provided to the District, either by assignment or directly from such third parties as may be necessary and desirable to the mutual satisfaction of the Parties hereto, a warranty that the Work Product is fit for the purposes to which it will be put by the District, as contemplated by the Engineer's Report.

E. The District agrees to allow the Landowner access to and use of the Work Product without the payment of any fee by the Landowner. However, to the extent the Landowner's access to and use of the Work Product causes the District to incur any cost or expense, such as copying costs, the Landowner agrees to pay such cost or expense.

SECTION 3. IMPROVEMENTS. The Landowner has expended certain funds on behalf of the District relating to the Improvements. The District agrees to acquire or otherwise reimburse the Landowner for those portions of the Improvements which have been commenced or completed prior to the issuance of the Series 2023 Bonds. When a portion of the Improvements is ready for conveyance by the Landowner to the District, the Landowner shall notify the District in writing, describing the nature of the improvement, its general location, and its estimated cost. Landowner agrees to provide, at or prior to the Acquisition Date, the following: (i) documentation of actual costs paid; (ii) instruments of conveyance such as special warranty deeds, bills of sale, or such other instruments as may be reasonably requested by the District; and (iii) any other releases, indemnifications, or documentation as may be reasonably requested by the District. Any real property interests necessary for the functioning of the Improvements to be acquired under this Section shall be reviewed and conveyed in accordance with the provisions of Section 5 herein. The District Engineer in consultation with District Counsel shall determine in writing whether the infrastructure to be conveyed is a part of the Improvements contemplated by the Engineer's Report, and if so, shall provide Landowner with a list of items necessary to complete the acquisition. Each such acquisition shall also be subject to the engineering review and certification process described in Section 2 above. The District Manager shall determine, in writing, whether the District has, based on the Landowner's estimate of cost, sufficient unencumbered funds to acquire the improvement.

A. All documentation of any acquisition (e.g., bills of sale, receipts, maintenance bonds, as-builts, evidence of costs, deeds or easements, etc.) shall be to the reasonable satisfaction of the District. If any item acquired is to be conveyed to a third-party governmental entity, then the Landowner agrees to cooperate and provide such certifications, warranties, representations or other items as may be required by that governmental entity, if any.

B. The District Engineer shall certify as to the actual cost of any improvement built or constructed by or at the direction of the Landowner, and the District shall pay no more than the actual cost incurred, or the fair market value of the improvement, whichever is less, as determined by the District Engineer.

C. The Landowner agrees to cooperate in the transfer of any permits to the District or another governmental entity with maintenance obligations for any Improvements conveyed pursuant to this Agreement.

D. Nothing herein shall require the District to accept any Work Product and/or Improvements unless the District Engineer, in his or her professional opinion, is able to certify that, in addition to any other requirements of law: (i) the Work Product and/or Improvements are as set forth in the Engineer's Report; (ii) the price for such Work Product and/or Improvements is equal to or less than each of (a) the cost actually paid to develop

and/or install the Work Product and/or Improvements by the Landowner and (b) the reasonable fair market value of the Work Product and/or Improvements; (iii) as to Work Product, the Work Product is capable of being used for the purposes intended by the District, and, as to any Improvements, the Improvements were installed in accordance with their specifications, and are capable of performing the functions for which they were intended; and (iv) as to any Improvements, all known plans, permits and specifications necessary for the operation and maintenance of the Improvements are complete and on file with the District, and have been transferred, or are capable of being transferred, to the District for operations and maintenance responsibilities.

SECTION 4. ASSIGNMENT OF CONTRACTS. The District may accept the assignment of certain contracts. Such acceptance is predicated upon: (i) each contractor providing a bond in the form and manner required by Section 255.05, *Florida Statutes*, or the Landowner providing adequate alternative security in compliance with Section 255.05, *Florida Statutes*, if required; and (ii) receipt by the District of a release from each general contractor acknowledging each assignment and the validity thereof, acknowledging the furnishing of the bond or other security required by Section 255.05, *Florida Statutes*, if any, and waiving any and all claims against the District arising as a result of or connected with such assignment. Until such time as the Series 2023 Bonds are actually issued, the Landowner agrees to provide such funds as are needed by the District to make all payments for any such assigned contracts when and as needed by the District.

SECTION 5. CONVEYANCE OF REAL PROPERTY.

A. Conveyance. In the event that real property interests are to be conveyed by the Landowner, or any other owner of lands within Assessment Area, and acquired by the District in connection with the acquisition or construction of the Improvements, and as mutually agreed upon by the District and the Landowner, then in such event, the Landowner agrees that it will convey or cause to be conveyed to the District at or prior to the Acquisition Date by a special warranty deed, or non-exclusive easement, as reasonably acceptable to the District together with a metes and bounds or other legal description, the Real Property upon which the Improvements are constructed or which are necessary for the operation and maintenance of, and access to the Improvements. The Parties agree that in no event shall the purchase price for the Real Property exceed the lesser of the actual cost to the Landowner or the value of an appraisal obtained by the District for this purpose. The Parties agree that the purchase price shall not include amounts attributable to the value of improvements on the Real Property and other improvements serving the Real Property that have been, or will be, funded by the District. The District may determine in its reasonable discretion that fee title is not necessary and in such cases shall accept such other interest in the lands upon which the Improvements are constructed as the District deems reasonably acceptable. Such special warranty deed or other instrument shall be subject to a reservation by Landowner of its right and privilege to use the area conveyed to construct any Improvements and any future improvements to such area for any related purposes (including, but not limited to, construction traffic relating to the construction of the development) not inconsistent with the District's use, occupation or enjoyment thereof. The Landowner shall pay the cost for recording fees and documentary stamps required, if any, for the conveyance of the lands upon which the Improvements are constructed. The

Landowner shall be responsible for all taxes and assessments levied on the lands upon which the Improvements are constructed until such time as the Landowner conveys said lands to the District. At the time of conveyance, the District may require, at Landowner's expense, an owner's title insurance policy in a form satisfactory to the District. In the event the title search reveals exceptions to title which render title unmarketable or which, in the District's reasonable discretion, would materially interfere with the District's use of such lands, the District shall not be required to accept such conveyance of Real Property and/or any related Improvements or Work Product.

B. *Boundary or Other Adjustments.* Landowner and the District agree that reasonable future boundary adjustments may be made as deemed necessary and approved by both Parties in order to accurately describe lands conveyed to the District and lands which remain in Landowner's ownership; provided, however, that such future boundary adjustments shall not affect the ability of the Landowner to have the lots developed. The Parties agree that any land transfers made to accommodate such adjustments shall be accomplished by donation. However, the party requesting such adjustment shall pay any transaction costs resulting from the adjustment, including but not limited to taxes, title insurance, recording fees or other costs.

SECTION 6. TAXES, ASSESSMENTS, AND COSTS.

A. *Taxes and Assessments on Property Being Acquired.* The District is an exempt governmental unit acquiring property pursuant to this Agreement for use exclusively for public purposes. Accordingly, in accordance with Florida law, the Landowner agrees to place in escrow with the Polk County Tax Collector an amount equal to the current ad valorem taxes and non-ad valorem assessments prorated to the date of transfer of title, based upon the expected assessment and millage rates giving effect to the greatest discount available for early payment.

1. If and only to the extent the property acquired by the District is subject to ad valorem taxes or non-ad valorem assessments, the Landowner agrees to reimburse the District for payment, or pay on its behalf, any and all ad valorem taxes and non-ad valorem assessments imposed during the calendar year in which each parcel of property is conveyed.

2. Nothing in this Agreement shall prevent the District from asserting any rights to challenge any taxes or assessments imposed, if any, on any property of the District.

B. *Notice.* The Parties agree to provide notice to the other within ten (10) calendar days of receipt of any notice of potential or actual taxes, assessments, or costs, as a result of any transaction pursuant to this Agreement, or notice of any other taxes assessments or costs imposed on the property acquired by the District as described in Subsection A above. The Landowner covenants to make any payments due hereunder in a timely manner in accordance with Florida law. In the event that the Landowner fails to make timely payment of any such taxes or costs, the Landowner acknowledges the

District's right to make such payment. If the District makes such payment, the Landowner agrees to reimburse the District within thirty (30) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties, or other expenses which accrued to the District as a result of making such a payment, including interest at the maximum rate allowed by law from the date of the payment made by the District.

C. *Tax liability not created.* Nothing herein is intended to create or shall create any new or additional tax liability on behalf of the Landowner or the District. Furthermore, the Parties reserve all respective rights to challenge, pay under protest, contest or litigate the imposition of any tax, assessment, or cost in good faith they believe is unlawfully or inequitably imposed and agree to cooperate in good faith in the challenge of any such imposition.

SECTION 7. ACQUISITION IN ADVANCE OF RECEIPT OF PROCEEDS. The District and Landowner hereby agree that an acquisition of Improvements or Work Product by the District may be completed prior to the District obtaining proceeds from the Series 2023 Bonds ("Prior Acquisitions"). The District agrees to pursue the issuance of the Series 2023 Bonds in good faith and, within thirty (30) days from the issuance of such Series 2023 Bonds, to make payment for any Prior Acquisitions completed pursuant to the terms of this Agreement; provided, however, that in the event Bond Counsel determines that any such Prior Acquisitions are not properly compensable for any reason, including, but not limited to, federal tax restrictions imposed on tax-exempt financing, the District shall not be obligated to make payment for such Prior Acquisitions. Interest shall not accrue on the amounts owed for any Prior Acquisitions. In the event the District does not or cannot issue the Series 2023 Bonds within five (5) years from the date of this Agreement, and, thus does not make payment to the Landowner for the Prior Acquisitions, the Parties agree that the District shall have no reimbursement obligation whatsoever. The Landowner acknowledges that the District intends to convey some or all of the Improvements to the State of Florida, the City of Haines City, Polk County and consents to the District's conveyance of such improvements prior to payment for any Prior Acquisitions.

SECTION 8. DEFAULT. A default by either Party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance, but excluding special, consequential or punitive damages.

SECTION 9. INDEMNIFICATION. For all actions or activities which occur prior to the date of the acquisition of the relevant Real Property, Improvement or Work Product hereunder, the Landowner agrees to indemnify and hold harmless the District and its officers, staff, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or claims of any nature arising out of, or in connection with, the use by the Landowner, its officers, agents, employees, invitees or affiliates, of the Real Property, Improvement, or Work Product, including litigation or any appellate proceedings with respect thereto, irrespective of the date of the initiation or notice of the claim, suit, etc.; provided, however, that the Landowner shall not indemnify the District for a default by the District under this Agreement or the use of such Real Property, Improvement or Work Product by the District, its engineers, employees, contractors, or such persons' or entities' negligence.

SECTION 10. ENFORCEMENT OF AGREEMENT. In the event that any Party is required to enforce this Agreement by court proceedings or otherwise, then the Parties agree that the substantially prevailing party shall be entitled to recover from the other(s) all fees and costs incurred, including reasonable attorneys' fees, paralegal fees and expert witness fees, and costs for trial, alternative dispute resolution, or appellate proceedings.

SECTION 11. ENTIRE AGREEMENT. This instrument shall constitute the final and complete expression of the agreement between the District and the Landowner relating to the subject matter of this Agreement.

SECTION 12. AMENDMENTS. This Agreement shall constitute the entire agreement between the Parties regarding the subject matter hereof and may be modified in writing only by the mutual agreement of all Parties, and with regards to material amendments, with the prior written consent of the Trustee for the Series 2023 Bonds acting at the direction of the bondholders owning a majority of the aggregate principal amount of the Series 2023 Bonds then outstanding.

SECTION 13. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of the District and the Landowner. The District and the Landowner have complied with all the requirements of law. The District and the Landowner have full power and authority to comply with the terms and provisions of this Agreement.

SECTION 14. NOTICES. All notices, requests, consents and other communications under this Agreement ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the Parties, as follows:

A. If to the District: Scenic Terrace North
Community Development District
219 East Livingston Street
Orlando, Florida 32801
Attn: District Manager

With a copy to: Kilinski | Van Wyk, PLLC
PO Box 6386
Tallahassee, Florida 32314
Attn: Roy Van Wyk

B. If to Landowner: Highland Sumner, LLC
346 E Central Avenue
Winter Haven, Florida 33880
Attn: Warren K. (Rennie) Heath II

With a copy to: Straughn & Turner, P.A.
255 Magnolia Avenue.
Winter Haven, FL 33880
Attn: Richard Straughn

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Landowner may deliver Notice on behalf of the District and the Landowner. Any Party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days' written notice to the Parties and addressees set forth in this Agreement.

SECTION 15. ARM'S LENGTH TRANSACTION. This Agreement has been negotiated fully between the District and the Landowner as an arm's length transaction. All Parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, all Parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against any Party hereto.

SECTION 16. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Landowner and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other than the District and the Landowner any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Landowner and their respective representatives, successors, and assigns. Notwithstanding the foregoing, nothing in this paragraph shall be construed as impairing or modifying the rights of any bondholders of Series 2023 Bonds issued by the District for the purpose of acquiring any Work Product, Improvements and/or Real Property. Also notwithstanding anything herein to the contrary, the Trustee for the Series 2023 Bonds, on behalf of the owners of the Series 2023 Bonds, shall be a direct third-party beneficiary acting at the direction of the bondholders owning more than 50% of an aggregate principal amount of the applicable Series 2023 Bonds then outstanding, be entitled to cause the District to enforce the Landowner's obligations hereunder.

SECTION 17. ASSIGNMENT. This Agreement may be assigned, in whole or in part, by either Party only upon the written consent of the other, which consent shall not be unreasonably withheld, and the Trustee acting on behalf of the Bondholders owning a majority of the aggregate principal amount of the Series 2023 Bonds then outstanding. Such consent shall not be required in the event of a sale of the majority of the Series 2023 Project then-owned by the Landowner pursuant to which the unaffiliated purchaser agrees to assume any remaining obligations of the Landowner under this Agreement. Upon the merger, amendment, or name change of the District, the Agreement will be assumed by operation of law by the District's successor in interest and no consent to such assumption shall be required.

SECTION 18. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each Party consents that the exclusive venue for any litigation arising out of or related to this Agreement shall be in a court of appropriate jurisdiction, in and for Polk County, Florida.

SECTION 19. EFFECTIVE DATE. This Agreement shall be effective upon its execution by the District and the Landowner.

SECTION 20. TERMINATION. This Agreement may be terminated by the District without penalty in the event that the District does not issue its proposed Series 2023 Bonds within five (5) years from the date of this Agreement.

SECTION 21. PUBLIC RECORDS. The Landowner understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and will be treated as such in accordance with Florida law.

SECTION 22. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

SECTION 23. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

SECTION 24. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

SECTION 25. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF, the Parties execute this Agreement the day and year first written above.

ATTEST:

**SCENIC TERRACE NORTH
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

Lauren O. Schwenk
Vice Chairperson, Board of Supervisors

WITNESS:

HIGHLAND SUMNER, LLC, a Florida
limited liability company

By: Heath Construction and
Management, LLC
Its: Manager

[Print Name]

Warren K. (Rennie) Heath II, its Manager

Exhibit A: *Scenic Terrace North Community Development District Engineer's
Report, dated July 18, 2023*
Exhibit B: Legal Description of District Lands

EXHIBIT A – ENGINEER’S REPORT

REFERENCE NO. 50144568

SCENIC TERRACE NORTH
COMMUNITY DEVELOPMENT
DISTRICT

Engineer's Report

JULY 18, 2023



ORIGINAL

SUBMITTED BY
Dewberry Engineers Inc.
800 N. Magnolia Avenue
Suite 1000
Orlando, Florida 32803
321.354.9656

SUBMITTED TO
Scenic Terrace North CDD
Attention: Jill Burns, District Manager
219 E. Livingston Street
Orlando, Florida 32801
407.841.5524

Engineer's Report

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1. Introduction

The Scenic Terrace North Community Development District (the "District" or "CDD") is located on the west side of SR 17 – Scenic Highway within the city limits of Haines City ("City"), Polk County, Florida. The CDD was established under the City Ordinance No.21-1741, which was approved by the City Commission on August 19, 2021. Under this ordinance, the District contained approximately 113.29 acres and was expected to consist of 330 residential lots of various sizes for single-family lots with recreation/amenity areas, parks, and associated infrastructure for the development. The City approved Ordinance No. 23-2042 on June 1, 2023, to amend the District's boundary, which reduced the acreage from 113.29 acres to 103.731 acres. The acreage being removed was originally designated to be a school development; therefore, the overall lot count of the District is unchanged and remains at 330 lots.

The District will own and operate the public roadways, utilizes systems, and stormwater management facilities, as well as the landscape, irrigation, signage, and recreational facilities within the development.

The Master Developer ("Developer") Highland Sumner, LLC is based in Winter Haven, Florida. The development is approved as a residential Planned Development (PD). A land use summary is presented in Table 1.

Public improvements and facilities financed, acquired, and/or constructed by the District will be designed and constructed to conform to regulatory criteria from the city, county, Southwest Florida Water Management District (SWFWMD), and other applicable agencies with regulatory jurisdiction over the development, an overall estimate of the probable cost of the public improvements are provided in Exhibit 7 of this report.

The Capital Improvement Plan (CIP) or this Engineer's Report reflects the present intentions of the District and the landowners. It should be noted that the location of the proposed facilities and improvements may be adjusted during the final design, permitting, and implementation phases. It should also be noted that these modifications are not expected to diminish the benefits to the property within the District. The District reserves the right to make reasonable adjustments to the development plan to meet applicable regulatory requirements of agencies with jurisdiction over the development while maintaining a comparable level of benefits to the lands served by the improvements. Changes and modifications are expected as changes in regulatory criteria are implemented.

Table 2.1 Land Uses

LAND USES	
LAND USE	AREA
Master Stormwater System	16.73 acres
Residential Land (Single-Family and Townhomes Lots)	45.671 acres
Roadways Infrastructure & Public Facilities	12.93 acres
Open Space/Conservation Areas/Parks	28.40 acres
TOTAL	103.731 acres

Table 2.2 Lot Types

Lot Types	
LAND USE	AREA
42-ft Lots	41
52-ft Lots	289
TOTAL	330

Implementation of any proposed facilities or improvements outlined in this report requires written approval from the District's Board of Supervisors. Estimated costs outlined in this report are based on the best available information, which includes, but is not limited to, previous experience with similar projects. Actual costs could be different than estimates because final engineering and specific field conditions may affect construction costs.

All roadway improvements including sidewalks in the right-of-way and storm drainage collection systems (from the curb inlets to their connection to the stormwater ponds) within the development will be maintained by the District. Water distribution and wastewater collection systems (gravity lines, force mains, and lift stations) will be dedicated to the City for ownership and maintenance upon completion.

2. Purpose and Scope

The purpose of this report is to provide engineering support for the funding of the proposed improvements within the District. This report will identify the proposed public infrastructure to be constructed or acquired by the District along with an Opinion of Probable Construction Costs. The District will finance, construct, acquire, operate, and maintain all or specific portions of the proposed public infrastructure.

The predominant portion of this report provides descriptions of the proposed public infrastructure improvements, determination of estimated probable construction costs, and the corresponding benefits associated with the implementation of the described improvements. Detailed site construction plans and specifications have not yet been completed and permitted for the improvements described herein. The engineer has considered and in specific instances has relied upon, the information and documentation prepared or supplied by others to prepare this Engineer's Report.

3. General Site Description

The development will consist of a total of 330 residential units and associated infrastructure. The development is a planned residential community consisting of 113.29 acres located west side of SR 17 – Scenic Highway from the northern boundary adjacent to Floyd Road and extending south to Hughes Road. The District is located within the incorporated area of Haines City in Polk County. The land uses and zoning for the development are LDR – RPUD, Residential Low, and Planned Unit Development. The development will be constructed in two phases.

4. Capital Improvements

The CIP consists of public infrastructure in the development. The primary portions of the CIP will provide for stormwater pond construction, roadways built to an urban roadway typical section, water, and sewer facilities including a lift station, and off-site improvements (including turn lanes and extension of water and sewer mains to serve the development). Assets will be purchased by the District at the lesser of fair market price or actual cost.

There will also be stormwater structures and conveyance culverts within the CIP, which will outfall into the various on-site stormwater ponds. These structures and pond areas comprise the overall stormwater facilities of the CIP. Installation of the water distribution and wastewater collection system will also occur at this time as well as the lift station serving the project. Below-ground installation of telecommunications and cable television will occur but will not be funded by the District. The incremental cost of undergrounding of power within the public rights-of-way or easements will be funded by the District.

