

JOSEPH E. SMITH, CLERK OF THE CIRCUIT COURT
SAINT LUCIE COUNTY
FILE # 3858669 07/16/2013 at 10:22 AM
OR BOOK 3538 PAGE 672 - 713 Doc Type: AGR
RECORDING: \$358.60

**SECOND AMENDED AND RESTATED
DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT**

BY AND AMONG

**SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 1,
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 2,
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 3,
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 4

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5,
and
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 6**

Amended and Restated as of July 9, 2013

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--------------------|---|
| ARTICLE I | RECITATIONS; AUTHORITY FOR THIS AGREEMENT AND DEFINITIONS6 |
| Section 1.01 | Recitations; Authority6 |
| Section 1.02 | Definitions.....6 |
| ARTICLE II | DELEGATION12 |
| Section 2.01 | Certain Matters Relating to Community Infrastructure and Community Infrastructure Assessments12 |
| Section 2.02 | Operation and Maintenance of Community Infrastructure.....14 |
| Section 2.03 | District Infrastructure Districts.....14 |
| Section 2.04 | Consultants.15 |
| ARTICLE III | OWNERSHIP OF PUBLIC INFRASTRUCTURE: ACQUISITION, CONSTRUCTION AND FINANCING OF PUBLIC INFRASTRUCTURE.....15 |
| Section 3.01 | Ownership of Public Infrastructure.....15 |
| Section 3.02 | Power and Authority of Issuer.....16 |
| ARTICLE IV | LEVY AND COLLECTION OF ASSESSMENTS FOR PUBLIC INFRASTRUCTURE INDEBTEDNESS18 |
| Section 4.01 | Community Infrastructure Assessments.18 |
| Section 4.02 | District Infrastructure Assessments.....19 |
| Section 4.03 | Public Infrastructure Assessments.....20 |
| Section 4.04 | Annual Assessment Levy.....22 |
| Section 4.05 | Nonpayment of Public Infrastructure Assessments22 |
| ARTICLE V | OPERATION AND MAINTENANCE OF COMMUNITY INFRASTRUCTURE: LEVY OF COMMUNITY O&M INFRASTRUCTURE MAINTENANCE ASSESSMENTS.....22 |
| Section 5.01 | Operation and Maintenance of Community Infrastructure.22 |
| Section 5.02 | Delegation to Administration District.....24 |
| ARTICLE VI | DISTRICT INFRASTRUCTURE.....25 |
| Section 6.01 | Operation and Maintenance of District Infrastructure25 |
| Section 6.02 | District Infrastructure Annual Budget25 |
| Section 6.03 | District Maintenance and Administration Assessments.....25 |
| Section 6.04 | Cooperation of Delegating District.....26 |
| Section 6.05 | Termination of Operation and Maintenance Obligations.....26 |

| | | |
|---------------------|--|-----------|
| ARTICLE VII | RETENTION OF CONSTITUTIONAL AND STATUTORY AUTHORITY | 27 |
| Section 7.01 | Construction | 27 |
| Section 7.02 | Approval of Districts Required for Certain Matters | 28 |
| ARTICLE VIII | COVENANTS AND AGREEMENTS OF THE DISTRICTS..... | 30 |
| Section 8.01 | Covenants of Issuer and Administration District | 30 |
| Section 8.02 | Covenants of Districts | 32 |
| ARTICLE IX | TERM: TERMINATION..... | 34 |
| Section 9.01 | Term of this Agreement | 34 |
| Section 9.02 | Termination of Term | 34 |
| Section 9.03 | Effect of Termination Upon Delegation Infrastructure | 34 |
| ARTICLE X | MISCELLANEOUS | 35 |
| Section 10.01 | Validation..... | 35 |
| Section 10.02 | Counterparts | 35 |
| Section 10.03 | Agreement Not Debt | 35 |
| Section 10.04 | Notices | 35 |
| Section 10.05 | Approvals..... | 35 |
| Section 10.06 | Cooperation | 35 |
| Section 10.07 | Further Assurances..... | 35 |
| Section 10.08 | Rights Cumulative | 36 |
| Section 10.09 | Exhibits | 36 |
| Section 10.10 | No Partnership or Joint Venture..... | 36 |
| Section 10.11 | Beneficiaries..... | 36 |
| Section 10.12 | Governing Law..... | 36 |
| Section 10.13 | Conflict Resolution..... | 36 |
| Section 10.14 | Legal Fees | 36 |
| Section 10.15 | No Waiver..... | 36 |
| Section 10.16 | Assignment..... | 37 |
| Section 10.17 | Headings..... | 37 |
| Section 10.18 | Time is of the Essence | 37 |
| Section 10.19 | Severability | 37 |
| Section 10.20 | Entire Agreement..... | 37 |
| Section 10.21 | Filing..... | 37 |

**SECOND AMENDED AND RESTATED
DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT**

This SECOND AMENDED AND RESTATED DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT (“Agreement”) is amended and restated as of this 9th day of July, 2013, amending and restating, in its entirety, that Amended and Restated District Development Interlocal Agreement dated as of May 14, 2013, which amended that certain District Development Interlocal Agreement dated as of September 11, 2012 (collectively, the “Original Agreement”) by and among **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 1** (“District No. 1”), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 2** (“District No. 2”), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 3** (“District No. 3”), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 4** (“District No. 4”), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5** (“District No. 5”), and **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 6** (“District No. 6”), each a community development district established pursuant to Chapter 190, Florida Statutes (each of District No. 1, District No. 2, District No. 3, District No. 4, District No. 5, and District No. 6 are collectively referred to as the “Initial Districts” and such Initial Districts, together with any Future Districts that execute a Joinder [as such terms are defined below], are sometimes hereinafter referred to individually as a “District” or, collectively, as the “Districts”).

PRELIMINARY STATEMENT

A. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in Article I hereof. Each District is a community development district organized pursuant to the Act. As such, each District is or will be a local unit of special purpose government, the exclusive charter for each being set forth in the provisions of Section 190.006-190.041, Florida Statutes, as amended and supplemented.

B. Each of the Districts was established in accordance with the Act by an ordinance of the City (District No. 5 being the surviving community development district resulting from merger). All of the land in the Initial Districts is located within the boundaries of the City.

C. Except for the identity of each District in the respective ordinances, all of the ordinances enacted by the City in connection with the Districts are, or are expected to be, identical as to powers granted each District. Accordingly, the Districts have or are expected to have identical powers, privileges and authority that they share in common and which each District may exercise separately. The principal purpose of each District is to exercise its special powers to provide infrastructure, public improvements and community facilities and services for the benefit of the District Lands in its boundaries, as provided in Section 190.012 of the Act.

D. The Districts have approved the Master Engineer’s Report which sets forth the CIP for Public Infrastructure.

E. The Districts desire to implement the Community Infrastructure which may include, without limitation, water management and control facilities pursuant to a water management plan encompassing all Community Property, major roadways that traverse the boundaries of more than one of the Districts, water supply, sewer and wastewater management, reclamation and reuse, including major water mains and sewer mains, water plants (if approved by the City) and other such facilities sized to serve the Community Property, wastewater treatment plants (if approved by the City) and other such facilities sized to serve the Community Property, conservation, mitigation and wildlife habitat areas, parks and facilities for indoor and outdoor recreational, cultural and education uses intended to serve all of the Community Property, educational and cultural buildings and related structures, security facilities for the benefit of all or a portion of the Community Property and other facilities and services authorized by the Act and that require use of District Lands in more than one of the Districts or the mutual exercise of powers by more than one of the Districts for the benefit of all or a portion of the Community Property.

F. As more fully provided herein, the Community Infrastructure will be financed and refinanced by the Issuer, on behalf of all of the Districts, through the issuance of Community Infrastructure Indebtedness pursuant to a Public Infrastructure Master Indenture or other similar instrument approved by the Districts.

G. Each District may also determine to undertake District Infrastructure projects which may include, without limitation, infrastructure, public improvements, community facilities and services relating to water management and control facilities that benefit only the related District Lands, sewer mains, water mains and conduits or pipelines for reclamation and reuse water that benefit only the related District Lands, roads that extend only within such District Lands, parks and facilities for indoor and outdoor recreational, cultural and educational uses that are sized to benefit solely such District Lands and other infrastructure, public improvements (whether within or without the boundaries of the applicable District), community facilities and services that, by their nature, are intended to benefit only specific District Lands and not the Community Property as a whole.

H. As more fully provided herein, each District Infrastructure project may be financed and refinanced by the Issuer, on behalf of the applicable District, through the issuance of District Infrastructure Indebtedness, pursuant to a Public Infrastructure Master Indenture or other similar instrument approved as required hereby. Notwithstanding the terms of this Agreement, the governing body of any District may elect to finance, refinance, operate and maintain any District Infrastructure project for that District and, if it so elects, it may issue its own District Infrastructure Indebtedness pursuant to a Public Infrastructure Master Indenture.

I. The development orders governing the installation of Public Infrastructure within the Community Property in the boundaries of the Districts are flexible. Currently, only uses planned for the Existing Development are known, and it is not possible to know whether all of the uses planned for the balance of the Community Property (the "Planned Uses") will be developed as contemplated thereby, nor is it possible to identify the location of the Planned Uses within each District at this time with precision. The Planned Uses cannot be accommodated within the boundaries of any one of the Districts.

J. The Community Infrastructure and the estimated cost thereof has been determined as set forth in the Master Engineer's Report and the District Infrastructure and estimated cost thereof for each of the respective Districts has been determined as set forth in the Master Engineer's Report. Pursuant to the Master Assessment Report, the estimated cost of the Community Infrastructure, together with estimated financing costs, will be allocated to all of the Community Property specially benefited thereby, other than the Existing Development, which does not specially benefit from the Community Infrastructure. The Master Assessment Report also allocates such cost of the Community Infrastructure to each of the Planned Uses. In addition, the Master Assessment Report allocates the estimated cost of the District Infrastructure for each of the respective Districts, together with estimated financing costs, to the land in each District.

K. With respect to Community Infrastructure included in the CIP, each District has taken all actions required by applicable law to provide for the levy (in accordance with the Master Assessment Report) of a maximum aggregate amount of Community Infrastructure Assessments on Community Property specially benefited by the Community Infrastructure (excluding the Existing Development, which does not specially benefit from the Community Infrastructure) to pay (all or any portion) of the Community Infrastructure Indebtedness, as shown in the Master Assessment Report. In connection with Community Infrastructure, each of the Districts recognizes that because the ultimate Planned Uses to be developed in each District are not now known, other than with respect to the Existing Development, as development of the Community Property occurs and Community Infrastructure Indebtedness is issued, the Community Infrastructure Assessments will be further allocated in accordance with the Master Assessment Report to the Planned Uses actually developed within the Community Property specially benefitting from the Community Infrastructure, which excludes the Existing Development.

L. Each District has also taken all actions required by applicable law to provide for the levy (in accordance with the Master Assessment Report) of a maximum aggregate amount of District Infrastructure Assessments to be levied on the District Lands in each District, as shown in the Master Assessment Report. In connection with District Infrastructure, each of the Districts recognizes that because the ultimate Planned Uses to be developed in each District are not now known, other than with respect to the Existing Development, as development of the Community Property occurs and District Infrastructure Indebtedness is issued, the District Infrastructure Assessments will be further allocated to the Planned Uses actually developed within the Community Property in the applicable District, in each case, in accordance with the Master Assessment Report.

M. The Districts have undertaken the Community Infrastructure Assessment Proceedings to impose the Community Infrastructure Assessments on the developable Districts Lands in their boundaries specially benefited by the Community Infrastructure (which excludes the Existing Development) in accordance with the Master Assessment Report and have undertaken the proceedings required by applicable law to impose District Infrastructure Assessments on the developable Districts Lands in their respective boundaries specially benefited by the applicable District Infrastructure in accordance with the Master Assessment Report.

N. The Districts have approved, or will approve, a form of a Public Infrastructure Master Indenture pursuant to which the Issuer will (1) issue the Community Infrastructure Bonds from time to time on behalf of the Districts to finance and refinance the Community Infrastructure, secured by and payable from the revenues pledged thereto as described in the Public Infrastructure Master Indenture executed and delivered by the Issuer and the trustee named therein, and (2) issue bonds from time to time, at the request, and on behalf of, the applicable District Infrastructure District to finance and refinance a particular District Infrastructure project, secured by and payable from the revenues pledged thereto as described in the Public Infrastructure Master Indenture executed and delivered by the Issuer and the trustee named therein. Each District Infrastructure District may also use a Public Infrastructure Master Indenture to issue its own District Infrastructure Indebtedness to finance its District Infrastructure.

O. In the event a District other than District No. 5 is subsequently designated as the Issuer with respect to Public Infrastructure Indebtedness in the manner provided for herein, such District may assume the duties and obligations of District No. 5 under any Public Infrastructure Master Indenture executed by District No. 5 and/or execute and deliver a separate Public Infrastructure Master Indenture with respect to any Public Infrastructure Indebtedness to be issued by such District.