As a part of the recreational component of the CIP, there are conservation areas that can serve as passive parks within the development that are available to the public for utilization of the facilities. The recreational areas will have connectivity via sidewalks to the other portions of the District. The recreational areas will be open to the public and be accessible by public roadways and sidewalks.

5. Capital Improvement Plan Components

The CIP for the District includes the following:

5.1 Stormwater Management Facilities

Stormwater management facilities consisting of storm conveyance systems and retention/detention ponds are contained within the District boundaries. Stormwater will be discharged via roadway curb and gutter and storm inlets. Storm culverts convey the runoff into the proposed retention ponds for water quality treatment and attenuation. The proposed stormwater systems will utilize dry retention and wet retention for biological pollutant assimilation to achieve water quality treatment. The design criteria for the District's stormwater treatment systems are regulated by the city, the county, and SWFWMD. There are various conservation areas throughout the District and will be preserved in the existing condition and these will accept stormwater discharges from our ponds as shown in Exhibit 6.

Federal Emergency Management Agency Flood Insurance Rate Map (FEMA FIRM) Panel No. 12105C0380G, dated December 22, 2016, demonstrates that the property is located within Flood Zones AE and X. Based on this information and the site topography, it appears that 100-year compensation will be done in areas where we will impact existing depressions throughout the development and the 100-year flood volumes will be compensated as it is required the county and FEMA.

During the construction of stormwater management facilities, utilities, and roadway improvements the contractor will be required to adhere to a Stormwater Pollution Prevention Plan (SWPPP) as required by the Florida Department of Environmental Protection (FDEP) as delegated by the Environmental Protection Agency (EPA). The SWPPP will be prepared to depict the proposed recommended locations of required erosion control measures and staked turbidity barriers specifically along the downgradient side of any proposed construction activity. The site contractor will be required to provide the necessary reporting as required by the National Pollutant Discharge Elimination System (NPDES) General Permit with erosion control, its maintenance, and any rainfall events that occur during construction activity.

5.2 Public Roadways

The proposed public roadway sections include a 24-foot roadway consisting of asphalt and with Miami curbs or Type F curb and gutter on both sides along with a 40-foot right-of-way. The proposed roadway section will consist of stabilized subgrade, a lime rock, crushed concrete, or cement-treated base, and asphalt type roadway wearing surface. The proposed curb is to be 2-feet wide and placed along the edge of the proposed roadway section for purposes of protecting the integrity of the pavement and to provide stormwater runoff conveyance to the proposed stormwater inlets.

The proposed roadways will also require signing and pavement markings within the public rights-of-way, as well as street signs depicting street name identifications and addressing, which will be utilized by the residents and public. As stated above, the District's funding of roadway construction will occur for all public roadways.

5.3 Water and Wastewater Facilities

A potable drinking water system inclusive of a water main, gate valves, fire hydrants, and appurtenances will be installed for the District. The water service provider will be the City of Haines City Public Utilities. The water system will be designed to provide an equally distributed system that provides redundancy to the system. These facilities will be installed within the proposed public rights-of-way and will provide potable drinking water (domestic) and fire protection services to serve the entire District.

A domestic wastewater collection system inclusive of gravity sanitary sewer mains and sewer laterals will be installed. The gravity sanitary sewer mains will be a minimum of eight (8)-inch diameter PVC pipe systems. The gravity sanitary sewer lines will be placed inside of the proposed public rights-of-way, under the proposed paved roadways. Sewer laterals will branch off from these sewer lines to serve the development. Lift stations are anticipated for this CIP. Flow from the lift station shall be connected to a

proposed force main that will pump to an existing force main that will connect to the city wastewater treatment facility.

The City's public utilities will provide the reclaimed water to be used for all irrigation within the CDD. The reclaimed water will be funded by the District and installed onsite within the roadways to provide for irrigation within the public right-of-way or any areas needing irrigation. Any water, sewer, or reclaim water pipes or facilities placed on private property will not be publicly funded.

5.4 Off-Site Improvements

The District will provide funding for the anticipated turn lanes at the development entrances. The site construction activities associated with the CIP are anticipated to be completed in the next two (2) to three (3) years. Upon completion of each phase, the improvements required inspections will be completed and final certifications of completions will be obtained from SWFWMD, Polk County Health Department (water distribution system), FDEP (wastewater collection), City of Haines City Public Utilities, and Polk County.

5.5 Amenities and Parks

The District will provide funding for an amenity center to include the following: parking areas, pavilion with restroom facilities, pool, all-purpose playfields, and walking trails between the phases and villages to provide connectivity to the various amenity centers within the CDD. In addition, there will be passive parks throughout the development, which will include benches and walking trails. All such amenities and parks will be accessible and open to residents and the public.

5.6 Electric Utilities and Lighting

The electric distribution system thru the District is currently planned to be underground. The District presently intends to fund the incremental cost of undergrounding of the electric conduits, transformer/cabinet pads, and electric manholes required by Duke Energy (Duke). As the electric facilities and equipment will be owned and maintained by Duke after the dedication, no tax-exempt bonds will be used for such facilities and equipment. The CDD will not fund the cost to purchase and install the street lighting along the internal roadways within the CDD with any tax-exempt bonds because these lights will be operated and maintained by Duke after the dedication, with the District funding maintenance services.

5.7 Entry Feature

Landscaping, irrigation, entry features, and buffer walls at the entrances and along the outside boundary of the development will be provided by the District. The irrigation system will use an irrigation well. The well and irrigation water mains to the various phases of the development will be constructed and acquired by the CDD with District funds and operated and maintained by the CDD. Landscaping for the roadways will consist of sod, perennial flowers, shrubs, ground cover, and trees for the internal roadways within the CDD. Perimeter fencing will be provided at the site entrances and perimeters. No entrance gates are included as part of such fencing. These items will be funded, owned, and maintained by the CDD.

5.8 Miscellaneous

The stormwater improvements, landscaping and irrigation, recreational improvements, and certain permits and professional fees as described in this report are being financed by the District to benefit the developable real property within the District. The construction and maintenance of the proposed public improvements will benefit the development for the intended use as a single-family/residential planned development.

5.9 Permitting

Construction permits for all phases are required and include the SWFWMD Environmental Resource Permit, Polk County Health Department, FDEP, and Haines City construction plan approval.

Following is a summary of required permits obtained or pending approval for the construction of the public infrastructure improvements for the District:

Permitting	
PERMITS	APPROVAL/EXPECTED DATE
Zoning Approval	Residential Planned Unit Development (RPUD) – 02/03/2022
Preliminary Plat	06/02/2022
SWFWMD ERP	10/18/2022
Construction Permits	08/23/2022
City of Haines City Public Utilities Water/Sewer	08/23/2022
FDEP Sanitary Sewer General Permit	09/02/2022
FDEP Water Distribution General Permit	10/11/2022
FDEP Notice of Intent	10/10/2022

6. Recommendation

As previously explained within this report, the public infrastructure, as described, is necessary for the development and functional operation as required by the City. The site planning, engineering design, and construction plans for the infrastructure are in accordance with the applicable requirements of the City of Haines City, Polk County, and SWFWMD. It should be noted that the infrastructure will provide its intended use and function so long as the construction and installation are in substantial conformance with the design construction plans and regulatory permits.

Items utilized in the Opinion of Probable Costs for this report are based upon the proposed plan infrastructure as shown on construction drawings incorporating specifications in the most current SWFWMD, Polk County, and the TWA regulations.

7. Report Modification

During the development and implementation of the designed public infrastructure improvements, it may be necessary to make modifications and/or deviations to the plans. However, if such deviations and/or revisions do not change the overall primary objective of the plan for such improvements, then the cost differences would not materially affect the proposed construction cost estimates.

8. Summary and Conclusion

The improvements as outlined are necessary for the functional development of the project. The project is being designed in accordance with current government regulatory requirements. The project will serve its intended function provided the construction is in substantial compliance with the design. Items of construction for the project are based upon current development plans.

9. Engineer's Certification

It is our professional opinion that the public infrastructure costs for the CIP provided in this report are reasonable to complete the construction of the public infrastructure improvements. Furthermore, the public infrastructure improvements will provide a special benefit to the assessable property within the District that is at least equal to the costs for said improvements. The general public, property owners, and property outside the District will benefit from the provisions of the District's CIP; however, these are incidental to the District's CIP, which is designed solely to provide special benefits peculiar to property within the District.

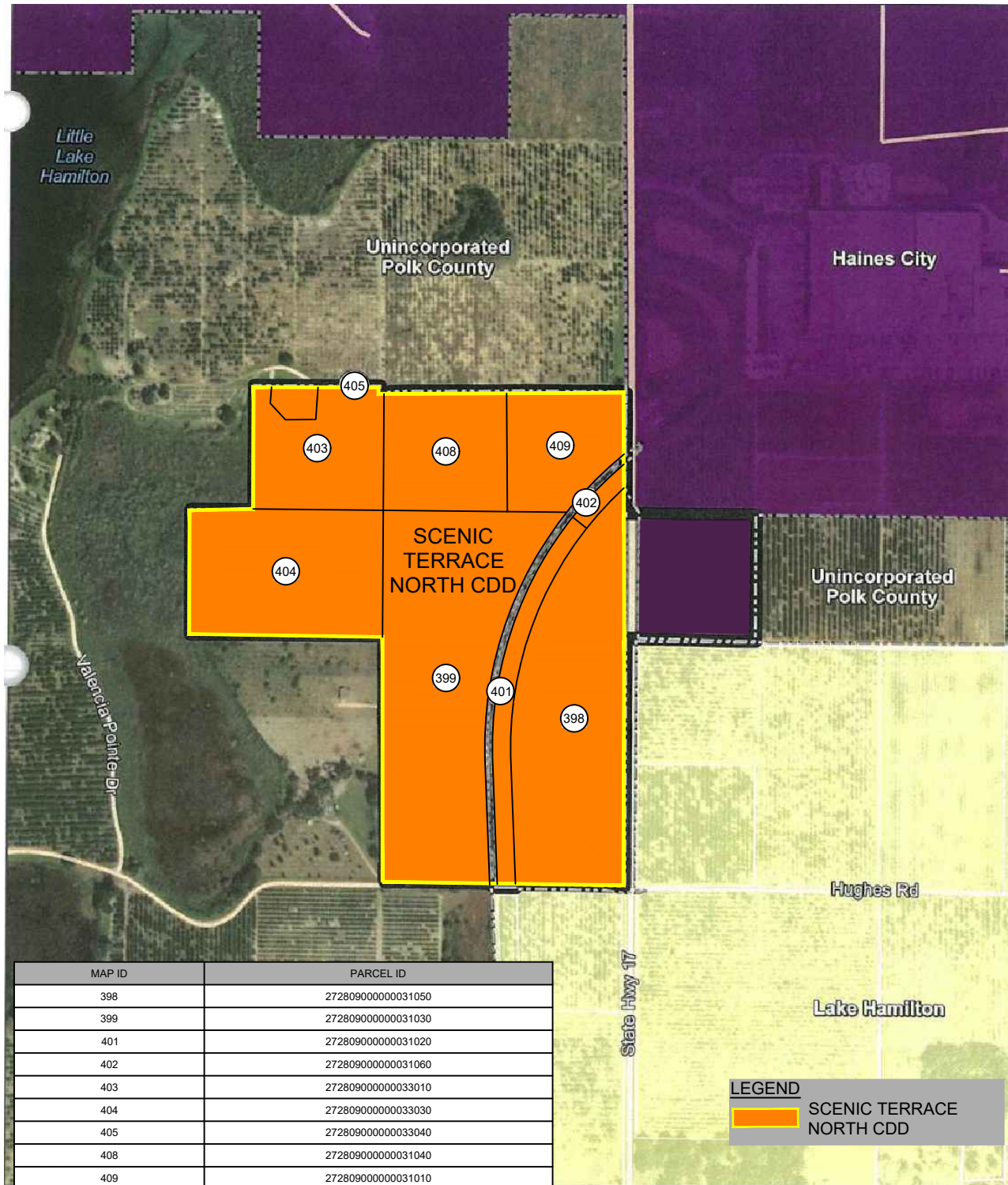
The Opinion of Probable Costs for the public infrastructure improvements is only an estimate and is not a guaranteed maximum price. The estimated costs are based upon current unit prices and on our experience with ongoing and similar projects and basis in the county and city. However, labor market, future costs of equipment; materials, changes to the regulatory permitting agencies' activities, and the actual construction processes employed by the chosen site contractor are beyond the engineer's control. Due to this inherent opportunity for changes (upward or downward) in the construction costs, the total, final construction cost may be more or less than this estimate.

Based upon the presumption that the CIP construction continues in a timely manner, it is our opinion that the costs of the CIP proposed represent a system of improvements benefitting all developable property located within the District, are fair and reasonable, and that the District-funded improvements are assessable improvements within the meaning of Chapter 190, F.S. We have no reason to believe that the CIP improvements cannot be constructed at the cost described in this report. We expect the improvements to be constructed or acquired by the District with bond proceeds, as indicated within this report. We believe that the District will be well served by the improvements discussed in this report.

I hereby certify that the foregoing is a true and correct copy of the engineer's report for the Scenic Terrace North Community Development District.



Reinardo Malavé, P.E.
Florida License No. 31588



SECTS 9, T28S, R27E

EXHIBITS 1 AND 3 - LOCATION AND BOUNDARY MAP SCENIC TERRACE NORTH CDD



DATE: 7/3/2023

LEGAL DESCRIPTION

LEGAL DESCRIPTION:

A PORTION OF LAND LYING IN SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, THENCE RUN SOUTH 89°43'08" WEST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 FOR A DISTANCE OF 43.74 FEET; THENCE DEPARTING SAID NORTH LINE RUN SOUTH 00°13'50" EAST FOR A DISTANCE OF 22.16 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°33'34" EAST ALONG THE WEST RIGHT OF WAY LINE OF STATE ROAD 17, ALSO KNOWN AS SCENIC HIGHWAY, AS RECORDED IN OFFICIAL RECORDS BOOK 646, PAGE 443, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, FOR A DISTANCE OF 644.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°59'05" EAST ALONG SAID NORTH LINE AND THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 705.84 FEET TO THE NORTH EAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN SOUTH 00°36'22" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 667.03 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN NORTH 89°55'13" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 689.39 FEET TO A POINT ON THE AFORESAID WEST RIGHT OF WAY LINE OF STATE ROAD 17 AS SHOWN ON FDOT RIGHT OF WAY MAP SECTION NO. 5029-RD (8); THENCE RUN SOUTH 00°33'34" EAST ALONG SAID WEST RIGHT OF WAY LINE FOR A DISTANCE OF 1318.91 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF HUGHES ROAD, AS RECORDED IN MAP BOOK 9, PAGE 12 THROUGH 30, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID NORTH RIGHT OF WAY LINE: NORTH 89°27'06" WEST, 126.48 FEET; NORTH 88°35'32" WEST, 100.01 FEET; NORTH 88°52'43" WEST, 100.00 FEET; NORTH 89°27'06" WEST, 100.00 FEET; NORTH 89°23'39" WEST, 100.00 FEET; NORTH 89°37'24" WEST, 100.00 FEET; NORTH 00°39'47" EAST, 3.50 FEET; SOUTH 89°58'32" WEST, 200.01 FEET; SOUTH 89°31'02" WEST, 100.02 FEET; NORTH 89°20'13" WEST, 100.00 FEET; NORTH 89°54'36" WEST, 200.01 FEET; SOUTH 00°39'47" WEST, 5.00 FEET; THENCE RUN NORTH 89°20'13" WEST FOR A DISTANCE OF 29.89 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF PALMER OY ROAD, AS RECORDED IN MAP BOOK 8, PAGE 99 THROUGH 100, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID EAST RIGHT OF WAY LINE: NORTH 23°51'25" WEST, 44.92 FEET; NORTH 05°21'16" WEST, 49.28 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°29'16" WEST FOR A DISTANCE OF 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; NORTH 01°38'01" WEST, 200.04 FEET; NORTH 00°39'29" EAST, 100.02 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; THENCE RUN NORTH 00°29'16" WEST, 20.16 FEET TO A POINT ON THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°57'35" WEST ALONG SAID SOUTH LINE AND THE SOUTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 1029.22 FEET TO THE SOUTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°32'44" WEST ALONG THE WEST LINE OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 661.46 FEET TO THE NORTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°50'22" EAST ALONG THE NORTH LINE OF

(CONTINUED ON SHEET 2)

SHEET 1 OF 7

SECTS 9, T28S, R27E

EXHIBIT 2 - LEGAL DESCRIPTION SCENIC TERRACE NORTH CDD



DATE: 7/3/2023

LEGAL DESCRIPTION

(CONTINUED FROM SHEET 1)

THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 333.31 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°33'19" WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 662.16 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°43'08" EAST ALONG THE NORTH LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 666.38 FEET TO THE NORTHEAST CORNER OF THE SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 00°34'31" EAST ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 31.81 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF FLOYD ROAD, AS RECORDED IN MAP BOOK 8, PAGE 106, AFORESAID PUBLIC RECORDS; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID SOUTH RIGHT OF WAY LINE: NORTH 86°38'31" EAST, 37.56 FEET; NORTH 86°38'21" EAST, 16.64 FEET; NORTH 87°32'49" EAST, 100.02 FEET; NORTH 89°15'56" EAST, 300.01 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 89°50'19" EAST, 100.02 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 88°07'11" EAST, 100.00 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; NORTH 89°50'19" EAST, 100.02 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; SOUTH 89°01'00" EAST, 100.08 FEET; THENCE RUN SOUTH 89°01'55" EAST A DISTANCE OF 34.67 FEET TO THE POINT OF BEGINNING.

LESS OUT:

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, LYING EAST OF SCENIC HIGHWAY (STATE ROAD 17) ACCORDING TO THE STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT OF WAY MAP, PROJ. 5209-RD.(8), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, RUN THENCE ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4, S.00°36'53"E., A DISTANCE OF 1332.66 FEET TO THE SOUTH BOUNDARY OF AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, S.89°55'02"E., A DISTANCE OF 36.65 FEET TO THE EASTERLY RIGHT OF WAY OF SAID SCENIC HIGHWAY (STATE ROAD 17) FOR A **POINT OF BEGINNING**; THENCE ALONG SAID EASTERLY RIGHT OF WAY, N.00°36'33"W., A DISTANCE OF 666.37 FEET TO THE NORTH BOUNDARY OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID NORTH BOUNDARY, S.89°58'33"E., A DISTANCE OF 624.63 FEET TO THE EASTERLY BOUNDARY THEREOF; THENCE ALONG SAID EASTERLY BOUNDARY, S.00°36'20"E., A DISTANCE OF 667.01 FEET TO AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, N.89°55'02"W., A DISTANCE OF 624.59 FEET TO THE **POINT OF BEGINNING**.

ALTOGETHER CONTAINING 103.731 ACRES, MORE OR LESS.

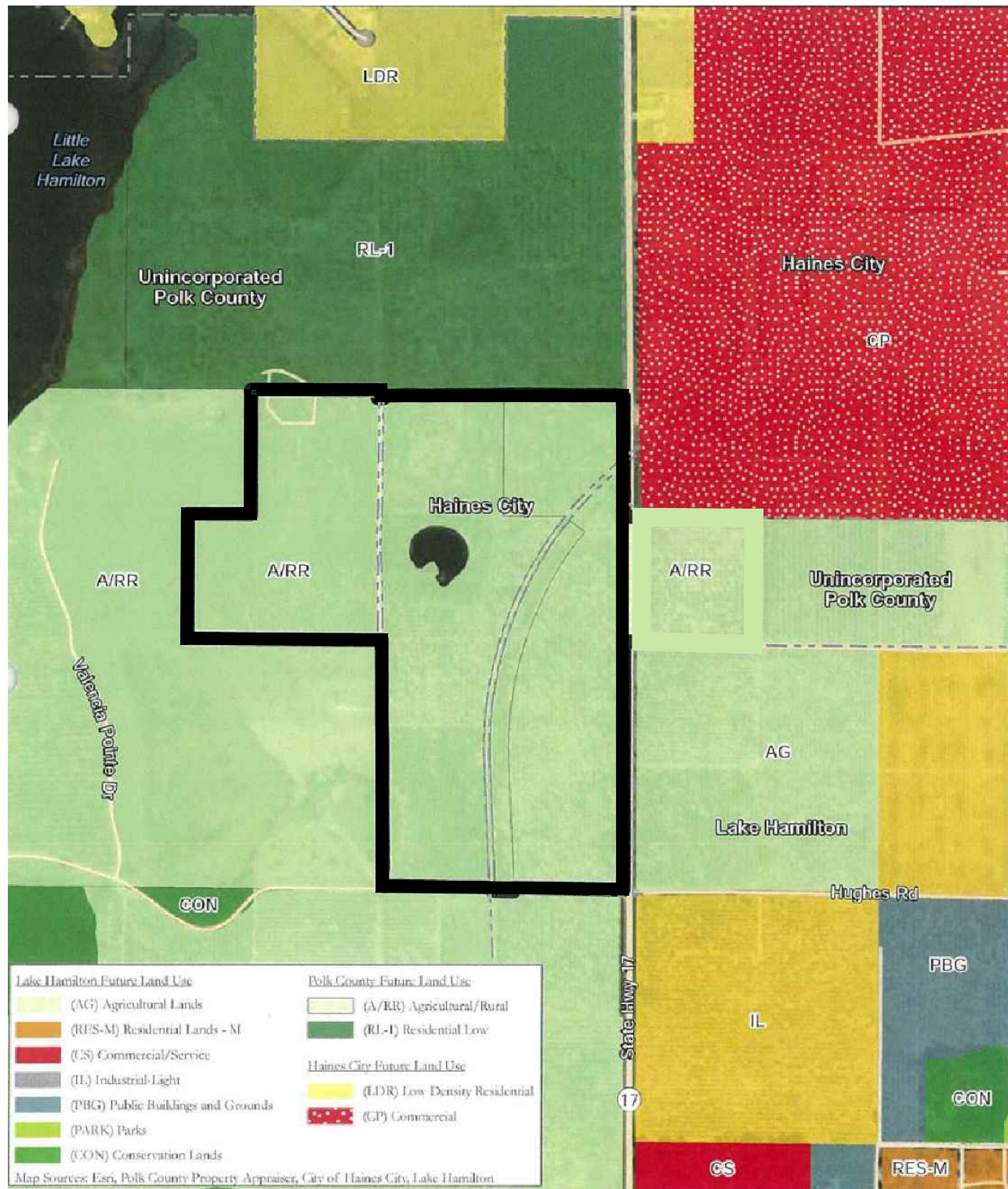
SHEET 2 OF 7

SECTS 9, T28S, R27E

EXHIBIT 2 - LEGAL DESCRIPTION SCENIC TERRACE NORTH CDD



DATE: 7/3/2023

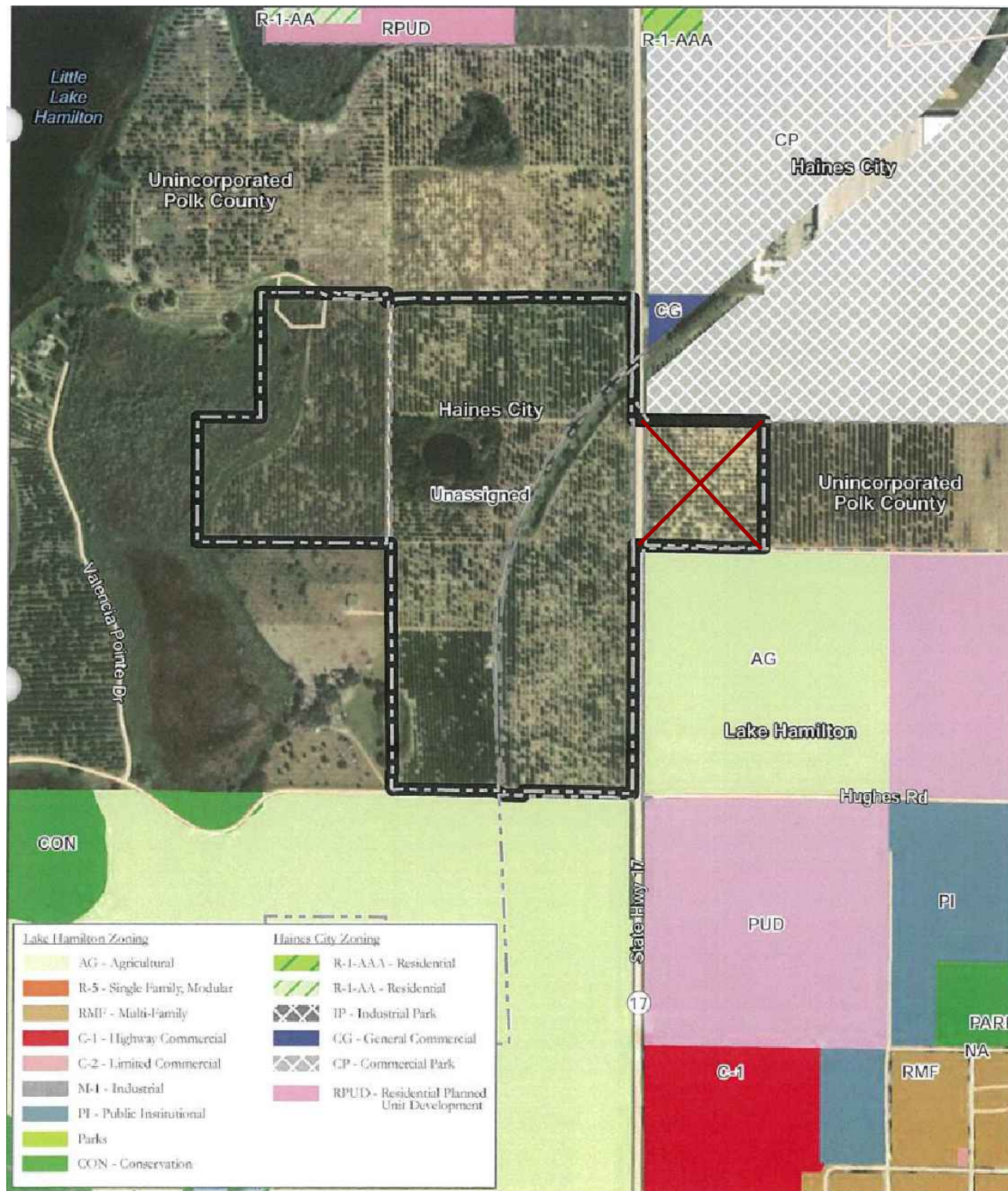


SECTS 9, T28S, R27E

EXHIBIT 7 - FUTURE LAND USE MAP SCENIC TERRACE NORTH CDD



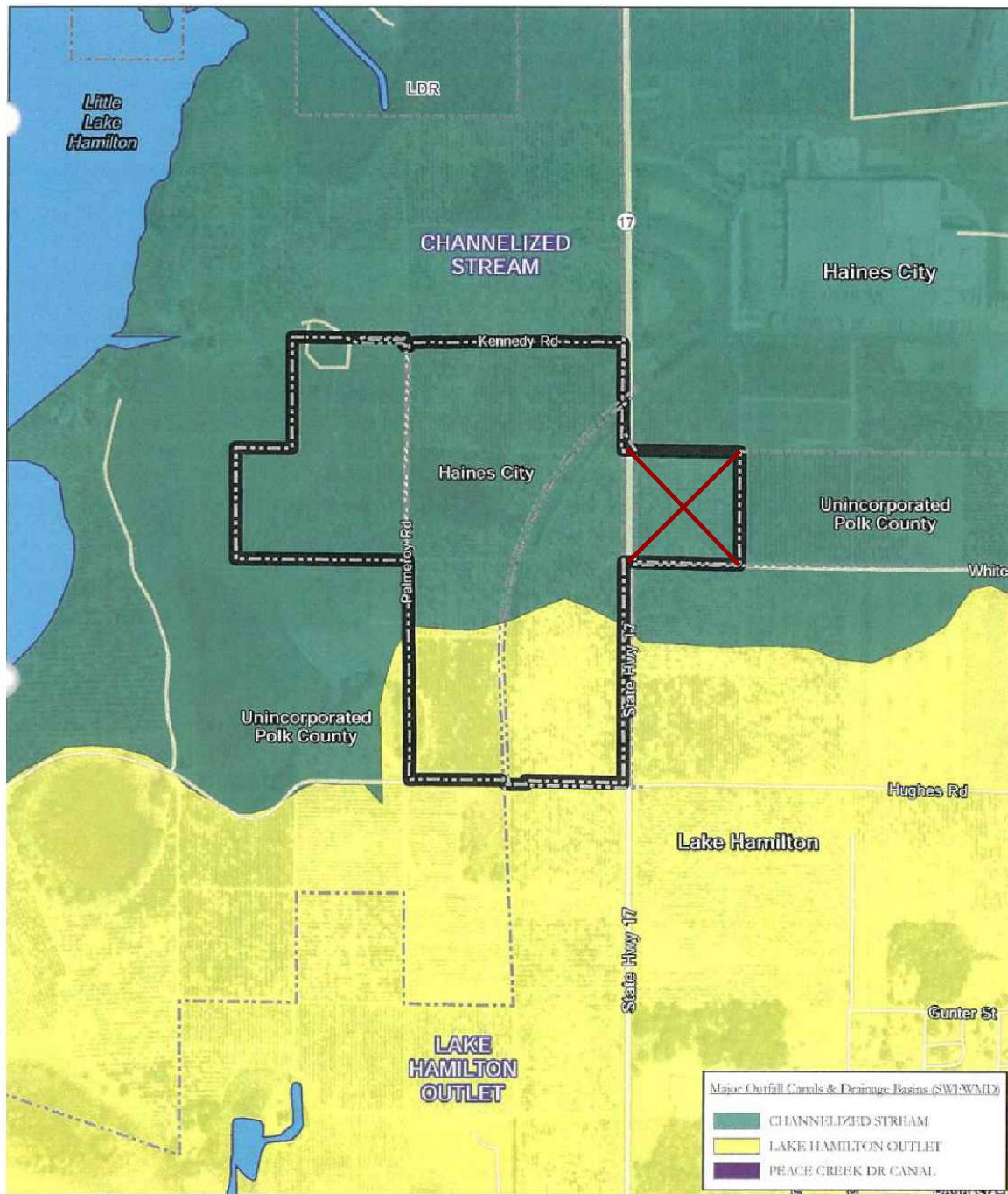
DATE: 7/3/2023



SECTS 9, T28S, R27E

EXHIBIT 5 - ZONING MAP SCENIC TERRACE NORTH CDD





SECTS 9, T28S, R27E

EXHIBIT 6 - DRAINAGE MAP SCENIC TERRACE NORTH CDD

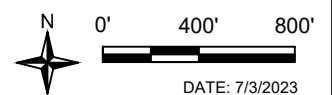


EXHIBIT 7A

Scenic Terrace North

Community Development District

Summary of Proposed District Facilities

District Infrastructure	Construction	Ownership	Capital Financing*	Operation and Maintenance
Stormwater Facilities	District	District	District Bonds	District
Lift Stations/Water/Sewer	District	City of Haines City	District Bonds	City of Haines City
Street Lighting	District	District	District Bonds	District
Onsite Road Construction	District	District	District Bonds	District
Offsite Road Construction	District	Polk County	District Bonds	Polk County
Entry Feature & Signage	District	District	District Bonds	District
Parks and Recreation Facilities	District	District	District Bonds	District

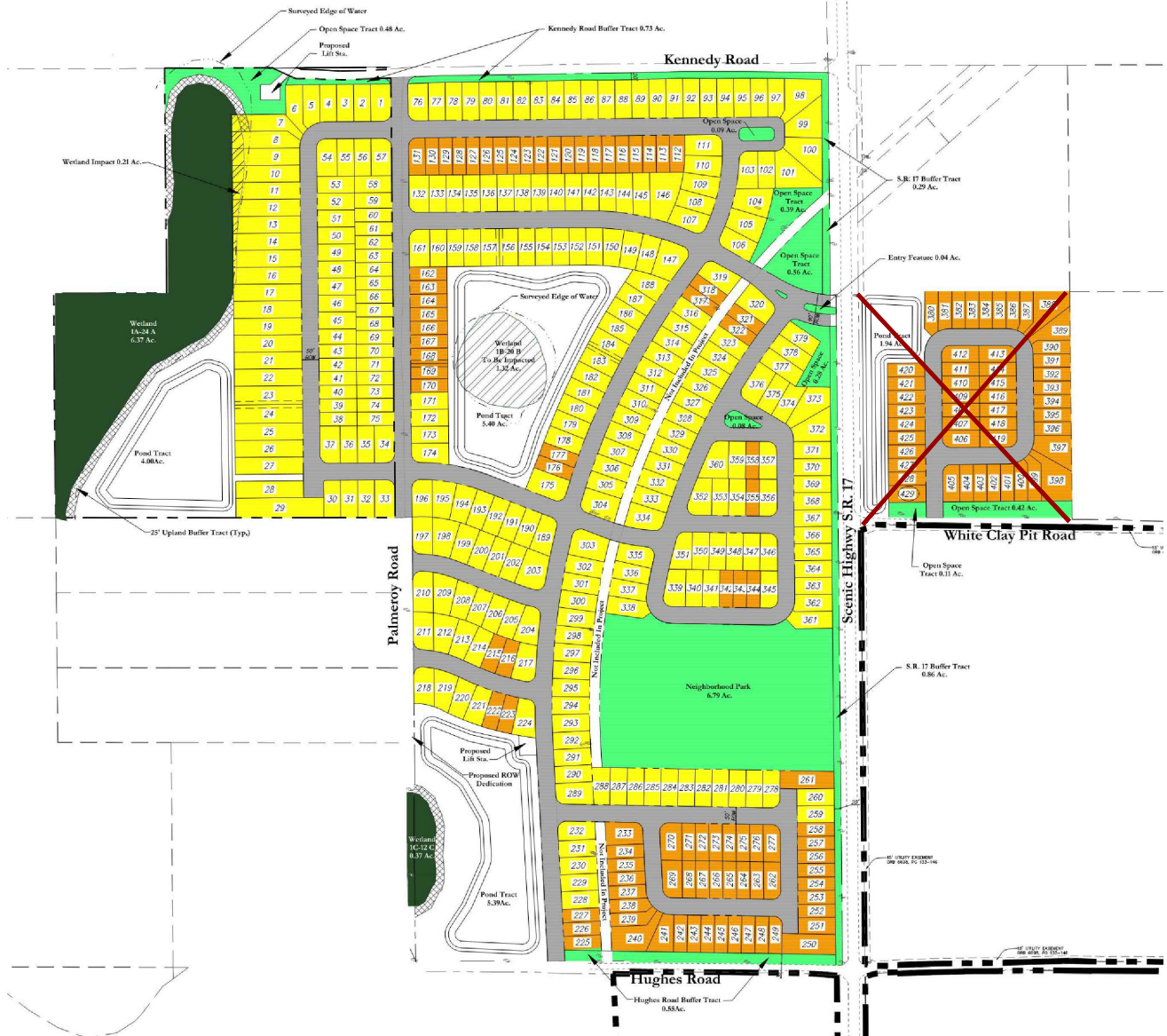
*Costs not funded by bonds will be funded by the developer.

EXHIBIT 7B
Scenic Terrace North Community Development District
Estimate of Probable Capital Improvement Costs^{7,10,11}
DATE: July 2023

	TOTALS
Infrastructure ¹⁻¹¹	
Number of LOTS	330
Offsite Improvements	\$1,750,000.00
Stormwater Management ^{3,6}	\$2,200,000.00
Mass Grading and Master Stormwater Drainage ^{2,3}	\$3,100,000.00
Roadway - Curb, Paving and Drainage ⁴	\$3,250,000.00
Utilities (Water, Sewer, & Reuse)	\$4,600,000.00
Water	\$1,600,000.00
Reuse	\$900,000.00
Wastewater Systems	\$2,100,000.00
Electrical	\$800,000.00
Electrical Distribution (Incremental cost of undergrounding)	
Landscaping & Entry Feature ⁸	\$1,000,000.00
Parks and Amenities	\$800,000.00
SUBTOTAL CONSTRUCTION	\$17,500,000.00
General Consulting (Engr & Legal) @ 10% ⁵	\$2,000,000.00
Subtotal	\$19,500,000.00
Contingency @ 15%	\$2,625,000.00
Grand Total	\$22,125,000.00

Notes:

1. Infrastructure consists of public roadway improvements, Stormwater management facilities, sanitary sewer lift station and utilities, entry feature, landscaping and signage, and public neighborhood parks, all of which will be located on land owned by or subject to a permanent easement in favor of the District or another government entity.
2. Excludes grading of each lot in conjunction with home construction, which will be provided by home builder.
3. Includes Stormwater pond excavation. Does not include the cost of transportation of fill for use of private lots.
4. Includes sub-grade, base, asphalt paving, curbing, and civil/site engineering.
5. Includes subdivision infrastructure and civil/site engineering.
6. Stormwater does not include grading associated with building pads.
7. Estimates are based on 2023 cost.
8. Includes entry features, signage, hardscape, landscape, irrigation and buffer fencing.
9. CDD will enter into a Lighting Agreement with Duke Energy for the streetlight poles and lighting service. Includes only the incremental cost of undergrounding.
10. Estimates based on 330 lots.
11. The costs associated with the infrastructure are a master cost and is effectively shared by the entire project (All phases).



LEGEND

	SURVEY BOUNDARY
	WETLAND
	25' UPLAND BUFFER
	OPEN SPACE
	40' x 110' Min.
	50' x 110' Min.

SECTS 9, T28S, R27E

EXHIBIT 8 - SITE PLAN SCENIC TERRACE NORTH CDD

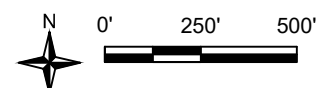


EXHIBIT B: LEGAL DESCRIPTION OF DISTRICT LANDS

A PORTION OF LAND LYING IN SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, THENCE RUN SOUTH 89°43'08" WEST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 FOR A DISTANCE OF 43.74 FEET; THENCE DEPARTING SAID NORTH LINE RUN SOUTH 00°13'50" EAST FOR A DISTANCE OF 22.16 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°33'34" EAST ALONG THE WEST RIGHT OF WAY LINE OF STATE ROAD 17, ALSO KNOWN AS SCENIC HIGHWAY, AS RECORDED IN OFFICIAL RECORDS BOOK 646, PAGE 443, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, FOR A DISTANCE OF 644.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°59'05" EAST ALONG SAID NORTH LINE AND THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 705.84 FEET TO THE NORTH EAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN SOUTH 00°36'22" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 667.03 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTH WEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN NORTH 89°55'13" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 689.39 FEET TO A POINT ON THE AFORESAID WEST RIGHT OF WAY LINE OF STATE ROAD 17 AS SHOWN ON FDOT RIGHT OF WAY MAP SECTION NO. 5029— RD (8), THENCE RUN SOUTH 00°33'34" EAST ALONG SAID WEST RIGHT OF WAY LINE FOR A DISTANCE OF 1318.91 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF HUGHES ROAD, AS RECORDED IN MAP BOOK 9, PAGE 12 THROUGH 30, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID NORTH RIGHT OF WAY LINE: NORTH 89°27'06" WEST, 126.48 FEET; NORTH 88°35'52" WEST, 100.01 FEET; NORTH 88°52'43" WEST, 100.00 FEET; NORTH 89°27'06" WEST, 100.00 FEET; NORTH 89°23'39" WEST, 100.00 FEET; NORTH 89°37'24" WEST, 100.00 FEET; NORTH 00°39'47" EAST, 3.50 FEET; SOUTH 89°58'32" WEST, 200.01 FEET; SOUTH 89°31'02" WEST, 100.02 FEET; NORTH 89°20'13" WEST, 100.00 FEET; NORTH 89°54'36" WEST, 200.01 FEET; SOUTH 00°39'47" WEST, 5.00 FEET; THENCE RUN NORTH 89°20'13" WEST FOR A DISTANCE OF 29.89 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF PALMERROY ROAD, AS RECORDED IN MAP BOOK 8, PAGE 99 THROUGH 100, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID EAST RIGHT OF WAY LINE: NORTH 23°51'25" WEST, 44.92 FEET; NORTH 05°21'16" WEST, 49.28 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET, NORTH 00°29'16" WEST FOR A DISTANCE OF 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; NORTH 01°38'01" WEST, 200.04 FEET; NORTH 00°39'29" EAST, 100.02 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; THENCE RUN NORTH 00°29'16" WEST, 20.16 FEET TO A POINT ON THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°57'35" WEST ALONG SAID SOUTH LINE AND THE SOUTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 1029.22 FEET TO THE SOUTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°32'44" WEST ALONG THE WEST LINE OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 661.46 FEET TO THE NORTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°50'22" EAST ALONG THE NORTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 333.31 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°33'19" WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 662.16 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°43'08" EAST ALONG THE

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CONTAINING 113.29 ACRES, MORE OR LESS.