P. The Districts hereby determine, for the reasons more fully set forth herein, that it is preferable to delegate authority to the Issuer to finance and refinance the Community Infrastructure and, under certain circumstances, their respective District Infrastructure, subject in all respects to certain retained rights of each District as described herein. The Districts hereby determine, for the reasons more fully set forth herein, that it is preferable to delegate authority to the Administration District to administer the collection and enforcement of Community Infrastructure Assessments related to Community Infrastructure Indebtedness issued by the Issuer and District Infrastructure Assessments related to District Infrastructure Indebtedness issued by the Issuer or a specific District, and to delegate authority to the Administration District to implement matters relating to the operation and maintenance of certain components of Public Infrastructure, as more fully set forth herein.

Q. Cooperation among the Districts is essential to the financing, operation and maintenance of the Public Infrastructure. The Districts hereby determine that having the Issuer act on their behalf with respect to the financing and refinancing of Public Infrastructure is necessary and desirable in serving the shared goal of the Districts in achieving economies of scale and of properly managing the acquisition, construction and financing of the Public Infrastructure. The Districts hereby determine that having the Administration District act on their behalf with respect to administrative matters relating to the collection and enforcement of Community Infrastructure Assessments and District Infrastructure Assessments and the operation and maintenance of certain components of Public Infrastructure, as herein described, is necessary and desirable in serving the shared goal of the Districts in achieving economies of scale, receiving the benefit of the knowledge of the Administration District and its staff and of properly managing the administration of the Public Infrastructure Indebtedness and operation and maintenance of certain components of the Public Infrastructure.

R. The Districts hereby further determine, with respect to the acquisition, construction and financing of Public Infrastructure, that it is not efficient or in the best interests of the Districts, the Community Property and applicable District Lands for each District to separately contract for, and supervise, discrete aspects of a Public Infrastructure project, and that it is preferable to have such Public Infrastructure project financed and refinanced by the Issuer, for the benefit of the Community Property specially benefitted thereby and applicable District Lands, subject to the reserved rights of each District with respect to its own District Infrastructure. Similarly, the Districts hereby determine that the operation and maintenance of Public Infrastructure owned by the Districts can be handled more efficiently for the benefit of the Community Property and applicable District Lands if the responsibility for overseeing such operation and maintenance is delegated to a single Administration District, subject to the reserved rights of each District with respect to its own District Infrastructure.

S. Pursuant to the Act, a community development district's authority to exercise its special powers may be expanded to real property lying outside the boundaries of that community development district, if the exercise of such power is authorized in an agreement between the community development district and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located or, among other matters, is the subject of a development approval issued by a governmental authority with jurisdiction in the district. The City/District Interlocal Agreement currently authorizes the exercise by each District of its authority outside of its boundaries (and outside the boundaries of all of the Districts) with respect to its own District Infrastructure. The City/District Interlocal Agreement also authorizes the exercise by District No. 1 of its authority outside of its boundaries (and outside the boundaries of all of the Districts) with respect to Community Infrastructure and any District Infrastructure it undertakes in addition to its own District Infrastructure. This Agreement authorizes the exercise by the Issuer and the Administration District of their authority as set forth in the Act with respect to Community Infrastructure and District Infrastructure outside of their respective boundaries, but within the boundaries of any of the other Districts. In addition, all or a portion of the plan of development for the Community Property, including all or a portion of the projects that will comprise the Public Infrastructure, has been, or will be, incorporated into a development order approved by the City. The Districts hereby determine that for the reasons set forth above and elsewhere in this Agreement, but subject to the last sentence of paragraph H above, that it will enhance the development plans for the Development if the Issuer and the Administration District exercise the powers, privileges and authority shared by each of the Districts as the same relates to the financing, operation and maintenance, as applicable, of Public Infrastructure.

T. Each District desires, by entering into this Agreement, to provide for the exercise of its separate constitutional and statutory duties, and, pursuant to the authority granted under Section 163.01, Florida Statutes, as amended and supplemented, to delegate to the Issuer and Administration District, as applicable, the authority to enter into contracts, undertake financings, perform services and otherwise take all actions necessary with respect to Public Infrastructure projects, subject to the terms and conditions hereof. Such delegation by each District to the Issuer and the Administration District, as applicable, is not intended to be an absolute permanent divestiture of the powers of each respective District, and such delegation shall cease and be of no force and effect upon the termination of this Agreement.

U. In furtherance of the foregoing, each Initial District has approved the initial retention of the Consulting Engineers, the Methodology Consultant and Bond Counsel.

V. The approval by all of the Districts, to the extent required with respect to any matters referenced herein to be approved or done by all of the Districts in the future, will be evidenced by proceedings of the respective Districts, each of which will separately and independently consider such matters, and, accordingly, such matters are subject to such proceedings being adopted by the Districts.

W. To facilitate development of the Development: (1) one or more Future Districts with jurisdiction over all or any portion of the Expanded Property may be established by the City or other applicable governmental authorities; (ii) the boundaries of one or more of the Initial Districts may be modified to include parts of the Expanded Property; and/or (iii) portions of the Expanded Property that are part of the Development may be located outside the boundaries of any District. If, and when a Future District is established, such Future District may become a party hereto by executing a Joinder, in such form and content as reasonably acceptable to general counsel to the Administration District. Upon execution of a Joinder by a Future District and the Administration District, on behalf of all other Districts such Future District shall become a party to this Agreement and the City/District Interlocal Agreement and shall be bound by all of the terms and provisions hereof and thereof.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and other considerations contained herein, and intending to be legally bound hereby, agree as follows:

ARTICLE I RECITATIONS; AUTHORITY FOR THIS AGREEMENT AND DEFINITIONS

Section 1.01 Recitations; Authority. The recitations and findings set forth in the above Preliminary Statement are true and correct and are hereby incorporated herein by reference. The Districts are entering into this Agreement pursuant to the authority granted to each by the Act, the ordinances of the City establishing the Districts, Chapter 163, Part I, Florida Statutes and other applicable provisions of law.

Section 1.02 Definitions. In this Agreement (except as otherwise expressly provided or unless the context otherwise requires) the following terms shall have the meanings specified below:

“Act” shall mean the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended and supplemented.

“Administration District” shall mean initially, District No. 1 or any successor to or replacement of District No. 1 in the capacity of “Administration District,” as more fully provided for in this Agreement, including by Section 2.01(b) hereof.

“Annual Assessment Levy” shall mean the annual installments of Public Infrastructure Assessments to be levied on specially benefited Community Property (which excludes the Existing Development in the case of Community Infrastructure Assessments) and/or District Lands within each District to pay debt service on Public Infrastructure Indebtedness.

“Annual Budget” shall mean the final annual budget adopted by the Administration District for each Fiscal Year with respect to the Community O&M Infrastructure, which provides for the payment of anticipated operating and maintenance expenses.