LESS OUT:

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, LYING EAST OF SCENIC HIGHWAY (STATE ROAD 17) ACCORDING TO THE STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT OF WAY MAP, PROJ. 5209-RD. (8), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, RUN THENCE ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4, S.00°36'53"E., A DISTANCE OF 1332.66 FEET TO THE SOUTH BOUNDARY OF AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, S.89°55'02"E., A DISTANCE OF 36.65 FEET TO THE EASTERLY RIGHT OF WAY OF SAID SCENIC HIGHWAY (STATE ROAD 17) FOR A POINT OF BEGINNING; THENCE ALONG SAID EASTERLY RIGHT OF WAY, N.00°36'33"W., A DISTANCE OF 666.37 FEET TO THE NORTH BOUNDARY OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID NORTH BOUNDARY, S.89°58'33"E., A DISTANCE OF 624.63 FEET TO THE EASTERLY BOUNDARY THEREOF; THENCE ALONG SAID EASTERLY BOUNDARY, S.00°36'20"E., A DISTANCE OF 667.01 FEET TO AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, N.89°55'02"W., A DISTANCE OF 624.59 FEET TO THE POINT OF BEGINNING.

ALTOGETHER CONTAINING 103.731 ACRES, MORE OR LESS.

SECTION D

This instrument was prepared by and
upon recording should be returned to:

(This space reserved for Clerk)

Roy Van Wyk, Esq.
Kilinski | Van Wyk, PLLC
2016 Delta Blvd., Suite 101
Tallahassee, Florida 32303

**COLLATERAL ASSIGNMENT AND ASSUMPTION OF
DEVELOPMENT RIGHTS RELATING TO THE
SERIES 2023 PROJECT**

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS RELATING TO THE SERIES 2023 PROJECT (“Assignment”) is made this ____ day of ____ 2023, by and between:

SCENIC TERRACE NORTH COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in the City of Haines City, Florida, with a mailing address of 219 East Livingston Street, Orlando Florida 32801 (the “District”), and

HIGHLAND SUMNER, LLC, a Florida limited liability company, the developer and owner of certain lands within the District, with a mailing address of 346 E Central Avenue, Winter Haven, Florida 33880, and its successors and assigns (the “Landowner” or “Developer” and, together with the District, the “Parties”).

RECITALS

WHEREAS, Landowner is the owner and the developer of that certain real property within the District as more particularly described in **Exhibit A**, attached hereto and incorporated herein (“District Lands”); and

WHEREAS, the District proposes to issue its \$_____ Scenic Terrace North Community Development District Special Assessment Bonds, Series 2023 (the “Series 2023 Bonds”), to finance certain improvements which will benefit all of the District Lands (the “Series 2023 Project”); and

WHEREAS, among the security for the repayment of the Series 2023 Bonds are the debt special assessments levied against the District Lands (the “Series 2023 Special Assessments”); and

WHEREAS, the Parties intend that District Lands will be platted and fully developed into a total of 330 single family residential units (the “Lots”), and the Lots will be ultimately owned by homebuilders or end users, unrelated to the Landowner or its affiliated entities (the “Development Completion”), as contemplated by the *Scenic Terrace North Community development District Engineer’s Report*, dated July 18, 2023 (the “Engineer’s Report”), and in

the *Master Assessment Methodology for Scenic Terrace North Community Development District*, dated September 2, 2022 (the “Master Methodology”), as supplemented by the *Supplemental Assessment Methodology for Series 2023 Assessment Area*, dated _____, 2023 (together, the “Assessment Methodology”), all of such Lots and associated improvements being referred to herein as the “Development”; and

WHEREAS, the Development which is being partially financed with the proceeds of the Series 2023 Bonds is described as District in the Engineer’s Report and is referred to as the “Series 2023 Project”; and

WHEREAS, the failure to achieve Development Completion may increase the likelihood that the purchasers of the Series 2023 Bonds will not receive the full benefit of their investment in the Series 2023 Bonds; and

WHEREAS, during the period in which the Development is being developed and the Series 2023 Project has yet to reach Development Completion, there is an increased likelihood that adverse changes to local or national economic conditions may result in a default in the payment of the Series 2023 Special Assessments securing the Series 2023 Bonds; and

WHEREAS, in the event of default in the payment of the Series 2023 Special Assessments securing the Series 2023 Bonds, or in the payment of a True-Up Obligation (as defined in the *Agreement by and between the Scenic Terrace North Community Development District and Highland Sumner, LLC Regarding True-Up as to Series 2023 Special Assessments*, dated _____, 2023), or in the event of any other Event of Default (as defined herein), the District requires, in addition to the remedies afforded the District under the *Master Trust Indenture* dated as of August 1, 2023 (the “Master Indenture”), as supplemented by that *First Supplemental Trust Indenture* dated as of August 1, 2023 (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), pursuant to which the Series 2023 Bonds are being issued, and the other Agreements being entered into by Landowner concurrent herewith with respect to the Series 2023 Bonds and the Series 2023 Special Assessments (the Indentures and Agreements being referred to collectively as the “Bond Documents”, and such remedies being referred to collectively as the “Remedial Rights”), certain remedies with respect to the Development Rights (defined below) in order to complete or enable a third party to complete development of the Series 2023 Project.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the Parties, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. RECITALS. The recitals stated above are true and correct and by this reference are incorporated herein and form a material part of this Assignment.

2. COLLATERAL ASSIGNMENT.

(a) Subject to the terms and conditions of this Assignment, Landowner hereby collaterally assigns to the District, to the extent assignable, all of Landowner’s development rights, permits, entitlements and work product relating to development of Series 2023 Project,

and the Landowner's rights as declarant of any property owner or homeowner association with respect to Series 2023 Project (collectively, the "Development Rights"), as security for Landowner's payment and performance of all of its obligations arising under the Bond Documents, including, without limitation, payment of the Series 2023 Special Assessments as a result of the Series 2023 Project that is owned by Landowner, its successors and assigns, and any True-Up Obligation. The Development Rights shall include, without limitation, the items listed in subsections (i) through (viii) below as they pertain to development of the Series 2023 Project, but shall specifically exclude any portion of the Development Rights which relate solely to (x) Lots which have been or are conveyed to homebuilders unaffiliated with the Landowner or homebuyers effective as of such conveyance, or (y) any portion of Series 2023 Project which has been transferred, dedicated and/or conveyed, or is in the future conveyed, to the City of Haines City, Florida (the "City"), Polk County, Florida (the "County"), the District, any utility provider, governmental or quasi-governmental entity, any homeowner's or property owner's association or other governing entity or association as may be required by applicable permits, approvals, plats or entitlements or regulations affecting the District, if any, in each case effective as of such transfer, conveyance and/or dedication, as applicable:

(i) Zoning approvals, density approvals and entitlements, concurrency and capacity certificates, and development assignments;

(ii) Engineering and construction plans and specifications for grading, roadways, site drainage, storm water drainage, signage, water distribution, wastewater collection, recreational facilities and other improvements;

(iii) Preliminary and final site plans and plats;

(iv) Architectural plans and specifications for recreational buildings and other improvements to the developable property within the District;

(v) Permits, approvals, resolutions, variances, licenses, and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the Series 2023 Project or the construction of improvements within the Series 2023 Project, or off-site to the extent such off-site improvements are necessary or required to complete the Series 2023 Project;

(vi) Contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the Series 2023 Project or the construction of improvements within the Series 2023 Project;

(vii) All prepaid impact fees and impact fee credits; and

(viii) All future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing.

(b) This Assignment is not intended to and shall not impair or interfere with the development of the Series 2023 Project, including, without limitation, Landowner's contracts

with homebuilders, if any, and end users (collectively, “Sales Contracts”), and shall only be inchoate and shall become an effective and absolute assignment and assumption of the Development Rights, from time to time, only upon the District’s exercise of its rights hereunder upon a failure of Landowner to pay the Series 2023 Special Assessments levied against the portion of the District Lands owned by the Landowner, from time to time, failure of Landowner to satisfy a True-Up Obligation, or any other Event of Default hereunder. The District shall not be deemed to have assumed any obligations associated with the Development Rights unless and until the District exercises its rights under this Assignment, and then only to the extent of such exercise.

(c) If this Assignment has not become absolute, it shall automatically terminate upon the earliest to occur of the following events: (i) payment in full of the principal and interest associated with the Series 2023 Bonds; (ii) Development Completion; (iii) transfer of any Development Rights to the City, the County, the State, the District, any utility provider, any other governmental or quasi-governmental entity, or any homeowners’ or property owner’s association but only to the extent of such transfer; or (iv) transfer of any portion of the Series 2023 Project to an unaffiliated homebuilder or end user but only as to such portion transferred, from time to time.

3. WARRANTIES BY LANDOWNER. Landowner represents and warrants to the District that:

(a) Landowner is not prohibited under any agreement with any other person or under any judgment or decree from the execution, delivery and performance of this Assignment.

(b) No action has been brought or threatened which would in any way interfere with the right of Landowner to execute this Assignment and perform all of Landowner’s obligations herein contained.

(c) Any transfer, conveyance or sale of the District Lands shall subject any and all affiliates or successors-in-interest of Landowner as to the Series 2023 Project or any portion thereof, to this Assignment to the extent of the portion of the District Lands so conveyed, except to the extent described in Section 2 above.

4. COVENANTS. Landowner covenants with the District that for so long as this Assignment shall remain in effect pursuant to the terms hereof:

(a) Landowner will use reasonable, good faith efforts to (i) fulfill, perform, and observe each and every material condition and covenant of Landowner relating to the Development Rights, and (ii) give notice to District of any default with respect to any of the Development Rights.

(b) The Development Rights include all of Landowner’s rights to modify the Development Rights, to terminate the Development Rights, and to waive or release the performance or observance of any obligation or condition of the Development Rights; provided, however, that this Assignment does not and shall not (i) pertain to lands outside of the District not relating or necessary to development of the Series 2023 Project, or (ii) limit Landowner’s

right, from time to time, to modify, waive or release the Development Rights, subject to Section 4(c) below and Landowner's obligations under the Bond Documents.

(c) Landowner agrees not to take any action that would decrease the development entitlements to a level below the amount necessary to support the then-outstanding Series 2023 Special Assessments or would materially impair or impede the ability to achieve Development Completion.

5. EVENTS OF DEFAULT. Any breach of Landowner's warranties contained in Section 3 hereof, any breach of covenants contained in Section 4 hereof which is not cured within sixty (60) days after receipt of written notice thereof, or any breach of Landowner under any other Bond Documents, which default is not cured within any applicable cure period, will constitute an "Event of Default", under this Assignment.

6. REMEDIES UPON DEFAULT. Upon an Event of Default, or the transfer of title to any portion of the Series 2023 Project owned by Landowner to the District or its designee pursuant to a judgment of foreclosure entered by a court of competent jurisdiction or a deed in lieu of foreclosure to the District or its designee or the acquisition of title to such property through the sale of tax certificates, the District may, as the District's sole and exclusive remedies under this Assignment, take any or all of the following actions, at the District's option:

(a) Perform or cause to be performed any and all obligations of Landowner relating to the Development Rights and exercise or cause to be exercised any and all rights of Landowner therein as fully as Landowner could;

(b) Initiate, appear in, or defend any action arising out of or affecting the Development Rights; and,

(c) Further assign any and all of the Development Rights to a third party acquiring title to the Series 2023 Project or any portion thereof from the District or at a District foreclosure sale.

7. AUTHORIZATION IN EVENT OF DEFAULT. In the Event of Default, Landowner does hereby authorize and shall direct any party to any agreements relating to the Development Rights to tender performance thereunder to the District upon written notice and request from the District. Any such performance in favor of the District shall constitute a full release and discharge to the extent of such performance as fully as though made directly to Landowner. Notwithstanding the foregoing or anything to the contrary set forth in this Assignment, no exercise by the District or the District's rights under this Assignment shall operate to release Landowner from its obligations under this Assignment.

8. ATTORNEYS' FEES AND COSTS. In the event that either Party is required to enforce this Assignment by court proceedings or otherwise, then the Parties agree that the substantially prevailing party shall be entitled to recover from the other(s) all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

9. AUTHORIZATION. The execution of this Assignment has been duly authorized by the appropriate body or official of the Parties; the Parties have complied with all the requirements of law; and the Parties have full power and authority to comply with the terms and provisions of this instrument.

10. NOTICES. All notices, requests, consents and other communications under this Assignment (“Notices”) shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the Parties at the addresses first set forth above. Except as otherwise provided in this Assignment, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Assignment would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Landowner may deliver Notice on behalf of the District and the Landowner, respectively. Any Party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days’ written notice to the Parties and addressees set forth in this Assignment.

11. ARM’S LENGTH TRANSACTION. This Assignment has been negotiated fully between the Parties as an arm’s length transaction. Both Parties participated fully in the preparation of this Assignment and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Assignment, both Parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either the District or the Landowner.

12. THIRD PARTY BENEFICIARIES. The Parties hereto agree that the trustee under the Indenture (the “Trustee”), on behalf of the bondholders, shall be a direct third-party beneficiary of the terms and conditions of this Assignment and entitled to enforce Landowner’s obligations hereunder at the direction of the bondholders owning more than 50% of the aggregate principal amount of the applicable Series 2023 Bonds then outstanding. The Trustee shall not be deemed by virtue of this Assignment to have assumed any obligations or duties.

13. AMENDMENT. This Assignment may be amended by an instrument in writing executed by all of the Parties hereto, but only with the written consent of the Trustee acting at the direction of bondholders owning more than 50% of the aggregate principal amount of the Series 2023 Bonds then outstanding with respect to material amendments.

14. MISCELLANEOUS. Unless the context requires otherwise, whenever used herein, the singular number shall include the plural, the singular, and the use of any gender shall include all genders. The terms “person” and “party” shall include individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups and combinations. Titles of paragraphs contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Assignment or the intent of any provisions hereunder. This Assignment shall be construed under Florida law.

15. APPLICABLE LAW AND VENUE. This Assignment and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the exclusive venue for any litigation arising out of or related to this Assignment shall be in a court of appropriate jurisdiction, in and for Polk County, Florida.

16. PUBLIC RECORDS. The Landowner understands and agrees that all documents of any kind provided to the District in connection with this Assignment may be public records and treated as such in accordance with Florida law.

17. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Assignment shall not affect the validity or enforceability of the remaining portions of this Assignment, or any part of this Assignment not held to be invalid or unenforceable.

18. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Assignment shall be deemed as a waiver of sovereign immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other law, and nothing in this Assignment shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred by sovereign immunity or by other operation of law.

19. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Assignment are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Assignment.

20. COUNTERPARTS. This instrument may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original, and such counterparts together shall constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[Signature pages follow]

IN WITNESS WHEREOF, Landowner and the District have caused this Assignment to be executed and delivered on the day and year first written above.

WITNESS:

HIGHLAND SUMNER, LLC, a Florida
limited liability company

By: Heath Construction and Management,
LLC
Its: Manager

[Print Name]

Warren K. (Rennie) Heath II, its Manager

[Print Name]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence
or ☐ online notarization this ____ day of _____, 2023, by Warren K. (Rennie) Heath II,
as Manager of Heath Construction and Management, LLC, as Manager of Highland Sumner,
LLC, on behalf of the company.

[notary seal]

(Official Notary Signature)
Name: _____
Personally Known _____
OR Produced Identification _____
Type of Identification _____

WITNESSES:

**SCENIC TERRACE NORTH
COMMUNITY DEVELOPMENT
DISTRICT**

[Print Name]

Lauren O. Schwenk
Vice Chairperson, Board of Supervisors

[Print Name]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization this ____ day of _____, 2023, by Lauren O. Schwenk, as Vice Chairperson of the Board of Supervisors of Scenic Terrace North Community Development District.

[notary seal]

(Official Notary Signature)
Name: _____
Personally Known _____
OR Produced Identification _____
Type of Identification _____

Exhibit A: Legal Description of District Lands

EXHIBIT A: LEGAL DESCRIPTION OF DISTRICT LANDS

A PORTION OF LAND LYING IN SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, THENCE RUN SOUTH 89°43'08" WEST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 FOR A DISTANCE OF 43.74 FEET; THENCE DEPARTING SAID NORTH LINE RUN SOUTH 00°13'50" EAST FOR A DISTANCE OF 22.16 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°33'34" EAST ALONG THE WEST RIGHT OF WAY LINE OF STATE ROAD 17, ALSO KNOWN AS SCENIC HIGHWAY, AS RECORDED IN OFFICIAL RECORDS BOOK 646, PAGE 443, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, FOR A DISTANCE OF 644.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°59'05" EAST ALONG SAID NORTH LINE AND THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 705.84 FEET TO THE NORTH EAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN SOUTH 00°36'22" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 667.03 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTH WEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN NORTH 89°55'13" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 689.39 FEET TO A POINT ON THE AFORESAID WEST RIGHT OF WAY LINE OF STATE ROAD 17 AS SHOWN ON FDOT RIGHT OF WAY MAP SECTION NO. 5029— RD (8), THENCE RUN SOUTH 00°33'34" EAST ALONG SAID WEST RIGHT OF WAY LINE FOR A DISTANCE OF 1318.91 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF HUGHES ROAD, AS RECORDED IN MAP BOOK 9, PAGE 12 THROUGH 30, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID NORTH RIGHT OF WAY LINE: NORTH 89°27'06" WEST, 126.48 FEET; NORTH 88°35'52" WEST, 100.01 FEET; NORTH 88°52'43" WEST, 100.00 FEET; NORTH 89°27'06" WEST, 100.00 FEET; NORTH 89°23'39" WEST, 100.00 FEET; NORTH 89°37'24" WEST, 100.00 FEET; NORTH 00°39'47" EAST, 3.50 FEET; SOUTH 89°58'32" WEST, 200.01 FEET; SOUTH 89°31'02" WEST, 100.02 FEET; NORTH 89°20'13" WEST, 100.00 FEET; NORTH 89°54'36" WEST, 200.01 FEET; SOUTH 00°39'47" WEST, 5.00 FEET; THENCE RUN NORTH 89°20'13" WEST FOR A DISTANCE OF 29.89 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF PALMER ROY ROAD, AS RECORDED IN MAP BOOK 8, PAGE 99 THROUGH 100, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID EAST RIGHT OF WAY LINE: NORTH 23°51'25" WEST, 44.92 FEET; NORTH 05°21'16" WEST, 49.28 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET, NORTH 00°29'16" WEST FOR A DISTANCE OF 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; NORTH 01°38'01" WEST, 200.04 FEET; NORTH 00°39'29" EAST, 100.02 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; THENCE RUN NORTH 00°29'16" WEST, 20.16 FEET TO A POINT ON THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°57'35" WEST ALONG SAID SOUTH LINE AND THE SOUTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 1029.22 FEET TO THE SOUTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°32'44" WEST ALONG THE WEST LINE OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 661.46 FEET TO THE NORTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°50'22" EAST ALONG THE NORTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 333.31 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°33'19" WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 662.16

FEET TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°43'08" EAST ALONG THE NORTH LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 666.38 FEET TO THE NORTHEAST CORNER OF THE SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 00°34'31 " EAST ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 31.81 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF FLOYD ROAD, AS RECORDED IN MAP BOOK 8, PAGE 106, AFORESAID PUBLIC RECORDS; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID SOUTH RIGHT OF WAY LINE: NORTH 86°38'31" EAST, 37.56 FEET; NORTH 86°38'21" EAST, 16.64 FEET; NORTH 87°32'49" EAST, 100.02 FEET; NORTH 89°15'56" EAST, 300.01 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 89°50'19" EAST, 100.02 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 88°07'11" EAST, 100.00 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; NORTH 89°50'19" EAST, 100.02 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; SOUTH 89°01'00" EAST, 100.08 FEET; THENCE RUN SOUTH 89°01'55" EAST A DISTANCE OF 34.67 FEET TO THE POINT OF BEGINNING.

CONTAINING 113.29 ACRES, MORE OR LESS.