“Annual District Maintenance and Administration Assessment Levy” shall mean the annual installments of District Maintenance and Administration Assessments to be levied on specially benefited District Lands in a Delegating District in accordance with the District Infrastructure Annual Budget adopted by the Delegating District and then in effect, taking into account any rates, fees, charges or other revenues generated by the District Infrastructure that may be available for that purpose.

“Bond Counsel” shall mean Greenspoon Marder, P.A. or any successor or substitute entity or firm as may be designated from time to time by the Issuer, on behalf of all the Districts, in which event it shall mean such successor or substitute.

“CIP” means the capital improvement program for Public Infrastructure to be adopted from time to time by the Districts, including by adoption of the Master Engineer’s Report, as same may be supplemented and amended from time to time.

“City” shall mean the City of Port St. Lucie, Florida.

“City/District Interlocal Agreement” shall mean that certain City/District Development Interlocal Agreement (Southern Grove) dated as of September 11, 2012, as same may be amended from time to time, entered into by the City and the Initial Districts and any Future District that executes a Joinder pursuant to which, among other matters, the City has currently granted to (i) each of the Districts the authority to exercise the powers granted to such district by the Act with respect to its own District Infrastructure project located outside of its boundaries (and outside the boundaries of any of the Districts), consistent with the Act and the local government comprehensive plan of the City and (ii) District No. 1 the authority to exercise the powers granted to such District by the Act with respect to any Community Infrastructure and District Infrastructure project located outside of its boundaries (and outside the boundaries of any of the Districts), consistent with the Act and the local government comprehensive plan of the City.

“Community Infrastructure” shall mean the infrastructure, facilities and services sized and planned to serve all of the developable Community Property, other than the Existing Development which does not specially benefit from such Community Infrastructure, as described in the Master Engineer’s Report.

“Community Infrastructure Annual Maintenance Assessment Levy” shall mean the annual installments of Community O&M Infrastructure Maintenance Assessments, not in excess of the Community Infrastructure Maximum Annual O&M Cost, to be levied on specially

benefited Community Property (which excludes the Existing Development) in accordance with the Community Infrastructure O&M Methodology and the Annual Budget adopted by the Administration District and then in effect, taking into account any rates, fees, charges or other revenues generated by the Community O&M Infrastructure that may be available for that purpose.

“Community Infrastructure Assessments” shall mean the non-ad valorem special assessments levied by the Districts on the developable Community Property specially benefited by the Community Infrastructure in connection with Community Infrastructure Indebtedness pursuant to the Community Infrastructure Assessment Proceedings (which excludes the Existing Development, which is not specially benefited by the Community Infrastructure).

“Community Infrastructure Assessment Proceedings” shall mean the proceedings required by applicable law, including approval of the Master Engineer’s Report and the Master Assessment Report, to impose non-ad valorem special assessments on the Community Property specially benefited by the Community Infrastructure (which excludes the Existing Development).

“Community Infrastructure Bonds” shall mean bonds issued by the Issuer from time to time on behalf of the Districts to finance and refinance the Community Infrastructure, secured by and payable from the revenues pledged thereto as described in a Public Infrastructure Master Indenture.

“Community Infrastructure Indebtedness” shall mean, collectively, the Community Infrastructure Bonds and any bonds or other obligations issued by the Issuer from time to time on behalf of the Districts to finance or refinance the Community Infrastructure.

“Community O&M Infrastructure Maintenance Assessments” shall mean the non-ad valorem assessments levied by the Districts on District Lands within their respective boundaries included in the Community Property and specially benefited by the Community O&M Infrastructure (which excludes the Existing Development).

“Community Infrastructure Maximum Allocation” shall mean the maximum amount of the Community Infrastructure Assessments allocated to the District Lands included in the Community Property (excluding the Existing Development which does not specially benefit from the Community Infrastructure) on a per acre basis, based upon the total cost of the Community Infrastructure, as set forth in the Master Assessment Report and any other applicable assessment methodologies relating to the Community Infrastructure.

“Community Infrastructure Maximum Annual O&M Cost” shall mean the estimated maximum aggregate annual cost of operating and maintaining the Community O&M Infrastructure (which cost may also include the annual administrative costs of the Districts).

“Community Infrastructure O&M Cost Report” shall mean the report prepared by the Consulting Engineers and updated from time to time describing the estimated Community Infrastructure Maximum Annual O&M Cost of operating and maintaining the Community O&M Infrastructure.

“Community O&M Infrastructure” shall mean that portion of the Community Infrastructure which the Districts, as opposed to other entities, will own and be responsible for operating and maintaining.

“Community Infrastructure O&M Methodology” shall mean the report prepared by the Methodology Consultant and updated from time to time describing the method for allocating the Community Infrastructure Maximum Annual O&M Cost to the District Lands included in the Community Property specially benefited by the Community O&M Infrastructure (which excludes the Existing Development).

“Community Property” shall mean, collectively, the developable District Lands in all of the Districts specially benefited by the Community Infrastructure, as such District Lands are described in the Master Engineer’s Report and Master Assessment Report (and which currently includes all of the developable District Lands in the Initial Districts other than the Existing Development, which does not specially benefit from the Community Infrastructure).

“Consulting Engineers” shall mean Arcadis US, Inc., or any successor or substitute engineers or firm as may be designated from time to time by the Issuer, on behalf of all the Districts, in which event it shall mean such successor or substitute.

“County” shall mean St. Lucie County, Florida.

“County’s Property Appraiser and Tax Collector” shall mean the Property Appraiser and Tax Collector of the County.

“County’s Tax Collector” shall mean the Tax Collector of the County.

“Delegating District” shall mean any District that may, from time to time and for specific periods of time, delegate to the Administration District the responsibility for operating and maintaining all or any portion of the District Infrastructure within the boundaries of the Delegating District.

“Delegation Infrastructure” shall mean, collectively, the Community O&M Infrastructure and any District Infrastructure for which operation and maintenance responsibility has been delegated to the Administration District in accordance herewith.

“Delegation Notice” shall mean the written notice from a Delegating District to the Administration District describing the District Infrastructure, or portions thereof, to be operated and maintained by the Administration District, the date on which such delegation shall commence and the date on which it shall terminate (which date maybe at any time upon reasonable notice from the Administration District).

“Development” or “Southern Grove” shall mean the mixed-use community within the boundaries of the Initial Districts or any Future District.

“District” shall mean one of the Initial Districts or Future Districts.

“Districts” shall mean, collectively, the Initial Districts and any Future Districts.

“District No. 1” shall mean Southern Grove Community Development District No. 1, established pursuant to the Act by the City.

“District No. 2” shall mean Southern Grove Community Development District No. 2, established pursuant to the Act by the City.

“District No. 3” shall mean Southern Grove Community Development District No. 3, established pursuant to the Act by the City.

“District No. 4” shall mean Southern Grove Community Development District No. 4, established pursuant to the Act by the City.

“District No. 5” shall mean Southern Grove Community Development District No. 5, established pursuant to the Act by the City through merger.

“District No. 6” shall mean shall mean Southern Grove Community Development District No. 6, established pursuant to the Act by the City.

“District Infrastructure” shall mean infrastructure, facilities and services sized and planned to serve only the District Lands within the boundaries of a specific District, as described in the Master Engineer’s Report.

“District Infrastructure Annual Budget” shall mean the final annual budget approved by each Delegating District for each Fiscal Year which provides for the payment of anticipated operating and maintenance expenses of the District Infrastructure within its boundaries and may also include the annual administration costs of the Delegating District.

“District Infrastructure Assessments” shall mean non-ad valorem special assessments levied on the developable District Lands in a District Infrastructure District in connection with the implementation of District Infrastructure and shall be deemed to include any non-ad valorem special assessments levied by any District Infrastructure District in connection with District Infrastructure Indebtedness.

“District Infrastructure Bonds” shall mean bonds issued by the Issuer from time to time, on behalf of a District Infrastructure District, or by a specific District Infrastructure District, to finance and refinance the related District Infrastructure project, secured by and payable from the revenues pledged thereto as described in a Public Infrastructure Master Indenture.

“District Infrastructure District” shall mean, individually, any of the Initial Districts that hereafter determines to implement District Infrastructure and any Future District that determines to implement District Infrastructure and executes a Joinder.

“District Infrastructure Districts” shall mean, collectively, each District Infrastructure District.

“District Infrastructure Indebtedness” shall mean, collectively, the District Infrastructure Bonds and any bonds or other obligations issued by the Issuer from time to time, on behalf of the applicable District Infrastructure District, or by a specific District Infrastructure District, to finance or refinance a particular District Infrastructure project.

“District Lands” shall mean, with respect to a District, the land within the boundaries of that District.

“District Maintenance and Administration Assessments” shall mean the non-ad valorem assessments levied on District Lands within a Delegating District as provided herein and in the District Infrastructure Annual Budget.

“Expanded Property” shall mean lands hereafter added to the Southern Grove community that are within the boundaries of one or more Future Districts or included in the boundaries of one or more of the Initial Districts.

“Existing Development” shall mean that portion of the District Lands currently within the boundaries of District No. 5 defined and described as the “Existing Development” in the Master Assessment Report and the Master Engineer’s Report.

“Fiscal Year” shall mean the period commencing on October 1 of each year and ending on the following September 30.

“Future District” shall mean an additional community development district that may hereafter be established by the City or other appropriate governmental entity pursuant to the Act with jurisdiction over specified portions of the Expanded Property.

“Initial Districts” shall mean, collectively, District No. 1, District No. 2, District No. 3, District No. 4, District No. 5 and District No. 6.

“Issuer” shall mean, initially, District No. 5 or any successor to or replacement of District No. 5 in the capacity of “Issuer,” as more fully provided for in this Agreement, including by Section 2.01(b) hereof.

“Joinder” shall mean if, and when a Future District is established, the written instrument between such Future District and the Administration District, pursuant to which such Future District may become a party hereto.

“Master Assessment Report” shall mean that certain Amended and Restated Master Assessment Methodology Report for Public Infrastructure prepared by Fishkind & Associates, Inc., as Methodology Consultant, and approved by the Districts, as amended or supplemented from time to time.

“Master Engineer’s Report” shall mean that certain Amended and Restated Master Engineer’s Report for Public Infrastructure prepared by Arcadis US, Inc., as Consulting Engineers, and approved by the Districts, as amended or supplemented from time to time.

“Methodology Consultant” shall mean Fishkind & Associates, Inc. or any successor or substitute analysts or firm as may be designated from time to time by the Issuer, on behalf of all the Districts, in which event it shall mean such successor or substitute.

“Public Infrastructure” shall mean, collectively, the Community Infrastructure and the District Infrastructure.

“Public Infrastructure Assessments” shall mean, collectively, the Community Infrastructure Assessments and District Infrastructure Assessments.

“Public Infrastructure Indebtedness” shall mean, collectively, the Community Infrastructure Indebtedness and District Infrastructure Indebtedness.

“Public Infrastructure Master Indenture” shall mean, collectively, (i) one or more Master Trust Indentures between the Issuer (including as assignee of a District previously serving as the Issuer hereunder) and the trustee named therein pursuant to which the Issuer will issue Community Infrastructure Bonds and District Infrastructure Bonds from time to time, as same may be amended, and as same will be supplemented to evidence the issuance of particular series of Community Infrastructure Bonds and/or District Infrastructure Bonds; and (ii) one or more Master Trust Indentures between a District Infrastructure District and the trustee named therein, pursuant to which the District Infrastructure District will issue its District Infrastructure Bonds from time to time, as same may be amended, and as same will be supplemented to evidence the issuance of particular series of District Infrastructure Bonds.

“Qualified Self Insurance” shall mean insurance maintained through a program of self insurance or insurance maintained with a company or association in which the Administration District has a material interest or of which the Administration District has control, either singly or with others and which is permitted by applicable provisions of the financing documents relating to Public Infrastructure Indebtedness.

“Term” shall mean the term of this Agreement.

ARTICLE II DELEGATION

Section 2.01 Certain Matters Relating to Community Infrastructure and Community Infrastructure Assessments.

(a) Subject to the terms and conditions hereof, the Districts hereby delegate to (i) the Issuer the authority to implement all matters relating to the financing and refinancing, acquisition and construction of the Community Infrastructure and to otherwise take all actions necessary or desirable with respect thereto, and (ii) the Administration District the authority to implement all matters relating to the collection and enforcement of the Community Infrastructure Assessments,

and to otherwise take all actions necessary or desirable with respect thereto. The foregoing shall include the delegation to the Administration District of the authority to administer the distribution of County or City impact fees and/or impact fee credits arising from the Community Infrastructure Improvements in accordance with the methodology approved by the Districts and the authority to accept payments and prepayments of Community Infrastructure Assessments and/or Community O&M Infrastructure Maintenance Assessments made directly by, or on behalf of, owners of specific parcels of benefited Community Property.