LESS OUT:

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, LYING EAST OF SCENIC HIGHWAY (STATE ROAD 17) ACCORDING TO THE STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT OF WAY MAP, PROJ. 5209-RD. (8), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, RUN THENCE ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4, S.00°36'53"E., A DISTANCE OF 1332.66 FEET TO THE SOUTH BOUNDARY OF AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, S.89°55'02"E., A DISTANCE OF 36.65 FEET TO THE EASTERLY RIGHT OF WAY OF SAID SCENIC HIGHWAY (STATE ROAD 17) FOR A POINT OF BEGINNING; THENCE ALONG SAID EASTERLY RIGHT OF WAY, N.00°36'33"W., A DISTANCE OF 666.37 FEET TO THE NORTH BOUNDARY OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID NORTH BOUNDARY, S.89°58'33"E., A DISTANCE OF 624.63 FEET TO THE EASTERLY BOUNDARY THEREOF; THENCE ALONG SAID EASTERLY BOUNDARY, S.00°36'20"E., A DISTANCE OF 667.01 FEET TO AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, N.89°55'02"W., A DISTANCE OF 624.59 FEET TO THE POINT OF BEGINNING.

ALTOGETHER CONTAINING 103.731 ACRES, MORE OR LESS.

SECTION E

This instrument was prepared by and
upon recording should be returned to:

Roy Van Wyk, Esq.
Kilinski | Van Wyk PLLC
2016 Delta Blvd, Suite 101
Tallahassee, Florida 32303

**DECLARATION OF CONSENT TO JURISDICTION OF
SCENIC TERRACE NORTH COMMUNITY DEVELOPMENT DISTRICT
AND TO IMPOSITION OF SPECIAL ASSESSMENTS**

(SERIES 2023 SPECIAL ASSESSMENTS)

HIGHLAND SUMNER, LLC, a Florida limited liability company (the “Landowner”), is the owner of those lands as more particularly described in **Exhibit A** attached hereto (the “Property” also known as “District Lands”), located within the boundaries of the Scenic Terrace North Community Development District (the “District”). The Landowner, intending that it and its successors in interest and assigns shall be legally bound by this Declaration, hereby declares, acknowledges and agrees as follows:

1. The District is, and has been, and has remained at all times, on and after August 19, 2021, a legally created, duly organized, and validly existing community development district under the provisions of Chapter 190, *Florida Statutes*, as amended (the “Act”). Without limiting the generality of the foregoing, the Landowner acknowledges that: (a) the petition filed with the City of Haines City, City Commission (“City”), relating to the creation of the District contained all matters required by the Act to be contained therein and was filed in the manner and by the persons required by the Act; (b) Ordinance No. 21-1741, enacted by the City and effective on August 19, 2021, as amended by Ordinance No. 23-2042 enacted by the City and effective on June 1, 2023 (together, the “Ordinance”), was duly and properly adopted by the City in compliance with all applicable requirements of law; (c) the members of the Board of Supervisors of the District (the “Board”) were and are duly and properly designated and/or elected pursuant to the Act to serve in their official capacities and had the authority and right to authorize, approve and undertake all actions of the District approved and undertaken from August 19, 2021 to and including the date of this Declaration.

2. The Landowner, for itself and its heirs, successors and assigns, hereby confirms and agrees, that the debt special assessments (the “Series 2023 Special Assessments”) imposed by Resolution Nos. 2021-27, 2021-28, 2022-03, and 2023-__ (collectively, the “Assessment Resolutions”), which have been duly adopted by the Board; and all proceedings undertaken by the District with respect thereto have been in accordance with applicable Florida law, the District has taken all action necessary to levy and impose the Series 2023 Special Assessments, and the Series 2023 Special Assessments are legal, valid and binding first liens upon the Property co-

equal with the lien of all state, county, city, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid.

3. The Landowner, for itself and its heirs, successors and assigns, hereby waives the right granted in Chapter 170.09, *Florida Statutes*, to prepay the Series 2023 Special Assessments without interest within thirty (30) days after the improvements are completed, in consideration of the rights granted by the District to prepay the Series 2023 Special Assessments in full at any time or in part at any time, but with interest, under the circumstances set forth in the Assessment Resolutions of the District levying the Series 2023 Special Assessments.

4. The Landowner hereby expressly acknowledges, represents and agrees that (i) the Series 2023 Special Assessments, the Assessment Resolutions, and the terms of the financing documents related to the District's issuance of the Scenic Terrace North Community Development District Special Assessment Bonds, Series 2023, in the principal amount of \$_____ (the "Series 2023 Bonds"), or securing payment thereof and all other documents and certifications relating to the issuance of the Series 2023 Bonds (the "Financing Documents"), are valid and binding obligations enforceable in accordance with their terms; (ii) there are no claims or offsets whatsoever against, or defenses or counterclaims whatsoever to, payments of the Series 2023 Special Assessments or claims of invalidity, deficiency or unenforceability of the Series 2023 Special Assessments and Financing Documents (and the Landowner hereby expressly waives any such claims, offsets, defenses or counterclaims); (iii) the Landowner expressly waives and relinquishes any argument, claim or defense that foreclosure proceedings cannot be commenced until one (1) year after the date of the Landowner's default and agrees that, immediate use of remedies in Chapter 170, *Florida Statutes*, is an appropriate and available remedy, notwithstanding the provisions of Section 190.026, *Florida Statutes*; (iv) to the extent Landowner fails to timely pay any Series 2023 Special Assessments collected by mailed notice of the District, such unpaid Series 2023 Special Assessments and future Series 2023 Special Assessments may be placed on the tax roll by the District for collection by the Tax Collector pursuant to Section 197.3632, *Florida Statutes*, in any subsequent year; and (v) any and all rights to challenge the validity of: any argument, claim or defense resulting from any defect or omission of any and all District notices, meetings, workshops, public hearings and other proceedings in relation to the Series 2023 Special Assessments or the Series 2023 Bonds that were conducted on or prior to the date hereof..

5. This Declaration shall represent a lien of record for purposes of Chapter 197, *Florida Statutes*, including, without limitation, Section 197.573, *Florida Statutes*. Other information regarding the Series 2023 Special Assessments is available from the District Manager (Governmental Management Services – Central Florida, LLC), 219 E. Livingston Street, Orlando, Florida 32801.

THE DECLARATIONS, ACKNOWLEDGEMENTS AND AGREEMENTS CONTAINED HEREIN SHALL BE BINDING ON THE LANDOWNER AND ON ALL PERSONS (INCLUDING CORPORATIONS, ASSOCIATIONS, TRUSTS AND OTHER LEGAL ENTITIES) TAKING TITLE TO ALL OR ANY PART OF THE PROPERTY, AND THEIR SUCCESSORS IN INTEREST, WHETHER OR NOT THE PROPERTY IS PLATTED AT SUCH TIME. BY TAKING SUCH TITLE, SUCH PERSONS SHALL BE DEEMED TO HAVE CONSENTED AND AGREED TO THE PROVISIONS OF THIS DECLARATION TO THE SAME EXTENT AS IF THEY HAD EXECUTED IT AND BY TAKING SUCH TITLE, SUCH PERSONS SHALL BE ESTOPPED FROM CONTESTING, IN COURT OR OTHERWISE, THE VALIDITY, LEGALITY AND ENFORCEABILITY OF THIS DECLARATION.

[Signature page to follow]

IN WITNESS WHEREOF, Landowner and the District have caused this Declaration to be executed and delivered on the _____ day of _____ 2023.

WITNESS:

HIGHLAND SUMNER, LLC, a Florida
limited liability company

By: Heath Construction and Management,
LLC

Its: Manager

[Print Name]

Warren K. (Rennie) Heath II, its Manager

[Print Name]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence
or ☐ online notarization this ____ day of _____, 2023, by Warren K. (Rennie) Heath II,
as Manager of Heath Construction and Management, LLC, as Manager of Highland Sumner,
LLC, on behalf of the company.

[notary seal]

(Official Notary Signature)
Name: _____
Personally Known _____
OR Produced Identification _____
Type of Identification _____

EXHIBIT A – LEGAL DESCRIPTION OF DISTRICT LANDS

A PORTION OF LAND LYING IN SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, THENCE RUN SOUTH 89°43'08" WEST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 FOR A DISTANCE OF 43.74 FEET; THENCE DEPARTING SAID NORTH LINE RUN SOUTH 00°13'50" EAST FOR A DISTANCE OF 22.16 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°33'34" EAST ALONG THE WEST RIGHT OF WAY LINE OF STATE ROAD 17, ALSO KNOWN AS SCENIC HIGHWAY, AS RECORDED IN OFFICIAL RECORDS BOOK 646, PAGE 443, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, FOR A DISTANCE OF 644.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°59'05" EAST ALONG SAID NORTH LINE AND THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 705.84 FEET TO THE NORTH EAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN SOUTH 00°36'22" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 667.03 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTH WEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN NORTH 89°55'13" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 689.39 FEET TO A POINT ON THE AFORESAID WEST RIGHT OF WAY LINE OF STATE ROAD 17 AS SHOWN ON FDOT RIGHT OF WAY MAP SECTION NO. 5029— RD (8), THENCE RUN SOUTH 00°33'34" EAST ALONG SAID WEST RIGHT OF WAY LINE FOR A DISTANCE OF 1318.91 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF HUGHES ROAD, AS RECORDED IN MAP BOOK 9, PAGE 12 THROUGH 30, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID NORTH RIGHT OF WAY LINE: NORTH 89°27'06" WEST, 126.48 FEET; NORTH 88°35'52" WEST, 100.01 FEET; NORTH 88°52'43" WEST, 100.00 FEET; NORTH 89°27'06" WEST, 100.00 FEET; NORTH 89°23'39" WEST, 100.00 FEET; NORTH 89°37'24" WEST, 100.00 FEET; NORTH 00°39'47" EAST, 3.50 FEET; SOUTH 89°58'32" WEST, 200.01 FEET; SOUTH 89°31'02" WEST, 100.02 FEET; NORTH 89°20'13" WEST, 100.00 FEET; NORTH 89°54'36" WEST, 200.01 FEET; SOUTH 00°39'47" WEST, 5.00 FEET; THENCE RUN NORTH 89°20'13" WEST FOR A DISTANCE OF 29.89 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF PALMER ROY ROAD, AS RECORDED IN MAP BOOK 8, PAGE 99 THROUGH 100, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID EAST RIGHT OF WAY LINE: NORTH 23°51'25" WEST, 44.92 FEET; NORTH 05°21'16" WEST, 49.28 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET, NORTH 00°29'16" WEST FOR A DISTANCE OF 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; NORTH 01°38'01" WEST, 200.04 FEET; NORTH 00°39'29" EAST, 100.02 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; THENCE RUN NORTH 00°29'16" WEST, 20.16 FEET TO A POINT ON THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°57'35" WEST ALONG SAID SOUTH LINE AND THE SOUTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 1029.22 FEET TO THE SOUTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°32'44" WEST ALONG THE WEST LINE OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 661.46 FEET TO THE NORTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°50'22" EAST ALONG THE NORTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 333.31 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°33'19" WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 662.16

FEET TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°43'08" EAST ALONG THE NORTH LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 666.38 FEET TO THE NORTHEAST CORNER OF THE SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 00°34'31 " EAST ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 31.81 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF FLOYD ROAD, AS RECORDED IN MAP BOOK 8, PAGE 106, AFORESAID PUBLIC RECORDS; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID SOUTH RIGHT OF WAY LINE: NORTH 86°38'31" EAST, 37.56 FEET; NORTH 86°38'21" EAST, 16.64 FEET; NORTH 87°32'49" EAST, 100.02 FEET; NORTH 89°15'56" EAST, 300.01 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 89°50'19" EAST, 100.02 FEET; NORTH 88°41'34" EAST, 100.00 FEET; NORTH 88°07'11" EAST, 100.00 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; NORTH 89°50'19" EAST, 100.02 FEET; SOUTH 89°35'20" EAST, 100.04 FEET; SOUTH 89°01'00" EAST, 100.08 FEET; THENCE RUN SOUTH 89°01'55" EAST A DISTANCE OF 34.67 FEET TO THE POINT OF BEGINNING.

CONTAINING 113.29 ACRES, MORE OR LESS.

LESS OUT:

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, LYING EAST OF SCENIC HIGHWAY (STATE ROAD 17) ACCORDING TO THE STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT OF WAY MAP, PROJ. 5209-RD. (8), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, RUN THENCE ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4, S.00°36'53"E., A DISTANCE OF 1332.66 FEET TO THE SOUTH BOUNDARY OF AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, S.89°55'02"E., A DISTANCE OF 36.65 FEET TO THE EASTERLY RIGHT OF WAY OF SAID SCENIC HIGHWAY (STATE ROAD 17) FOR A POINT OF BEGINNING; THENCE ALONG SAID EASTERLY RIGHT OF WAY, N.00°36'33"W., A DISTANCE OF 666.37 FEET TO THE NORTH BOUNDARY OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID NORTH BOUNDARY, S.89°58'33"E., A DISTANCE OF 624.63 FEET TO THE EASTERLY BOUNDARY THEREOF; THENCE ALONG SAID EASTERLY BOUNDARY, S.00°36'20"E., A DISTANCE OF 667.01 FEET TO AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, N.89°55'02"W., A DISTANCE OF 624.59 FEET TO THE POINT OF BEGINNING.

ALTOGETHER CONTAINING 103.731 ACRES, MORE OR LESS.

SECTION F

This instrument was prepared by and
upon recording should be returned to:

(This space reserved for Clerk)

Roy Van Wyk, Esq.
Kilinski | Van Wyk, PLLC
PO Box 6386
Tallahassee, Florida 32314

**NOTICE OF LIEN OF SPECIAL ASSESSMENTS FOR
SCENIC TERRACE NORTH COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2023**

PLEASE TAKE NOTICE that the Board of Supervisors of the Scenic Terrace North Community Development District (the “District”), in accordance with Chapters 170, 190, and 197, *Florida Statutes*, adopted Resolution Nos. 2021-27, 2021-28, 2022-03, and 2023-__ (the “Assessment Resolutions”), confirming and certifying the lien of non ad-valorem special assessments on certain real property located within the boundaries of the District that will be specially benefitted by the Series 2023 Project, described in such Assessment Resolutions. Said assessments are pledged to secure the Scenic Terrace North Community Development District, Special Assessment Bonds, Series 2023. The legal description of the lands on which said special assessments are imposed is attached to this Notice (the “Notice”), as **Exhibit A**. The special assessments are imposed on benefitted property within the District as described in the *Master Assessment Methodology for Scenic Terrace North Community Development District*, dated September 2, 2021 (the “Master Methodology”), as supplemented by the *Supplemental Assessment Methodology for Series 2023 Assessment Area*, dated July __, 2023 (“Supplemental Methodology”, and together with the Master Methodology, the “Assessment Report”) approved by the District. A copy of the Assessment Report and the Assessment Resolutions may be obtained by contacting the Scenic Terrace North Community Development District, c/o Governmental Management Services Central Florida, LLC, 219 East Livingston Street; Orlando, Florida 32801, Ph.: 407-841-5524. The non ad-valorem special assessments provided for in the Assessment Resolutions were legally and validly determined and levied in accordance with all applicable requirements of Florida law, and these non-ad valorem special assessments constitute and will at all relevant times in the future constitute, legal, valid, and binding first liens on the land against which

assessed until paid, coequal with the lien of all state, county, district, and municipal taxes, and superior in dignity to all other liens, titles, and claims.

The District is a special purpose form of local government established pursuant to and governed by Chapter 190, *Florida Statutes*. Pursuant to Section 190.048, *Florida Statutes*, you are hereby notified that:

THE SCENIC TERRACE NORTH COMMUNITY DEVELOPMENT DISTRICT MAY IMPOSE AND LEVY TAXES OR ASSESSMENTS, OR BOTH TAXES AND ASSESSMENTS, ON THIS PROPERTY. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES AND SERVICES OF THE DISTRICT AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF THE DISTRICT. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND OTHER LOCAL GOVERNMENTAL TAXES AND ASSESSMENTS AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW.

[Signature page follows]

IN WITNESS WHEREOF, this Notice has been executed on the _____ day of _____ 2023, and recorded in the Official Records of Polk County, Florida.

**SCENIC TERRACE NORTH
COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Lauren O. Schwenk
Vice Chairperson, Board of Supervisors

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization this ____ day of _____, 2023, by Lauren O. Schwenk as Vice Chairperson of Scenic Terrace North Community Development District.

(Official Notary Signature & Seal)
Name: _____
Personally Known _____
OR Produced Identification _____
Type of Identification _____

EXHIBIT A: Legal Description of the Series 2023 Project

EXHIBIT A - LEGAL DESCRIPTION OF LANDS SUBJECT TO SERIES 2023 ASSESSMENTS

A PORTION OF LAND LYING IN SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, THENCE RUN SOUTH 89°43'08" WEST ALONG THE NORTH LINE OF THE NORTHWEST 1/4 FOR A DISTANCE OF 43.74 FEET; THENCE DEPARTING SAID NORTH LINE RUN SOUTH 00°13'50" EAST FOR A DISTANCE OF 22.16 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°33'34" EAST ALONG THE WEST RIGHT OF WAY LINE OF STATE ROAD 17, ALSO KNOWN AS SCENIC HIGHWAY, AS RECORDED IN OFFICIAL RECORDS BOOK 646, PAGE 443, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, FOR A DISTANCE OF 644.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°59'05" EAST ALONG SAID NORTH LINE AND THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 705.84 FEET TO THE NORTH EAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN SOUTH 00°36'22" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 667.03 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE NORTH WEST 1/4 OF THE NORTHEAST 1/4; THENCE RUN NORTH 89°55'13" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 FOR A DISTANCE OF 689.39 FEET TO A POINT ON THE AFORESAID WEST RIGHT OF WAY LINE OF STATE ROAD 17 AS SHOWN ON FDOT RIGHT OF WAY MAP SECTION NO. 5029— RD (8), THENCE RUN SOUTH 00°33'34" EAST ALONG SAID WEST RIGHT OF WAY LINE FOR A DISTANCE OF 1318.91 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF HUGHES ROAD, AS RECORDED IN MAP BOOK 9, PAGE 12 THROUGH 30, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID NORTH RIGHT OF WAY LINE: NORTH 89°27'06" WEST, 126.48 FEET; NORTH 88°35'52" WEST, 100.01 FEET; NORTH 88°52'43" WEST, 100.00 FEET; NORTH 89°27'06" WEST, 100.00 FEET; NORTH 89°23'39" WEST, 100.00 FEET; NORTH 89°37'24" WEST, 100.00 FEET; NORTH 00°39'47" EAST, 3.50 FEET; SOUTH 89°58'32" WEST, 200.01 FEET; SOUTH 89°31'02" WEST, 100.02 FEET; NORTH 89°20'13" WEST, 100.00 FEET; NORTH 89°54'36" WEST, 200.01 FEET; SOUTH 00°39'47" WEST, 5.00 FEET; THENCE RUN NORTH 89°20'13" WEST FOR A DISTANCE OF 29.89 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF PALMER ROY ROAD, AS RECORDED IN MAP BOOK 8, PAGE 99 THROUGH 100, AFORESAID PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE RUN THE FOLLOWING COURSES AND DISTANCES ALONG SAID EAST RIGHT OF WAY LINE: NORTH 23°51'25" WEST, 44.92 FEET; NORTH 05°21'16" WEST, 49.28 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET, NORTH 00°29'16" WEST FOR A DISTANCE OF 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; NORTH 01°38'01" WEST, 200.04 FEET; NORTH 00°39'29" EAST, 100.02 FEET; NORTH 00°29'16" WEST, 100.00 FEET; NORTH 01°03'39" WEST, 100.00 FEET; NORTH 00°05'07" EAST, 200.01 FEET; THENCE RUN NORTH 00°29'16" WEST, 20.16 FEET TO A POINT ON THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE RUN SOUTH 89°57'35" WEST ALONG SAID SOUTH LINE AND THE SOUTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 1029.22 FEET TO THE SOUTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°32'44" WEST ALONG THE WEST LINE OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 661.46 FEET TO THE NORTHWEST CORNER OF SAID EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°50'22" EAST ALONG THE NORTH LINE OF THE EAST 3/4 OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 333.31 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 00°33'19" WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 662.16 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN NORTH 89°43'08" EAST ALONG THE NORTH LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 FOR A DISTANCE OF 666.38 FEET TO THE NORTHEAST CORNER OF THE SAID NORTHEAST 1/4 OF THE

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CONTAINING 113.29 ACRES, MORE OR LESS.