(b) The Districts hereby agree that District No. 5 shall initially serve as the Issuer for all purposes hereof. Such designation of District No. 5, and any subsequent designation of another District as the Issuer within the meaning of this Agreement, may be modified to designate another District as the Issuer by a written instrument executed on behalf of at least a majority of the Districts. In the event a District other than District No. 5 is designated as the Issuer in the manner as aforesaid, such District shall automatically be deemed to have the powers and authority delegated to, and obligations imposed on, the Issuer hereunder. In the event a District other than District No. 5 is subsequently designated as the Issuer with respect to Public Infrastructure Indebtedness, such District may assume the duties and obligations of District No. 5 under any Public Infrastructure Master Indenture executed by District No. 5 relating to outstanding Community Infrastructure Indebtedness and/or shall execute and deliver a separate Public Infrastructure Master Indenture with respect to any Public Infrastructure Indebtedness to be issued by such District. The Districts hereby agree that District No. 1 shall initially serve as the Administration District for all purposes hereof. Such designation of District No. 1, and any subsequent designation of another District as the Administration District within the meaning of this Agreement, may be modified to designate another District as the Administration District by a written instrument executed on behalf of at least a majority of the Districts. In the event a District other than District No. 1 is designated as the Administration District in the manner as aforesaid, such District shall automatically be deemed to have the powers and authority delegated to, and obligations imposed on, the Administration District hereunder.

(c) This Agreement shall serve as a grant to each of the Districts of the authority to exercise the powers granted to such District by the Act with respect to any Community Infrastructure and District Infrastructure projects located outside of its boundaries but within the boundaries of any of the other Districts, consistent with the Act and the local government comprehensive plan of the City. If it is necessary to facilitate the exercise by the Issuer (when other than District No. 1) of the powers granted to it by the Act outside the boundaries of any of the Districts, such Issuer, with the cooperation of the other Districts, shall seek to have the City/District Interlocal Agreement amended to grant to it the necessary authority, consistent with the Act and the local government comprehensive plan of the City.

(d) To facilitate the issuance of Public Infrastructure Bonds to finance and refinance Community Infrastructure, the Districts other than the Issuer hereby agree that they shall automatically be deemed to have joined in each Public Infrastructure Master Indenture, as supplemented by each Public Infrastructure Supplemental Indenture relating to Community Infrastructure Indebtedness, to the same extent as if they had executed a written joinder thereto, in order to assent to the terms and conditions of, and agree to be bound by, such Public Infrastructure Master Indenture, as supplemented in connection Community Infrastructure Indebtedness.

Section 2.02 Operation and Maintenance of Community Infrastructure. Subject to the terms and conditions hereof, the Districts hereby delegate to the Administration District the authority to implement all matters relating to the operation and maintenance of the Community Infrastructure, including entering into contracts, levying and collecting non-ad valorem assessments, performing services and otherwise taking all actions necessary or desirable with respect to the operation and maintenance of the Community Infrastructure, and by execution hereof, the Administration District is deemed to accept such delegation. Notwithstanding anything to the contrary herein, amounts payable to the Administration District hereunder for the costs related to the operation and maintenance of Community Infrastructure will include only payment for actual and direct expenses paid by the Administration District to unrelated parties (including for this purpose employees), and will not include amounts representing a profit.

Section 2.03 District Infrastructure Districts.

(a) Subject to the terms and conditions hereof, each of the District Infrastructure Districts hereby delegate to the Issuer the authority to implement all matters relating to the financing, refinancing, acquisition and construction of District Infrastructure to serve District Lands in its boundaries, and by execution of this Agreement, the Issuer is deemed to accept such delegation, subject to the reserved rights of each District to implement its own District Infrastructure. The determination by any District to finance or refinance District Infrastructure to serve its District Lands shall be evidenced by separate proceedings of the applicable District (including approval of related or supplemental engineer's reports and assessment methodologies and adoption of related or supplemental assessment resolutions as required by law) and written notice to the Issuer, if it is intended for the Issuer to issue District Infrastructure Indebtedness to finance or refinance such District Infrastructure.

(b) In addition to the foregoing, pursuant to Article VI hereof, any District may elect to delegate to the Administration District the responsibility to operate and maintain District Infrastructure projects relating to that District, subject to the acceptance of such delegation by the Administration District. The foregoing shall include the delegation to the Administration District of the authority to administer the distribution of County or City impact fees and/or impact fee credits arising from applicable District Infrastructure projects in accordance with a methodology approved by the District in which such District Infrastructure projects are located.

(c) Notwithstanding the terms of this Agreement, the governing body of any District may elect to construct, acquire, finance, refinance, operate and maintain any District Infrastructure project for the District itself.

(d) Notwithstanding any other provision of this Agreement to the contrary, in connection with the financing and refinancing of District Infrastructure relating to a particular District by the Issuer and the operation and maintenance of District Infrastructure relating to a particular District by the Administration District, this Agreement shall constitute a separate interlocal agreement under Section 163.01, Florida Statutes, as amended and supplemented between such District and the Issuer and the Administration District, respectively.

Section 2.04 Consultants.

(a) The Issuer, on its own behalf and on behalf of the other Districts, is hereby authorized and directed, throughout the Term of this Agreement, to continuously retain, at the expense of the Districts, individuals or firms to serve as Consulting Engineers, Methodology Consultant and Bond Counsel to the Districts, which individuals or firms shall be authorized to take all action delegated to such individuals or firms in this Agreement, a Public Infrastructure Master Indenture, or in any similar document authorizing and evidencing indebtedness of the Districts or as directed by the Issuer.

(b) The Districts will share in the payment of the fees and expenses of retaining such consultants, to the extent related to the Community Infrastructure, Community Infrastructure Indebtedness and/or the Community Infrastructure Assessments, proportionately, in accordance with the Community Infrastructure Assessment Proceedings. The Districts will share in the payment of the fees and expenses of retaining such consultants, to the extent related to the operation and maintenance of the Community Infrastructure, proportionately, in accordance with the Community Infrastructure Maximum Annual O&M Cost allocated to each of the Districts as described in Article V hereof.

(c) Each District, alone, will be responsible for the fees and expenses for the services of the Consulting Engineers, Methodology Consultant and/or Bond Counsel which relate to the financing of District Infrastructure by such District (whether by the Issuer or a specific District Infrastructure District) and which relate to the operation and maintenance of District Infrastructure for such District (whether by the Administration District or a specific District Infrastructure District).