LESS OUT:

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 28 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, LYING EAST OF SCENIC HIGHWAY (STATE ROAD 17) ACCORDING TO THE STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT OF WAY MAP, PROJ. 5209-RD. (8), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH 1/4 CORNER OF SAID SECTION 9, RUN THENCE ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4, S.00°36'53"E., A DISTANCE OF 1332.66 FEET TO THE SOUTH BOUNDARY OF AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, S.89°55'02"E., A DISTANCE OF 36.65 FEET TO THE EASTERLY RIGHT OF WAY OF SAID SCENIC HIGHWAY (STATE ROAD 17) FOR A POINT OF BEGINNING; THENCE ALONG SAID EASTERLY RIGHT OF WAY, N.00°36'33"W., A DISTANCE OF 666.37 FEET TO THE NORTH BOUNDARY OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID NORTH BOUNDARY, S.89°58'33"E., A DISTANCE OF 624.63 FEET TO THE EASTERLY BOUNDARY THEREOF; THENCE ALONG SAID EASTERLY BOUNDARY, S.00°36'20"E., A DISTANCE OF 667.01 FEET TO AFORESAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID SOUTH BOUNDARY, N.89°55'02"W., A DISTANCE OF 624.59 FEET TO THE POINT OF BEGINNING.

ALTOGETHER CONTAINING 103.731 ACRES, MORE OR LESS.

SECTION V

This instrument was prepared by and upon recording should be returned to:

(This space reserved for Clerk)

Roy Van Wyk, Esq.
KILINSKI | VAN WYK PLLC
517 E. Collage Avenue
Tallahassee, Florida 32301

INTERLOCAL AGREEMENT BETWEEN SCENIC TERRACE SOUTH COMMUNITY DEVELOPMENT DISTRICT AND SCENIC TERRACE NORTH COMMUNITY DEVELOPMENT DISTRICT REGARDING MUTUAL COOPERATION FOR THE FINANCING, OPERATION AND MAINTENANCE OF CERTAIN AMENITIES TO BE ACQUIRED, AND/OR CONSTRUCTED

THIS AGREEMENT is made by and between the **SCENIC TERRACE SOUTH COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special purpose government located in the Town of Lake Hamilton, Polk County, Florida (“STSCDD”), and the **SCENIC TERRACE NORTH COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special purpose government located in the City of Haines City, Polk County, Florida (“STNCDD”) (collectively referred to herein as the “Districts”) (this agreement hereinafter referred to as the “Interlocal Agreement”).

RECITALS

WHEREAS, STSCDD and STNCDD are local units of special purpose government located entirely within Polk County, Florida that have been established for the purpose of planning, financing, constructing, installing, and/or acquiring certain improvements, facilities and services in conjunction with the development of the lands located within the Districts; and

WHEREAS, the Districts were created by and established pursuant to Chapter 190, Florida Statutes (the “Charter”); and

WHEREAS, the Town of Lake Hamilton and the City of Haines City have each granted the Districts special powers under subsection 190.012(2)(a) to “plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain additional systems and facilities for: parks and facilities for indoor and outdoor recreational, cultural, and educational uses” pursuant to Town of Lake Hamilton Ordinance O-21-19 and City of Haines City Ordinance 21-1741; and

WHEREAS, Highland Sumner, LLC (“Developer”), the developer of the lands within STSCDD, has approached the Districts expressing a desire for one or more of the Districts to acquire certain amenities, more specifically described in the attached **Exhibit A** (hereinafter, the “Amenities”); and

WHEREAS, the STSCDD Board of Supervisors (“STSCDD Board”) and the STNCDD Board of Supervisors (“STNCDD Board,” and together with the STSCDD Board, the “Boards”) would like to jointly acquire, and/or construct and operate the Amenities; and

WHEREAS, the Developer is presently constructing the Amenities within the STSCDD boundaries; and

WHEREAS, the Districts do not currently have sufficient funds to acquire, and/or construct the Amenities; and

WHEREAS, each of the Boards believes that the most efficient and equitable manner in which to fund acquisition, and/or construction of the Amenities is through the issuance of one or more series of special assessment bonds (“Amenity Bonds”); and

WHEREAS, the Amenity Bonds of each District may be issued as part of one or more series of special assessment bonds for additional public infrastructure to be financed by each District; and

WHEREAS, the Districts find it is not equitable, fair or efficient for each District to construct or acquire amenities within its respective boundary, to reserve use for only its residents, and to allocate the corresponding costs of the construction, acquisition, ownership, operation and maintenance of such amenities to only its residents; and

WHEREAS, the Districts desire for all landowners within the Districts to be able to use the Amenities following the acquisition and/or construction; and

WHEREAS, the Charter and Section 163.01, Florida Statutes, as amended (the “Interlocal Cooperation Act”), permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with each other on a basis of mutual advantage and to thereby provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities; and

WHEREAS, under the Interlocal Cooperation Act, the Districts may enter into an interlocal agreement in order to, among other things, facilitate issuance of the Amenity Bonds, provide for the perpetual operation, maintenance, repair and replacement of the Amenities, and ensure that all landowners within the Districts shall have continued use of the Amenities; and

WHEREAS, the Districts wish to enter into an agreement to jointly exercise their Charter powers in a cost effective, equitable and rational manner; and

WHEREAS, the Districts are each empowered pursuant to Town of Hamilton Ordinance O-21-19 and City of Haines City Ordinance 21-1741 to acquire, construct and operate and maintain the Amenities to benefit the lands within and outside their boundaries; and

WHEREAS, the Districts find it mutually beneficial and in the best interests of their landowners, current and future residents and the public at large that the Districts cooperate to avoid conflicting, disjointed, duplicative, or multiple financing efforts as the Districts implement the Charter for the lands within and outside their respective boundaries; and

WHEREAS, Section 190.011, Florida Statutes, permits community development districts to borrow money and issue bonds; levy special assessments; borrow money from a unit of local government for any district purposes and to enter into agreements required in connection therewith; and cooperate with, or contract with, other governmental agencies as may be necessary or convenient in connection with any of the powers, duties, or purposes authorized in the Charter; and

WHEREAS, the Districts desire for the costs of the acquisition, and/or construction of the Amenities, to be fairly allocated among all landowners within both of the Districts; and

WHEREAS, to promote equity and fiscal efficiency, the Boards desire for each of the Districts to provide or cause to be provided a proportionate share the Amenity Bonds to fund acquisition, and/or construction of the Amenities; and

WHEREAS, approximately forty eight percent (72%) of the total residential units expected to be developed within the Districts are located within the boundaries of STSCDD and approximately fifty two percent (28%) of the total residential units expected to be developed within the Districts are located within the boundaries of STNCDD; and

WHEREAS, the Districts have accordingly determined that STSCDD is the appropriate location for the Amenities to be located, and that STSCDD shall hold title on behalf of the Districts; and

WHEREAS, the Districts wish to ensure the timely, efficient and cost effective issuance of the Amenity Bonds; and

WHEREAS, in order to issue the Amenity Bonds, it will be necessary for each District to have validated such bonds under Chapter 75, Florida Statutes; and

WHEREAS, in order to secure the issuance of the Amenity Bonds, it will also be necessary for the Districts to levy debt service special assessments (the “Amenity Debt Assessments”) on the developed and developable lands within their respective boundaries; and

WHEREAS, such Amenity Debt Assessments may be levied as part of a larger amount of debt service assessments securing special assessment bonds for additional public infrastructure financed by the Districts; and

WHEREAS, under Florida law, STSCDD can only levy special assessments on the lands within its boundaries and STNCDD can only levy assessments on the lands within its boundaries; and

WHEREAS, the Districts desire to develop a fair and consistent approach to the levy of Amenity Debt Assessments for the repayment of the Amenity Bonds; and

WHEREAS, following the acquisition, and/or construction of the Amenities it will be necessary for the Districts to operate, maintain, repair and replace the Amenities; and

WHEREAS, the Districts desire to develop a fair and consistent approach to the levy of annual special assessments necessary to provide for the operation, maintenance, repair and replacement of the Amenities (the “Amenity O&M Assessments”); and

WHEREAS, the Amenity O&M Assessments may be levied as part of other annual special assessments for the operation, repair and replacement of additional public infrastructure financed by the Districts; and

WHEREAS, the Districts find this Interlocal Agreement to be necessary, proper and convenient to the exercise of their powers, duties and purposes authorized by law; and

WHEREAS, the Districts hereby desire to enter into this Interlocal Agreement, which shall be filed as required by law with the Circuit Clerk of Polk County, Florida.

NOW, THEREFORE, in consideration of the recitals, agreements and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Districts, the Districts agree as follows:

SECTION 1. RECITALS AND AUTHORITY. The foregoing recitals are true and correct and by this reference are incorporated as a material part of this Interlocal Agreement. This Interlocal Agreement is entered into pursuant to the provision of Florida law, including but not limited to Chapters 163, 189, and 190, Florida Statutes, and the Florida Constitution.

SECTION 2. APPROVAL OF JOINT ACQUISITION AGREEMENT BY STSCDD AND STNCDD; AUTHORIZATION TO CLOSE ON TRANSACTIONS SET FORTH IN THE JOINT ACQUISITION AGREEMENT. The *Joint Acquisition Agreement* between STSCDD, STNCDD and Developer dated August 16, 2023, and attached hereto as **Exhibit B** (the “Joint Agreement”), is hereby approved by the Districts. Any proposed amendments to the Joint Agreement which have a material financial impact on the Amenities shall be submitted to each District’s Board for approval prior to execution. Each District hereby authorizes the manager and engineer of the Districts to close on the transactions set forth in the Joint Agreement in accordance with its terms, as may be amended from time to time, and each District agrees to execute any documents reasonably requested by the other to effectuate same (hereinafter, the “Acquisition”).

SECTION 3. ISSUANCE OF AMENITY BONDS. Under the Charter, the Districts are empowered to issue bonds, as such term is defined in the Charter. The Districts agree and covenant to cooperate on the issuance of its respective series of Amenity Bonds. To that end, the Districts have each approved an Engineer’s Report (the “Improvement Plan”), attached hereto as **Composite Exhibit C**, and a Special Assessment Methodology Report for the allocation of

benefits and debt over all of the developed and developable residential lands within the Districts (“Methodology”), attached hereto as **Composite Exhibit D**.

3.1. Issuance of Bonds. STSCDD and STNCDD each agree to issue the Amenity Bonds, or to otherwise provide for the funding in such amounts as necessary to provide its pro rata share of the costs of the construction and/or acquisition of the Amenities, under and pursuant to a respective Master Trust Indenture (the “Master Indenture”), from each District to U.S. Bank, Trust Company, National Association, as trustee (the “Trustee”), as supplemented for each series of bonds by a supplemental indenture (as so supplemented, an “Indenture”). The forms of the Master Indenture are attached hereto as **Composite Exhibit E**. The proceeds of the Amenity Bonds will: (i) provide funds for the acquisition and/or construction of the Amenities; (ii) pay certain costs associated with the issuance of the Amenity Bonds; (iii) make a deposit into the applicable series Reserve Account(s) for the benefit of the Amenity Bonds; and (iv) pay interest on the Amenity Bonds for a period not to exceed twelve (12) months.

3.2. Covenants by STSCDD AND STNCDD. The Districts agree to take all actions reasonably necessary to assist the other in the issuance of the Amenity Bonds. If contemplated by the Indenture, STSCDD and STNCDD hereby agree to join in the Indenture and covenants of the other and agree to comply with each and every provision of the Indenture applicable to it, as if each and every such provision were expressly set forth herein and referenced.

3.3. Future Refinancing of the Amenity Bonds. Each District can make the unilateral decision to refinance its Amenity Bonds in the future so long as the refinancing does not raise the annual Amenity Debt Assessment payment required by the landowners within the other District, does not extend the original term of the Amenity Bonds, and does not increase the par amount of the total Amenity Debt Assessment. If the proposed refinancing would increase the annual Amenity Debt Assessment payment required by any landowners, extend the original term of the Amenity Bonds, or increase the par amount of the total Amenity Debt Assessment, then each District agrees to take all actions reasonably necessary to assist the other in efforts to refinance the Amenity Bonds.

SECTION 4. ALLOCATION OF AMENITY DEBT ASSESSMENT RESPONSIBILITIES; LEVY, COLLECTION AND TRANSMISSION OF AMENITY DEBT ASSESSMENTS; EXCESS FUNDS; CREDIT TO AMENITY DEBT ASSESSMENTS.

4.1 Allocation of Amenity Debt Assessment Responsibilities Between Districts. The Districts agree that the Amenity Debt Assessments shall be levied on and collected from the assessable property within each of the District’s boundaries in proportion to the number of assessable units developed and to be developed within each District, and as set forth in the Methodology. Specifically, the Amenity Debt Assessments shall be assigned to eight hundred forty-three (843) residential units within STSCDD and three hundred thirty (330) residential units within STNCDD in the amounts set forth in the Methodology. On or before April 1 of each year, each District shall determine whether more residential units than set

forth above have been developed within the District's boundaries. If more than eight hundred forty-three (843) residential units within STSCDD and three hundred thirty (330) units have been developed in STNCDD, the District containing the excess units shall assign a proportionate share of the Amenity Debt Assessments to the excess units, and the assessment principal on the original eleven hundred seventy-three (1173) units shall be adjusted downward accordingly. If less than eight hundred forty-three (843) residential units within STSCDD and three hundred thirty (330) units are developed in STNCDD, each District shall diligently pursue the collection of true up payments as required by the respective District's assessment resolutions and true up agreements related to the Amenity Bonds and Amenity Debt Assessments.

4.2 Levy, Collection and Transmission of Amenity Debt Assessments. Each District irrevocably pledges and agrees to take all actions necessary to budget, levy, impose, certify for collection and enforce the Amenity Debt Assessments on lands located within each District in accordance with the Methodology, as said lands may be amended from time to time, benefitting from the acquisition, and/or construction and operation of the Amenities. Amenity Debt Assessments shall be imposed, levied and collected in accordance with the terms of the Charter (which may be by direct collection, use of the Polk County tax roll, or any other method allowed under the Indenture and state law). Upon receipt of such assessments, each District agrees to deposit such Amenity Debt Assessment revenue in accordance with the Indenture.

In the event the levy or other action taken by either District relating to the Amenity Debt Assessments is found to be defective or in error, each District agrees to take all actions necessary to remedy any defect or error to perfect the levy, imposition, collection and enforcement of the Amenity Debt Assessments.

4.3 Excess Funds; Credits To Assessments. Upon the completion of the acquisition of the Amenities, if there are excess proceeds remaining in the Acquisition and Construction Account for the Amenity Bonds (as defined in the Indenture), such that Chapter 170, Florida Statutes, would require a credit to the assessments levied, such excess funds shall be allocated between STSCDD and STNCDD in proportion to their respective Amenity Debt Assessment responsibility for the Amenity Bonds outstanding.

SECTION 5. ACQUISITION AND/OR CONSTRUCTION OF AMENITIES. The Districts agree that the Amenities shall only be acquired and/or constructed as provided by this Agreement. Neither District shall have any obligation to issue Amenity Bonds with proceeds exceeding its proportionate share of the Costs of the Amenities. The Districts agree that the Amenities shall only be constructed and otherwise as provided by STSCDD. In order to ensure the efficient and timely acquisition, and/or construction of the Amenities and to avoid unnecessary duplication of costs, the Districts hereby agree that STSCDD shall hold title to the Amenities on behalf of the Districts and shall be responsible for providing for the design, permitting, acquisition, and/or construction, including construction management, of any such portion or all of the Amenities, through final acceptance by any applicable governmental body or authority with jurisdiction ("Completion").

5.1 Contracts; Change Orders. All contracts for construction of the Amenities shall ensure that STNCDD is insured and indemnified to the same extent as STSCDD. STSCDD shall comply with all applicable laws regarding the procurement of goods, services or construction activities. Change orders during construction shall be processed and approved by STSCDD. If such costs associated with a change order do not cause the costs of the construction of the Amenities to exceed the amount available in the Acquisition and Construction Account for the Amenity Bonds, no action by STNCDD shall be required. If such change order would cause the costs of the construction and reconstruction of the Amenities to exceed the amount available in the Acquisition and Construction Account for the Amenity Bonds (either from bond proceeds or other sources), then the approval of STNCDD shall be required before STSCDD approves the change order and issues an invoice to STNCDD for its proportional share of the change order.

5.2 Construction Administration; Permitting. In connection with the construction of the Amenities, STSCDD shall enter into such contracts and agreements for services and equipment as are necessary to provide for construction administration of all aspects of the construction and reconstruction contemplated herein. STSCDD shall be solely responsible for ensuring adequate construction administration for the Amenities. All contracts for construction administration shall ensure that STNCDD is insured and indemnified to the same extent as STSCDD. STSCDD shall be responsible for obtaining all necessary permits, approvals and agreements to authorize construction. STNCDD agrees to cooperate with STSCDD in obtaining those permits, approvals and agreements.

5.3 Costs. All administrative fees and expenses (e.g., engineering, legal, design, construction administration, consultant fees, permit fees, insurance) incurred by STSCDD and associated with the Amenities shall be funded out of the proceeds of the Amenity Bonds, unless voluntarily contributed by one of the Districts, Developer or a third party.

5.4. Conditions Precedent to Construction. Upon the issuance of the Amenity Bonds, any required regulatory permits or other approvals and the completion of any public procurement processes, if necessary, STSCDD shall commence acquisition, and/or construction of the Amenities and shall diligently proceed to their completion. STSCDD agrees to provide periodic construction updates to STNCDD.

SECTION 6. OPERATION, MAINTENANCE, REPAIR AND REPLACEMENT OF THE AMENITIES; INSURANCE. STSCDD shall be responsible for performing or arranging for the performance of the operation, maintenance, repair and replacement of the Amenities. STSCDD shall use its discretion in determining which contracts for the operation, maintenance, repair and replacement of the Amenities shall include insurance and indemnification protections. Such contracts shall provide that STNCDD receives the same insurance and indemnity protections as STSCDD.

SECTION 7. AMENITY O&M BUDGET; LEVY, COLLECTION AND TRANSMISSION OF AMENITY O&M ASSESSMENTS.

7.1 Allocation of Amenity Budget Expenses between Districts. For each fiscal year or part thereof, STSCDD shall prepare a budget for the operation, maintenance, repair and replacement of the Amenities (the “Amenity Budget”). The Districts agree that the amounts to be contributed by each District for the provision of the operation, maintenance, repair and replacement of the Amenities on an annual basis shall be based on eight hundred forty-three (843) residential units within STSCDD and three hundred thirty (330) residential units within STNCDD. Provided, however, if more than eight hundred forty-three (843) residential units within STSCDD and three hundred thirty (330) residential units are developed within STNCDD, each excess unit shall be allocated Amenity O&M Assessments based on the total Amenity Budget and the percentages set forth below adjusted accordingly. In addition, if any true up payment of Amenity Debt Assessments is received by a District evidencing that less than the number of residential units stated above will be developed in that District, the percentages shall be adjusted accordingly. Based on the number of assessable units developed and to be developed within each District, each District’s initial share of the Amenity Budget Expenses is approximated as follows:

STSCDD	72%
STNCDD	28%.