**ARTICLE III
OWNERSHIP OF PUBLIC INFRASTRUCTURE: ACQUISITION,
CONSTRUCTION AND FINANCING OF PUBLIC INFRASTRUCTURE**

Section 3.01 Ownership of Public Infrastructure. The Issuer is hereby deemed to declare (and, to the extent such action may be required, is hereby deemed to agree to undertake all assignments, conveyances, grants, and transfers necessary to accomplish such declaration) that any and all Public Infrastructure that is financed or refinanced by Public Infrastructure Indebtedness issued by the Issuer and (a) is not owned by governmental entities other than the Issuer, (b) is physically located within the District Lands of a District other than the Issuer, and (c) is dedicated, assigned, conveyed, or otherwise transferred to or in the name of the Issuer, shall be deemed held by the Issuer for the beneficial ownership, use, and benefit of the District in which such Public Infrastructure is physically located. Each District Infrastructure District is hereby deemed to declare (and, to the extent such action may be required, is hereby deemed to agree to undertake all assignments, conveyances, grants, and transfers necessary to accomplish such declaration) that any and all District Infrastructure that is financed or refinanced by District Infrastructure Indebtedness issued by the applicable District Infrastructure District and (a) is not owned by governmental entities other than the Issuer, (b) is physically located within the District Lands of a District other than the Issuer, and (c) is dedicated, assigned, conveyed, or otherwise

transferred to or in the name of the Issuer, shall be deemed held by the Issuer for the beneficial ownership, use and benefit of the applicable District Infrastructure District. No further dedication, rededication, assignment, reassignment, conveyance, grant, transfer, or retransfer shall be necessary to give effect to this provision. In the event the District boundaries of any of the Districts are modified, then, without further action by any District, all Public Infrastructure financed or refinanced by the Issuer and all District Infrastructure financed or refinanced by a District Infrastructure District shall be deemed held by the Issuer or District Infrastructure District, as applicable, for the beneficial ownership, use, and benefit of the District in which such Public Infrastructure is physically located following such boundary modification. Subject to the first sentence of this Section 3.01, each District shall be entitled to record, as an asset on its balance sheet, the allocation of the cost of the Public Infrastructure to the District Lands within its respective boundaries, as such allocation is set forth in the applicable assessment methodologies.

Section 3.02 Power and Authority of Issuer.

(a) The Districts hereby delegate to the Issuer the power and authority, on behalf of itself and the other Districts, to finance, refinance, acquire (on behalf of the applicable District) and construct the Public Infrastructure, and to take all actions deemed necessary and appropriate by the Issuer to accomplish the same, subject in all respects to the specific delegation of authority set forth in Article II hereof with respect to the Community Infrastructure and the District Infrastructure, as applicable. By way of example and not limitation, such power and authority shall include, in addition to the power and authority elsewhere delegated in this Agreement, the following:

(i) the hiring of a project manager or managers to supervise the planning, permitting, design and construction of all or any portion of the Public Infrastructure;

(ii) the letting of contracts related to the planning, permitting, design, and construction of the Public Infrastructure and the hiring of all consultants and professionals in connection therewith;

(iii) the determination of the phasing of construction of the Public Infrastructure and the times at which construction of the Public Infrastructure and all components thereof shall be commenced and be completed;

(iv) the determination to acquire Public Infrastructure pursuant to one or more purchase and sale agreements to be entered into between the owner thereof and the Issuer and/or the determination of taking assignments from such owner of construction contracts initially entered into for the construction of certain Public Infrastructure, in either case, on behalf of itself and the other applicable Districts, consistent with this Agreement. The Districts each agree to join in the applicable purchase and sale agreements and/or assignments at the request of the Issuer;

(v) the sale, lease, license, encumbrance or other disposition of all or any portion of the Public Infrastructure, subject to applicable restrictions in any financing documents or instruments relating to the Public Infrastructure Indebtedness;

(vi) the approval, upon advice of the Consulting Engineers, of modifications to the Master Engineer's Report to ensure that the same accurately describes the Community Infrastructure and the District Infrastructure needed to serve the District Lands through build-out or which the Issuer otherwise determines is in the best interests of the Districts and District Lands and/or the applicable District Infrastructure District and related District Lands, including, without limitation, revised cost estimates, changed construction phasing and timing, or additions or deletions of components of the Community Infrastructure and/or District Infrastructure, subject to the applicable provisions of Section 7.01 and Section 7.02 hereof;

(vii) whether to finance or refinance all or any portion of the Community Infrastructure through Community Infrastructure Indebtedness and, in connection therewith, to establish one or more subsidiary entities, to retain trustees, investment bankers, underwriters, credit enhancers, disclosure counsel, insurers, accountants, and other persons or entities and to take all such other acts as deemed necessary or helpful in connection with any such financing;

(viii) at the written direction of a District Infrastructure District, the financing or refinancing of all or any portion of the District Infrastructure through District Infrastructure Indebtedness and, in connection therewith, whether to establish one or more subsidiary entities, to retain trustees, investment bankers, underwriters, credit enhancers, disclosure counsel, insurers, accountants, and other persons or entities and to take all such other acts as deemed necessary or helpful in connection with any such financing;

(ix) the times at which the Issuer shall issue Public Infrastructure Indebtedness;

(x) whether to issue Public Infrastructure Indebtedness in one or more series;

(xi) the security to be pledged to the Public Infrastructure Indebtedness, which may include Special Assessments or Benefit Special Assessments (in each case, as authorized and defined by the Act and applicable law) levied on the applicable portions of specially benefited Community Property and/or District Lands as a result of all or a portion of the Public Infrastructure, in the manner provided for herein, including by Article IV below (subject to the consent of the applicable District Infrastructure District, in the case of District Infrastructure);

(xii) the entering into assignment and acquisition agreements, indentures of trust, credit enhancement agreements, continuing disclosure agreements, and any other documents or instruments the Issuer deems necessary or desirable in connection with such Public Infrastructure Indebtedness. To the extent applicable consistent herewith, each District agrees to enter into financing documents and instruments at the request of the Issuer; and

(xiii) the approval, in consultation with the Methodology Consultant, the Issuer's general counsel and Bond Counsel, of such modifications to any of the financing documents and instruments theretofore entered into by the Issuer and/or the other Districts in connection with the Public Infrastructure Indebtedness that the Issuer determines is in the best interests of the applicable Districts and the applicable Community Property and/or District Lands, as the case may be (subject to the consent of the applicable District Infrastructure District, in the case of District Infrastructure). To the extent applicable consistent herewith, each District agrees to enter into any written modifications to such financing documents and instruments at the request of the Issuer.

ARTICLE IV LEVY AND COLLECTION OF ASSESSMENTS FOR PUBLIC INFRASTRUCTURE INDEBTEDNESS

Section 4.01 Community Infrastructure Assessments.