7.2 Annual Budget.

a. *Partial Fiscal Year 2023-2024.* At least ninety (90) days prior to the date on which the Acquisition is anticipated to occur, STSCDD shall prepare a preliminary annual budget for the operation, maintenance, repair and replacement of the Amenities and present it to the STNCDD Board. The STNCDD Board may review the preliminary annual budget and provide comments or suggested changes to the preliminary annual budget to the STSCDD Board. The STSCDD Board shall consider the comments and suggested changes offered by the STNCDD Board prior to the time it approves its amendment to its Fiscal Year 2019-2020 general fund budget, into which the Amenity Budget shall be incorporated. The STSCDD Board shall not be obligated to incorporate any of the comments or changes suggested by the STNCDD Board, but both Districts agree to discuss the comments and suggested changes in good faith. Nothing herein shall operate to prevent STSCDD from approving its amendment to its Fiscal Year 2023-2024 budget in a timely manner. STSCDD shall include the line items constituting the entire Amenity Budget in its amended General Fund Budget as expenses. STNCDD shall include one line item in its amended General Fund Budget reflecting the obligation to STSCDD for STNCDD’s share of the Amenity Expenses as an expense. STSCDD shall include the amount of Amenity O&M Assessments due from STNCDD in the amendment to its Fiscal Year 2023-2024 Budget as a revenue.

b. *Fiscal Year 2024-2025 and Thereafter.* STSCDD shall prepare a preliminary annual budget for the operation, maintenance, repair and replacement of the Amenities. On or before April 1, 2024, this preliminary annual budget shall be presented to the STNCDD Board. By May 15, 2024, the STNCDD Board may review the budget and provide comments or suggested changes to the preliminary budget to the STSCDD Board. The STSCDD Board shall consider the comments and suggested changes offered by the

STNCDD Board when it adopts its general fund budget, in which the Amenity Budget shall be incorporated. The STSCDD Board shall not be obligated to incorporate any of the comments or suggested changes requested by the STNCDD Board, but both Districts agree to discuss the comments and suggested changes in good faith. Nothing herein shall operate to prevent STSCDD from adopting its final budget in a timely manner. STSCDD shall include the line items constituting the entire Amenity Budget in its General Fund Budget as expenses. STNCDD shall include one line item in its General Fund Budget reflecting the obligation to STSCDD for STNCDD's share of the Amenity Expenses as an expense. STSCDD shall include the amount of Amenity O&M Assessments due from STNCDD in its Fiscal Year 2024-2025 Budget as revenue. The same process shall be followed for each fiscal year after Fiscal Year 2024-2025.

7.3 Levy of Annual Assessments for the Operation, Maintenance, Repair and Replacement of the Amenities.

a. *Partial Fiscal Year 2023-2024.* Within thirty (30) days of receipt of the preliminary annual budget described in section 7.2.a. above, STSCDD and STNCDD shall initiate the process to levy Amenity O&M Assessments for the period between the date of the Acquisition or Completion to September 30, 2024. The Amenity O&M Assessments levied by each District shall be equal to that District's percentage of the Amenities Budget as calculated in accordance with section 7.1 above. The Amenity O&M Assessments shall be certified for direct collection by each District against all assessable land in that District in one installment due within thirty (30) days after the Acquisition. Provided, however, the Districts shall each have the option to allow the single annual installment to be satisfied by landowners in equal monthly payments. On the first of each month after the Acquisition or Completion until September 30, 2024, STNCDD shall calculate the amount of Amenity O&M Assessment revenue received by STNCDD and pay such amount to STSCDD. Notwithstanding, STNCDD and STSCDD shall direct bill 100% of Amenity O&M Assessments for partial Fiscal Year 2023-2024 on property owned by Developer and its affiliates to be due at Acquisition or Completion of the Amenities.

b. *Fiscal Year 2024-2025 and Thereafter.* In connection with the Fiscal Year 2023-2024 budget approval and adoption process, STSCDD and STNCDD shall initiate the process to levy Amenity O&M Assessments. The Amenity O&M Assessments levied by each District shall be equal to that District's percentage of the Amenities Budget as calculated in accordance with section 7.1 above. The Amenity O&M Assessments shall be certified for collection to the Polk County Tax Collector no later than the date required by the Polk County Property Appraiser and Polk County Tax Collector. If the Uniform Method is not available for collection of the Amenity O&M Assessments, the Districts agree to directly collect such assessments in accordance with Florida law. On the first (1st) and fifteenth (15th) day of each month, STNCDD shall calculate the amount of Amenity O&M Assessment revenue received by STNCDD and pay such amount to STSCDD on such date.

7.4 Budget Reconciliation. At the conclusion of each fiscal year, STSCDD shall compare the actual annual expenses for operation, maintenance, and repair of the Amenities with the amount previously paid by STNCDD for that fiscal year. Based on this

comparison, STSCDD shall determine whether the actual expenses incurred in the operation, maintenance and repair of the Amenities was higher or lower than budgeted. If the actual expenses were lower than budgeted, the budgeted funds not expended shall be deposited into a capital reserve account restricted for use on the Amenities. If the actual expenses were higher than budgeted, STSCDD shall provide STNCDD with an invoice for the amount of the underpayment. STNCDD shall pay such invoice within thirty (30) days from the date of the invoice.

7.5 *Unbudgeted Expenses.* It is contemplated by the Districts that unusual, unbudgeted maintenance or repair events (e.g. extreme weather or bug infestation, etc.) may occur. In such event, STSCDD shall perform the extraordinary maintenance or repair of the Amenities. STSCDD shall then provide STNCDD with an invoice for the extraordinary maintenance or repair costs based on the percentages set forth in section 7.1 above and such invoice shall be paid by STNCDD as soon as possible, but no later than thirty (30) days from the date of the invoice.

7.6 *Inspection of Records; Payment Disputes.* Upon request, STSCDD shall make available to STNCDD for review at a reasonable time and place, its books and records with respect to expenses associated with the operation, maintenance, repair and replacement of the Amenities. In the event of a dispute between the parties relating to the reimbursement of these expenses, STNCDD shall pay the amount requested by STSCDD in the time frames set forth herein. STNCDD shall give written notice accompanying the payment stating it disputes the amount of the payment. Payment in this manner shall not waive the right of STNCDD to dispute the correct amount of such required payment.

SECTION 8. USE OF AMENITIES. STSCDD and STNCDD hereby agree that their landowners and residents shall generally have rights to use the Amenities on an equal basis. Any such usage shall be subject to the rules, regulations, and policies applicable to the Amenities. Neither District shall have the authority to permit, or enter into an agreement with, another entity granting usage rights for the benefit of persons or entities who are not residents or landowners in the Districts except as provided in the Joint Agreement, or written amendment to this Interlocal Agreement, or a non-resident user policy to be adopted by STSCDD in accordance with the Charter and regulations of the IRS governing tax-exempt special assessment bonds.

SECTION 9. IMMUNITY. Nothing in this Interlocal Agreement shall be deemed as a waiver of immunity or limits of liability of either District, including their supervisors, officers, agents and employees and independent contractors, beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, Florida Statutes, or other statute, and nothing in this Interlocal Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

SECTION 10. DEFAULT; CONFLICT RESOLUTION.

10.1. *Default; Cure.* A default by either of the Districts under this Interlocal Agreement shall entitle the other District to all remedies available at law or in equity, which

may include, but not be limited to, damages, injunctive relief and specific performance. Each of the parties hereto shall give the other party written notice of any defaults hereunder and shall allow the defaulting party not less than fourteen (14) days from the date of receipt of such notice to cure monetary defaults and not less than thirty (30) days to cure other defaults.

10.2. *Joint Meeting.*

a. In order to allow for members of the STNCDD Board to provide input regarding the Amenities, all meetings wherein the STSCDD Board takes action on any matters related to the Amenities, including the construction, acquisition, operation and/or maintenance thereof, shall occur at a joint public meeting of the Boards (hereinafter, the “Joint Meeting”); provided, however, that a Joint Meeting shall not be required for approval, authorization and/or ratification of invoices or expenditures that are routine or are within the annual budgeted amount for such items. All Joint Meetings shall be noticed in the same manner as a regular board of supervisors meeting. The Districts agree to use good faith toward the resolution of any such issues or areas of concern relating to the Amenities.

b. Notwithstanding the foregoing, despite the Districts’ obligation to hold Joint Meetings to deal with matters relating to the Amenities, a Joint Meeting shall not be required to be held if such obligation is waived by the Chairman or Vice-Chairman of the STNCDD Board, as applicable, in writing in advance of the next scheduled Joint Meeting.

10.3. *Mediation.* In the event the Districts are unable to resolve the issues which are the subject of the Joint Meeting, the Districts shall submit their dispute to mediation. The Districts agree to cooperate in the selection of a mediator, and agree to share equally in mediation expenses, including the fees of the mediator. However, each of the Districts shall be responsible for the fees of its counsel. This mediation shall be held within forty-five (45) days of the conclusion of the joint public meeting.

SECTION 11. MERGER OF DISTRICTS; COVENANT TO MAINTAIN EXISTENCE. Upon the merger of the Districts pursuant to section 190.046, Florida Statutes, this Interlocal Agreement shall terminate; provided, however, STSCDD shall be entitled to levy and collect special assessments against lands formerly within STNCDD for any payments outstanding and due to the STSCDD or the Trustee pursuant to the Indenture. Except in the case of a merger pursuant to section 190.046, Florida Statutes, both STSCDD and STNCDD agree to do everything within their powers to maintain their existence until the Amenity Bonds are completely redeemed and defeased and all obligations set forth in the Indenture have been discharged by both STSCDD and STNCDD. Neither District will seek to dissolve, and each District will actively oppose any effort to terminate the Districts, respectively.

SECTION 12. MUTUAL TERMINATION. The Districts shall have the option of terminating this Agreement only by entering into a written Termination Agreement which shall be filed with the Clerk of the Circuit Court of Polk County, Florida. Recognizing that this Interlocal Agreement is necessary to ensure the full amortization of the Amenity Bonds, and will be relied upon by the owners of the Amenity Bonds and the Trustee, in no event shall the

effective date of termination set by such a Termination Agreement be sooner than the final repayment or legal defeasance of the Amenity Bonds and all obligations set forth in the Indenture have been discharged by both STSCDD and STNCDD.

SECTION 13. CONTROLLING LAW; VENUE. This Agreement shall be construed and governed in accordance with the laws of the State of Florida. Venue shall be in Polk County, Florida.

SECTION 14. SEVERABILITY. In the event any term or provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be construed or deleted as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

SECTION 15. AMENDMENT. This Interlocal Agreement shall not be modified or amended except by written agreement of the Districts, which amendment shall be approved by each of the Boards, duly executed by an authorized representative of the parties hereto, and filed with the Clerk of the Circuit Court of Polk County, Florida.

SECTION 16. TIME OF THE ESSENCE. The Districts each agree that time is of the essence of this Interlocal Agreement

SECTION 17. NOTICE. Each of the Districts shall furnish to the other such notice, as may be required from time to time, pursuant to this Interlocal Agreement, in writing, posted in the U.S. mail or by hand delivery, or by overnight delivery service and addressed as follows:

To STSCDD: Scenic Terrace South Community Development District
219 East Livingston Street.
Orlando, Florida 32801
Attn: District Manager

With a copy to: Kilinski | Van Wyk, PLLC
517 E. Collage Avenue
Tallahassee, Florida 32301
Attn: District Counsel

To STNCDD: Scenic Terrace North Community Development District
219 East Livingston Street.
Orlando, Florida 32801
Attn: District Manager

With a copy to: Kilinski | Van Wyk, PLLC
517 E. Collage Avenue
Tallahassee, Florida 32301
Attn: District Counsel

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

SECTION 18. EXECUTION IN COUNTERPARTS. This Agreement may be executed in several counterparts, each which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 19. EFFECTIVE DATE. This Interlocal Agreement and the rights conferred herein shall become effective upon filing with the Clerk of the Circuit Court of Polk County, Florida, in accordance with the requirements of section 163.01(11), Florida Statutes. Notwithstanding the foregoing, this Interlocal agreement shall expire three (3) years from the effective date if on that date none of the Amenity Bonds have been issued by STSCDD as provided herein.

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IN WITNESS WHEREOF, the undersigned have executed this Interlocal Agreement as of the ____ day of _____, 2023.

Witness:

**SCENIC TERRACE SOUTH
COMMUNITY
DEVELOPMENT DISTRICT**

Print Name

Chairperson, Board of Supervisors

Witness:

Print Name

Attest: _____
Secretary

Witness:

**SCENIC TERRACE NORTH
COMMUNITY
DEVELOPMENT DISTRICT**

Print Name

Chairperson, Board of Supervisors

Witness:

Print Name

Attest: _____
Secretary

SECTION VI

**AGREEMENT BETWEEN THE SCENIC TERRACE SOUTH COMMUNITY
DEVELOPMENT DISTRICT AND SCENIC TERRACE NORTH COMMUNITY
DEVELOPMENT DISTRICT REGARDING THE JOINT ACQUISITION OF CERTAIN
WORK PRODUCT AND IMPROVEMENTS**

THIS JOINT ACQUISITION AGREEMENT (“**Agreement**”) is made and entered into this ____ day of August, 2023, by and between:

SCENIC TERRACE SOUTH COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, and located in the Town of Lake Hamilton, Polk County, Florida, with a mailing address of 219 East Livingston Street, Orlando, Florida 32801 ("**STSCDD**"); and

SCENIC TERRACE NORTH COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, and located in City of Haines City, Polk County, Florida, with a mailing address of 219 East Livingston Street, Orlando, Florida 32801 ("**STNCDD**", together with STSCDD, referred to as the “**Districts**” and individually as a “**District**”).

RECITALS

WHEREAS, STSCDD and STNCDD are local units of special purpose government located entirely within Polk County, Florida that have been established for the purpose of planning, financing, constructing, installing, and/or acquiring certain improvements, facilities and services in conjunction with the development of the lands located within the Districts; and

WHEREAS, the Districts were created by and established pursuant to Chapter 190, Florida Statutes pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (“**Act**”), and are validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the Town of Lake Hamilton and City of Haines City have each granted the Districts special powers under subsection 190.012(2)(a) to “plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain additional systems and facilities for: parks and facilities for indoor and outdoor recreational, cultural, and educational uses” pursuant to Town of Lake Hamilton Ordinance O-21-19 and City of Haines City Ordinance 21-1741, respectively; and

WHEREAS, STNCDD has approached STSCDD expressing a desire to jointly construct or acquire certain amenities, as detailed and more specifically described in STSCDD’s Engineer’s Report - *Amended and Restated* dated May 16, 2023, and STNCDD’s *Engineer’s Report* dated July 18, 2023 (together, as subsequently amended, the “**Engineer’s Reports**”), attached hereto as **Composite Exhibit A** and by reference incorporated herein (the “**Amenities**”); and

WHEREAS, the STSCDD Board of Supervisors (“**STSCDD Board**”) and the STNCDD Board of Supervisors (“**STNCDD Board**,” and together with the STSCDD Board, the “**Boards**” and individually as a “**Board**”) would like to jointly acquire and/or construct and operate the Amenities; and

WHEREAS, the Act authorizes the Districts to issue bonds for the purpose, among others, of planning, financing, constructing or acquiring, operating and/or maintaining certain infrastructure, including the Amenities, within or without the boundaries of the Districts; and

WHEREAS, as originally established, approximately seventy two percent (72%) of the total residential units expected to be developed within the Districts are located within the boundaries of STSCDD and approximately twenty eight percent (28%) of the total residential units expected to be developed within the Districts are located within the boundaries of STNCDD; and

WHEREAS, the Districts have accordingly determined that STSCDD is the appropriate location for the Amenities to be located; and

WHEREAS, the Districts have and presently intend to further finance the planning, design, acquisition, construction, and installation of the Amenities; and

WHEREAS, to promote equity and fiscal efficiency, the Boards pursuant to that certain *Interlocal Agreement* by and between the Districts dated as of August __, 2023, desire for both of the Districts to provide or cause to be provided, a proportionate share of the costs of the Amenities through the issuance of Bonds (hereinafter defined) or otherwise, to fund the acquisition and/or construction of the Amenities; and

WHEREAS, STSCDD has issued its \$22,350,000 Special Assessment Bonds, Series 2022 (the “**STSCDD Bonds**”), to finance all or a portion of the acquisition and/or construction of the infrastructure in STSCDD, including portions of the Amenities; and

WHEREAS, STNCDD is in the process of issuing \$12,500,000 Special Assessment Bonds, Series 2023 (the “**STNCDD Bonds**,” and together with STSCDD Bonds, the “**Bonds**”), in part to finance the acquisition and/or construction of a portion of the infrastructure in STNCDD, including portions of the Amenities; and

WHEREAS, the Districts intend to use a portion of the Bond proceeds to acquire certain work product, and improvements, constituting a portion of the Amenities attributable to each District pursuant to This Joint Acquisition Agreement; and

WHEREAS, the Districts presently intend to enter into this Agreement regarding the financing and acquisition of the remainder of the Amenities not currently funded from the proceeds of the Bonds, as further described in the Engineer’s Report (the “**Remaining Amenities**”); and

WHEREAS, the Districts intend to finance all or a portion of the Remaining Amenities through the issuance and delivery by STNCDD special assessment bonds in one or more series and the use of portions of the proceeds from the issuance of one or more series of bonds to permanently finance Amenity costs, (the “**Future Phase Bonds**”); and

WHEREAS, STSCDD has acquired or contracted directly for: (i) the preparation of the surveys, testing, reports, drawings, plans, permits, specifications, and related documents necessary to complete the Amenities (“**Work Product**”); or (ii) construction and/or installation of all of the improvements comprising the Amenities (“**Improvements**”); and

WHEREAS, in order to avoid a delay in the completion of the Amenities, Work Product and/or the Improvements, STSCDD has advance funded, commenced, and/or completed certain of the Amenities, Work Product and/or Improvements, and STSCDD has caused funds to be advanced and/or the Improvements to be completed; and

WHEREAS, the Districts desires to commence the purchase of certain portions of the Amenities, Work Product and the Improvements, and/or accept assignment of certain agreements regarding the same; and

WHEREAS, the Districts are entering into this Agreement to set forth the process by which the Districts may acquire the Amenities, Work Product, the Improvements, and any related real property interests (“**Real Property**”).

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the Districts, the receipt of which and sufficiency of which are hereby acknowledged, the Districts agree as follows:

1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated as a material part of this Agreement.

2. WORK PRODUCT AND IMPROVEMENTS. The Districts agree to cooperate and use good faith and best efforts to undertake and complete the acquisition process contemplated by this Agreement on such date or dates as the Districts may jointly agree upon (“**Acquisition Date**”). Subject to any applicable legal requirements (e.g., including, but not limited to, those laws governing the use of proceeds from tax exempt bonds), and the requirements of this Agreement, the Districts agree to acquire completed Work Product and Improvements comprising the Amenities.

- a. ***Request for Conveyance and Supporting Documentation*** – When Work Product or Improvements is completed by or on behalf of STSCDD, STSCDD shall notify STNCDD in writing, describing the nature of the Work Product and/or Improvement and estimated cost. Additionally, STSCDD agrees to provide, at or prior to the Acquisition Date, the following: (i) documentation of actual costs paid, (ii) instruments of conveyance such as bills of sale or such other instruments as may be requested by STNCDD, and (iii) any other

releases, warranties, indemnifications or documentation as may be reasonably requested by STNCDD.

- b. ***Costs*** – Subject to any applicable legal requirements (e.g., but not limited to, those laws governing the use of proceeds from tax exempt bonds), the availability of proceeds from the Future Amenity Bonds, and the requirements of this Agreement, the Districts agree to pay the actual reasonable cost of creation, acquisition or construction of the Amenities, Work Product or Improvements incurred. STSCDD shall provide copies of any and all invoices, bills, receipts, or other evidence of costs incurred by STSCDD for any Work Product and/or Improvements. Each District’s District Engineer shall review all evidence of cost and shall certify to both District Boards the total actual amount of cost, which in each District Engineers’ opinion is reasonable for the Work Product and/or Improvements. The opinion of cost of each District’s District Engineer shall be set forth in a Joint Engineer’s Certificate which shall accompany the requisition for funds from each District’s trustee (“**Trustee**”).
- c. ***Conveyances on “As Is” Basis*** – Unless otherwise agreed, all conveyances of Work Product and/or Improvements shall be on an “as is” basis. In addition, STSCDD agrees to assign, transfer and convey jointly to STNCDD any and all rights against any and all firms or entities which may have caused any latent or patent defects, including, but not limited to, any and all warranties and other forms of indemnification.
- d. ***Right to Rely on Work Product and Releases*** – STSCDD agrees to jointly release to STNCDD on behalf of the Districts all right, title, and interest which STSCDD may have in and to any Work Product conveyed hereunder, as well as all common law, statutory, and other reserved rights, including all copyrights in the Work Product and extensions and renewals thereof under United States law and throughout the world, and all publication rights and all subsidiary rights and other rights in and to the Work Product in all forms, mediums, and media, now known or hereinafter devised. To the extent determined necessary by STNCDD, STSCDD shall obtain all releases from any professional providing services in connection with the Work Product to enable the Districts to use and rely upon the Work Product.
- e. ***Transfers to Third Party Governments*** – If any item acquired is to be conveyed to a third party governmental body, then STSCDD agrees to cooperate and provide such certifications, documents, bonds, warranties, and/or forms of security as may be required by that governmental body, if any.
- f. ***Permits*** – STSCDD agrees to cooperate fully in the transfer and acceptance of any permits to STSCDD on behalf of the Districts or a governmental entity with maintenance obligations for any Improvements conveyed pursuant to this

Agreement, provided that such governmental entity accepts the associated operation and maintenance obligations.

- g. ***Engineer's Certification*** – STSCDD shall accept any completed Work Product and/or Improvements following each District's District Engineer (or other consulting engineer reasonably acceptable to the Districts), in his/her professional opinion, is able to certify that, in addition to any other requirements of law: (i) the Work Product and/or Improvements are part of the Amenities; (ii) the price for such Work Product and/or Improvements does not exceed the actual reasonable cost of the Work Product and/or Improvements; (iii) as to Work Product, the Work Product is capable of being used for the purposes intended by the Districts, and, as to any Improvements, the Improvements were installed in accordance with their specifications, and are capable of performing the functions for which they were intended; and (iv) as to any Improvements, all known plans, permits and specifications necessary for the operation and maintenance of the Improvements are complete and on file with the Districts, and have been transferred, or are capable of being transferred, to the Districts for operations and maintenance responsibilities.

3. ASSIGNMENT OF CONTRACTS. The Districts agree STSCDD may accept the assignment of certain contracts. Such acceptance is predicated upon (i) each contractor providing a bond in the form and manner required by section 255.05, Florida Statutes, (ii) receipt by STSCDD of a release from each general contractor acknowledging each assignment and the validity thereof, acknowledging the furnishing of the bond or other security required by section 255.05, F.S., if any, and waiving any and all claims against STNCDD and STSCDD arising as a result of or connected with such assignment. STSCDD hereby indemnifies and holds STNCDD harmless from any claims, demands, liabilities, judgments, costs, or other actions which may be brought against or imposed upon the Districts by any contractors, subcontractors, sub-subcontractors, materialmen, and others providing labor or services in conjunction with each such contract and including claims by members of the public as such claims relate to the period of time prior to STSCDD's acceptance of the assignment.

4. CONVEYANCE OF REAL PROPERTY. STSCDD agrees that it will accept conveyance on behalf of the Districts at or prior to the Acquisition Date, as determined solely by the Districts, by a special warranty deed or other instrument acceptable to the STSCDD Board together with a metes and bounds or other description, the Real Property upon which any Amenity Improvements are constructed or which are necessary for the operation and maintenance of, and access to, the Amenities or Improvements.

- a. ***Cost.*** The Districts agree that all Real Property shall be Acquired by the Districts at no cost, unless (i) the costs for the Real Property are included as part of the Amenities, and (ii) the purchase price for the Real Property is less than or equal to the appraised value of the Real Property, based on an appraisal obtained by STSCDD for this purpose. The Districts agree that the purchase price shall not include amounts attributable to the value of

Improvements on the Real Property and other Improvements serving the Real Property that have been, or will be, funded by the Districts.

- b. ***Fee Title***– STSCDD shall only accept conveyance of the Real Property upon which the Improvements are located free and clear of all liens, easements, excepting those deemed reasonable by the Districts, rights, or other encumbrances pursuant to a Warranty Deed.
- c. ***Fees, Taxes, Title Insurance*** – STSCDD shall ensure that grantor of any Real Property, (Grantor) shall pay the cost for recording fees and documentary stamps required, if any, for the conveyance of the Real Property upon which the Improvements are constructed. The Grantor shall be responsible for all taxes and assessments levied on the Real Property upon which the Improvements are constructed until such time as the Grantor conveys all said lands to STSCDD. At the time of conveyance, the Grantor shall provide, at its expense, an owner's title insurance policy or other evidence of title in a form satisfactory to the Districts.
- d. ***Boundary Adjustments*** – The Districts agree that future boundary adjustments may be made as deemed reasonably necessary by all Districts in order to accurately describe the Real Property conveyed to STSCDD. The Districts agree that any Real Property transfers made to accommodate such adjustments shall be accomplished by donation. However, the District requesting such adjustment shall pay any transaction costs resulting from the adjustment, including but not limited to taxes, title insurance, recording fees or other costs.

5. TAXES, ASSESSMENTS, AND COSTS.

- a. ***Taxes and Assessments on Property Being Acquired.*** The Districts are exempt governmental units acquiring property pursuant to this Agreement for use exclusively for public purposes. Accordingly, in accordance with Florida law, STSCDD shall ensure that Grantor agrees to place in escrow with the County tax collector an amount equal to the current ad valorem taxes and non-ad valorem assessments (with the exception of those ad valorem taxes and non-ad valorem assessments levied by the Districts) prorated to the date of transfer of title, based upon the expected assessment and millage rates giving effect to the greatest discount available for early payment.
 - i. If, and only to the extent the property acquired by STSCDD is subject to ad valorem taxes or non-ad valorem assessments, STSCDD shall ensure that Grantor agrees to reimburse STSCDD for payment, or pay on its behalf, any and all ad valorem taxes and non-ad valorem assessments imposed during the calendar year in which each parcel of property is conveyed.

ii. Nothing in this Agreement shall prevent the Districts from asserting any rights to challenge any taxes or assessments imposed, if any, on any property of the Districts.

b. **Notice.** The Districts agree to provide notice to the other within thirty (30) calendar days of receipt of any notice of potential or actual taxes, assessments, or costs, as a result of any transaction pursuant to this Agreement, or notice of any other taxes, assessments, or costs imposed on the property acquired by the Districts as described in subsection a. above. The Districts covenant to make any payments due hereunder in a timely manner in accordance with Florida law.

c. **Tax liability not created.** Nothing herein is intended to create or shall create any new or additional tax liability on behalf of the Districts. Furthermore, the Districts reserve all respective rights to challenge, pay under protest, contest or litigate the imposition of any tax, assessment, or cost in good faith they believe is unlawfully or inequitably imposed and agree to cooperate in good faith in the challenge of any such imposition.

6. ACQUISITIONS AND FUTURE AMENITY BOND PROCEEDS. STNCDD shall in good faith pursue the issuance of Future Amenity Bonds to finance its respective portions of the Amenities. In the event that STNCDD issues Future Amenity Bonds and has bond proceeds available to pay for any portion of the Amenities constructed or acquired by STSCDD on their behalf, and subject to the terms of the applicable documents relating to the Future Amenity Bonds, as applicable, then STNCDD shall promptly make payment for any such constructed or acquired Work Product or Improvements pursuant to the terms of this Agreement; provided, however, that in the event that either District's bond counsel determines that any such acquisitions are not properly compensable for any reason, including, but not limited to federal tax restrictions imposed on tax-exempt financing, such District shall not be obligated to make payment for such construction or acquisitions. Pursuant to this Agreement, interest shall not accrue on any amounts owed for any prior acquisitions. In the event STNCDD does not or cannot issue sufficient bonds within five (5) years from the date of this Agreement to pay for all acquisitions hereunder, and, thus does not make payment to the STSCDD for any unfunded acquisitions, then STSCDD agrees that STNCDD shall have no payment or reimbursement obligation whatsoever for those unfunded acquisitions, unless otherwise provided for in connection with payment of any Note. The Districts acknowledges that the Districts may convey some or all of the Work Product and/or Improvements to a general purpose unit of local government (e.g., the County) and consents to the Districts' conveyance of such Work Product and/or Improvements prior to any payment being made by the Districts.

7. DEFAULT. A default by any District under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance.

8. INDEMNIFICATION. For all actions or activities which occur prior to the date of the acquisition of the relevant Real Property, Improvement or Work Product hereunder,

STSCDD agrees to indemnify and hold harmless STNCDD and its officers, staff, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or claims of any nature arising out of, or in connection with, the Real Property, Improvement, or Work Product, including litigation or any appellate proceedings with respect thereto, irrespective of the date of the initiation or notice of the claim, suit, etc.; provided, however, that STSCDD shall not indemnify STNCDD for a default by the STNCDD under this Agreement or the use of such Real Property, Improvement or Work Product by the STSCDD, its engineers, employees, contractors, or such persons' or entities' negligence.

9. ATTORNEYS' FEES AND COSTS. In the event that any District is required to enforce this Agreement by court proceedings or otherwise, then the Districts agree that the prevailing District shall be entitled to recover from the other all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

10. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by each District.

11. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of each District; the Districts have complied with all the requirements of law; and the Districts have full power and authority to comply with the terms and provisions of this Agreement.

12. NOTICES. All notices, requests, consents and other communications under this Agreement ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the Districts, as follows:

A. **If to STSCDD:** Scenic Terrace South Community Development District
 219 East Livingston Street.
 Orlando, Florida 32801
 Attn: District Manager

With a copy to: Kilinski | Van Wyk, PLLC
 517 E. Collage Avenue
 Tallahassee, Florida 32301
 Attn: District Counsel

B. **If to STNCDD:** Scenic Terrace South Community Development District
 219 East Livingston Street.
 Orlando, Florida 32801
 Attn: District Manager

With a copy to: Kilinski | Van Wyk, PLLC
 517 E. Collage Avenue

Tallahassee, Florida 32301
Attn: District Counsel

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the Districts and counsel for the Developer may deliver Notice on behalf of the Districts and the Developer, respectively. Any District or other person to whom Notices are to be sent or copied may notify the other Districts and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Districts and addressees set forth herein.

13. ARM'S LENGTH TRANSACTION. This Agreement has been negotiated fully between STSCDD, STNCDD, as an arm's length transaction. Both Districts participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, all Districts are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either of the Districts.

14. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the Districts and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the Districts any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the Districts and their respective representatives, successors, and assigns.

15. ASSIGNMENT. Neither District may assign this Agreement or any monies to become due hereunder without the prior written approval of each of the other District.

16. TERMINATION. This Agreement may be terminated upon the earlier of (i) the District's acquisition of all Work Product, Improvements, and Real Property related to the Amenities, and payment of the same, all as provided herein; or (ii) execution of an instrument in writing by each District providing for such termination.

17. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each District consents that the venue for any litigation arising out of or related to this Agreement shall be in Polk County, Florida.

18. PUBLIC RECORDS. The Districts understand and agrees that all documents of any kind provided to the Districts in connection with this Agreement may be public records and treated as such in accordance with Florida law.

19. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

20. CONFLICTS. To the extent that the terms of this Agreement conflict with the terms any other agreement between the Districts regarding the same subject, the Districts agree the terms of this Agreement shall control.

21. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the Districts beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other law, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred by sovereign immunity or by other operation of law.

22. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

23. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

24. EFFECTIVE DATE. This Agreement shall be effective as of August __, 2023.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

WHEREFORE, the Districts below execute this Agreement.

Witness:

Print Name

**SCENIC TERRACE SOUTH COMMUNITY
DEVELOPMENT DISTRICT**

Chairperson, Board of Supervisors

Witness:

Print Name

Attest: _____
Secretary

Witness:

Print Name

**SCENIC TERRACE NORTH COMMUNITY
DEVELOPMENT DISTRICT**

Chairperson, Board of Supervisors

Witness:

Print Name

Attest: _____
Secretary

EXHIBIT A
AMENITIES

SECTION VII

CLIENT DISCLOSURE AND CONSENT

Kilinski | Van Wyk PLLC (“KVV”) presently serves as district counsel for the Scenic Terrace North Community Development District (the “District”). KVV additionally presently represents the Scenic Terrace South Community Development District (“STSCDD,” and together with the District, the “Parties”). KVV has been asked by STSCDD to represent its interests in relation to the anticipated acquisition and use of amenity facilities by the District, which representation includes, but is not limited to, the preparation of an interlocal agreement between STSCDD and the District addressing STSCDD’s contribution for the cost of the purchase, financing and maintenance of such facilities as well as its residents’ use of same. As a result of KVV’s existing representation of the District, if KVV agrees to represent STSCDD with respect to this matter, KVV may be confronted with an actual and/or potential conflict of interest under Florida Rule of Professional Conduct 4-1.7 of the Rules Regulating the Florida Bar.

KVV believes that it can provide competent and diligent representation of the Parties with respect to this matter. KVV also believes, based on conversations with the District and STSCDD, that the Parties’ interests are sufficiently aligned so as to allow for joint representation of the Parties. After discussion with KVV and the opportunity for discussion with independent counsel not affiliated with KVV regarding the actual and/or potential conflicts of interest described above, the District has determined that there is no conflict of interest that would adversely affect the responsibilities of KVV to the District due to the anticipated representation of STSCDD. The District also acknowledges that STSCDD’s interests are not materially adverse to the interests of the District. Accordingly, the District hereby waives any actual or

potential conflict of interest which may be presented by KVV's representation of STSCDD with respect to this matter, as more specifically discussed with the District at its August 16, 2023 meeting of its Board of Supervisors.

Moreover, the District acknowledges and agrees that, while the representation of the District and STSCDD involves the achievement of a mutual goal of the Parties relative to District's acquisition and use of the amenity facilities, in the event of a dispute between the District and STSCDD related to the purchase of the amenity facilities, KVV's representation of the Parties related to the purchase of the amenity facilities will terminate and the Parties will be responsible for acquiring new legal representation with respect to any such dispute. Upon such termination, KVV shall take such actions as are reasonable and necessary to protect the interests of the Parties until replacement counsel for the purchase of the amenity facilities is procured, which procurement shall occur within a reasonable time.

As evidence of this disclosure and the consent of the District to KVV's representation of STSCDD as discussed herein, the signature of a person authorized to give this consent appears below.

**SCENIC TERRACE NORTH COMMUNITY
DEVELOPMENT DISTRICT**

Warren K. Heath II, Chairman

Board of Supervisors

Date: _____

SECTION VIII

SECTION C

SECTION 1

Scenic Terrace North Community Development District

Summary of Check Register

July 06, 2023 through July 31, 2023

Fund	Date	Check No.'s	Amount
General Fund			
	7/13/23	108-109	\$ 4,140.16
	7/18/23	110	\$ 6,255.32
	7/24/23	111-115	\$ 1,000.00
Total Amount			\$ 11,395.48

CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
TOTAL FOR REGISTER						11,395.48	

STNO SCENIC TERRACE ZYAN

SECTION 2

Scenic Terrace North
Community Development District

Unaudited Financial Reporting
June 30, 2023



Table of Contents

1	<hr/>	Balance Sheet
2	<hr/>	General Fund
3	<hr/>	Month to Month

Scenic Terrace North
Community Development District
Combined Balance Sheet
June 30, 2023

		<i>General Fund</i>
Assets:		
<u>Cash:</u>		
Operating Account	\$	14,002
Due From Developer	\$	5,561
Total Assets	\$	19,563
Liabilities:		
Accounts Payable	\$	7,079
Total Liabilites	\$	7,079
Fund Balance:		
Unassigned	\$	12,484
Total Fund Balances	\$	12,484
Total Liabilities & Fund Balance	\$	19,563

Scenic Terrace North

Community Development District

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance For The Period Ending June 30, 2023

	Adopted	Prorated Budget	Actual	
	Budget	Thru 06/30/23	Thru 06/30/23	Variance
<u>Revenues:</u>				
Developer Contributions	\$ 258,666	\$ 50,000	\$ 50,000	\$ -
Boundary Amendment Contribution	\$ -	\$ -	\$ 12,054	\$ 12,054
Total Revenues	\$ 258,666	\$ 50,000	\$ 62,054	\$ 12,054
<u>Expenditures:</u>				
<u>General & Administrative:</u>				
Supervisor Fees	\$ 12,000	\$ 9,000	\$ 2,800	\$ 6,200
Engineering	\$ 15,000	\$ 11,250	\$ 1,625	\$ 9,625
Attorney	\$ 25,000	\$ 18,750	\$ 5,946	\$ 12,804
Annual Audit	\$ 4,000	\$ 4,000	\$ 3,200	\$ 800
Assessment Administration	\$ 5,000	\$ -	\$ -	\$ -
Arbitrage	\$ 450	\$ -	\$ -	\$ -
Dissemination	\$ 5,000	\$ -	\$ -	\$ -
Trustee Fees	\$ 4,041	\$ -	\$ -	\$ -
Management Fees	\$ 36,750	\$ 27,563	\$ 27,563	\$ -
Information Technology	\$ 1,800	\$ 1,350	\$ 1,350	\$ -
Website Maintenance	\$ 1,200	\$ 900	\$ 900	\$ -
Postage & Delivery	\$ 1,000	\$ 750	\$ 141	\$ 609
Insurance	\$ 5,625	\$ 5,625	\$ 5,375	\$ 250
Printing & Binding	\$ 1,000	\$ 750	\$ -	\$ 750
Legal Advertising	\$ 10,000	\$ 7,500	\$ 3,466	\$ 4,034
Other Current Charges	\$ 5,000	\$ 3,750	\$ -	\$ 3,750
Boundary Amendment Expenses	\$ -	\$ -	\$ 11,669	\$ (11,669)
Office Supplies	\$ 625	\$ 469	\$ 14	\$ 454
Dues, Licenses & Subscriptions	\$ 175	\$ 175	\$ 175	\$ -
Total General & Administrative:	\$ 133,666	\$ 91,831	\$ 64,224	\$ 27,608
<u>Operations & Maintenance</u>				
Playground Lease	\$ 25,000	\$ -	\$ -	\$ -
Field Contingency	\$ 100,000	\$ -	\$ -	\$ -
Total Operations & Maintenance:	\$ 125,000	\$ -	\$ -	\$ -
Total Expenditures	\$ 258,666	\$ 91,831	\$ 64,224	\$ 27,608
Excess (Deficiency) of Revenues over Expenditures	\$ -		\$ (2,170)	
Fund Balance - Beginning	\$ -		\$ 14,654	
Fund Balance - Ending	\$ -		\$ 12,484	

Scenic Terrace North
Community Development District
Month to Month

	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
Revenues:													
Developer Contributions	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Boundary Amendment Contribution	\$ -	\$ 518	\$ 111	\$ -	\$ 2,614	\$ 1,415	\$ -	\$ 1,835	\$ 5,561	\$ -	\$ -	\$ -	\$ 12,054
Total Revenues	\$ -	\$ 25,518	\$ 111	\$ -	\$ 2,614	\$ 1,415	\$ 25,000	\$ 1,835	\$ 5,561	\$ -	\$ -	\$ -	\$ 62,054
Expenditures:													
General & Administrative:													
Supervisor Fees	\$ -	\$ 800	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,800
Engineering	\$ 255	\$ 255	\$ 220	\$ -	\$ 255	\$ 165	\$ 475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,625
Attorney	\$ 112	\$ 406	\$ 39	\$ 1,634	\$ 740	\$ 376	\$ 1,423	\$ 523	\$ 694	\$ -	\$ -	\$ -	\$ 5,946
Annual Audit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,200	\$ -	\$ -	\$ -	\$ 3,200
Assessment Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Arbitrage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dissemination	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trustee Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management Fees	\$ 3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ -	\$ -	\$ -	\$ 27,563
Information Technology	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ -	\$ -	\$ -	\$ 1,350
Website Maintenance	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ -	\$ -	\$ 900
Postage & Delivery	\$ 43	\$ 4	\$ 1	\$ 5	\$ 6	\$ 4	\$ 38	\$ 3	\$ 38	\$ -	\$ -	\$ -	\$ 141
Insurance	\$ 5,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,375
Printing & Binding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Advertising	\$ -	\$ 307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,485	\$ (1,326)	\$ -	\$ -	\$ -	\$ 3,466
Other Current Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Boundary Amendment Expenses	\$ 573	\$ 56	\$ 894	\$ 556	\$ 2,360	\$ 1,670	\$ 1,546	\$ 4,016	\$ -	\$ -	\$ -	\$ -	\$ 11,669
Office Supplies	\$ 5	\$ 0	\$ 3	\$ 0	\$ 0	\$ 3	\$ 0	\$ 3	\$ 0	\$ -	\$ -	\$ -	\$ 14
Dues, Licenses & Subscriptions	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175
Total General & Administrative:	\$ 9,851	\$ 5,140	\$ 4,469	\$ 5,507	\$ 7,673	\$ 5,529	\$ 7,795	\$ 12,341	\$ 5,918	\$ -	\$ -	\$ -	\$ 64,224
Operations & Maintenance													
Playground Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Field Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operations & Maintenance:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 9,851	\$ 5,140	\$ 4,469	\$ 5,507	\$ 7,673	\$ 5,529	\$ 7,795	\$ 12,341	\$ 5,918	\$ -	\$ -	\$ -	\$ 64,224
Excess (Deficiency) of Revenues over Expenditures	\$ (9,851)	\$ 20,378	\$ (4,358)	\$ (5,507)	\$ (5,059)	\$ (4,114)	\$ 17,205	\$ (10,507)	\$ (357)	\$ -	\$ -	\$ -	\$ (2,170)