(a) Each of the Districts represents that it has taken all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 170, Florida Statutes and Chapter 197, Florida Statutes, to provide for the levy of the Community Infrastructure Assessments on District Lands within its boundaries specially benefited by the Community Infrastructure (which excludes the Existing Development) for the purpose of paying all or any portion of the principal of, interest on, and redemption price, if any, of the Community Infrastructure Indebtedness secured, all or in part, by revenues derived from Community Infrastructure Assessments issued to finance and refinance the Community Infrastructure.

(b) Community Infrastructure Assessments shall be levied by each of the Districts in an aggregate amount equal to the Community Infrastructure Maximum Allocation. For purposes of determining the "Community Infrastructure Maximum Allocation," the total cost of the Community Infrastructure shall be deemed to include the estimated cost of the Community Infrastructure described in the Master Engineer's Report, together with any financing costs described in the Master Assessment Report, inclusive of all "costs," as defined in Section 190.003(7) of the Act.

(c) Although each of the Districts shall thus determine and generally authorize Community Infrastructure Assessments for the Community Infrastructure Maximum Allocation, the Districts each hereby delegate to the Issuer the power, as it issues Community Infrastructure Indebtedness from time to time, to determine certain matters with respect to Community Infrastructure Assessments, the revenues derived from which are pledged to such Community Infrastructure Indebtedness, including, without limitation, the power to determine the portion of the Community Infrastructure Maximum Allocation to be collected, the annual installments, if any, in which such sums may be collected, the prepayment provisions, discounts, collection fees, interest rates, and other matters necessary or useful in connection therewith. In addition, the Districts each hereby delegate to the Administration District the power to determine certain other matters relating to the collection and enforcement of Community Infrastructure Assessments,

including, without limitation, the power to determine the portion of the Community Infrastructure Maximum Allocation to be allocated to Planned Uses actually developed within the Community Property (excluding the Existing Development), subdivision adjustment and other matters necessary or useful in connection with the allocation, collection and enforcement of Community Infrastructure Assessments.

(d) In furtherance of the foregoing, contemporaneously with its issuance of any Community Infrastructure Indebtedness, the Issuer shall notify the Administration District in writing of the issuance thereof and promptly provide the Administration District with a transcript of the proceedings relating thereto, including any supplements to the Master Assessment Report and Master Engineer's Report, the applicable Public Infrastructure Master Indenture and any other information required or reasonably requested by the Administration District in order to effectuate its allocation, collection and enforcement of the Community Infrastructure Assessments. The Administration District agrees to assist the Issuer in complying with the applicable requirements of each Public Infrastructure Master Indenture pertaining to Community Infrastructure Assessments to be collected by the Administration District, including, without limitation, by remitting to the Issuer or the trustee named in the applicable Public Infrastructure Master Indenture (with a written accounting to the Issuer) any Community Infrastructure Assessments it collects (including through enforcement of collection of delinquent Community Infrastructure Assessments) with respect to specific Community Infrastructure Indebtedness.

(e) If any Community Infrastructure Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if any of the Districts shall be satisfied that Community Infrastructure Assessments levied by it are so irregular or defective that the same cannot be enforced or collected, or any of the Districts shall have omitted to make such Community Infrastructure Assessments when it might have done so, such District shall either (1) take all necessary steps to cause new Community Infrastructure Assessments to be made by it, or (2) in its sole discretion, make up the amount of such Community Infrastructure Assessments from its legally available moneys, which moneys shall be remitted to the Administration District for deposit to the applicable funds and accounts established for the Community Infrastructure Indebtedness by the instruments providing for the issuance of the same. In case such second Community Infrastructure Assessments shall be annulled, the applicable District shall obtain and make Community Infrastructure Assessments until valid Community Infrastructure Assessments shall be made.

Section 4.02 District Infrastructure Assessments.

(a) Each of the District Infrastructure Districts represents that it has taken all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 170, Florida Statutes and Chapter 197, Florida Statutes, to provide for the levy of the District Infrastructure Assessments on District Lands within its boundaries specially benefited by its District Infrastructure for the purpose of paying all or any portion of the principal of, interest on, and redemption price, if any, of the District Infrastructure Indebtedness secured, all or in part, by revenues derived from District Infrastructure Assessments issued to finance and refinance the applicable District Infrastructure.

(b) District Infrastructure Assessments shall be levied by the applicable District Infrastructure District in accordance with the applicable assessment proceedings relating to such District Infrastructure Assessments. Although the District Infrastructure District imposing District Infrastructure Assessments shall thus determine and generally authorize such District Infrastructure Assessments, the applicable District Infrastructure District shall be deemed to delegate to the Issuer, subject to its reserved rights, the implementation of certain matters relating to such District Infrastructure Assessments from time to time, including, without limitation, the power to determine, at the time it issues District Infrastructure Indebtedness, the annual installments, if any, in which such sums may be collected, the prepayment provisions, discounts, collection fees, interest rates, subdivision adjustments and other matters necessary or useful to the collection of District Infrastructure Assessments related to District Infrastructure Indebtedness, in all cases, in a manner consistent with the applicable assessment proceedings relating to such District Infrastructure Assessments and the Master Assessment Report. In addition, each District Infrastructure District is hereby deemed to delegate to the Administration District, subject to its reserved rights, the power to determine certain matters relating to the collection and enforcement of District Infrastructure Assessments relating to District Infrastructure Indebtedness, including, without limitation, the power to determine the portion of the District Infrastructure Assessments to be allocated to Planned Uses actually developed within the Community Property in a District Infrastructure District, in a manner consistent with the applicable assessment proceedings relating to such District Infrastructure Assessments and the Master Assessment Report.

(c) If any District Infrastructure Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if any of the Districts shall be satisfied that its District Infrastructure Assessments are so irregular or defective that the same cannot be enforced or collected, or any of the Districts shall have omitted to make such District Infrastructure Assessments when it might have done so, such District Infrastructure District shall either (1) take all necessary steps to cause new District Infrastructure Assessments to be made by it, or (2) in its sole discretion, make up the amount of such District Infrastructure Assessments from its legally available moneys, which moneys shall be remitted to the Administration District, if applicable, to be applied, or otherwise applied by the District Infrastructure District, for deposit to the applicable funds and accounts established for the District Infrastructure Indebtedness by the instruments providing for the issuance of the same. In case such second District Infrastructure Assessments shall be annulled, the applicable District Infrastructure District shall obtain and make new District Infrastructure Assessments until valid District Infrastructure Assessments shall be made.

Section 4.03 Public Infrastructure Assessments. Subject to the Community Infrastructure Assessment Proceedings, including the Community Infrastructure Maximum Allocation, and the applicable proceedings undertaken by the District Infrastructure Districts with respect to the District Infrastructure Assessments levied in their respective boundaries, in addition to the power and authority delegated elsewhere herein to the Issuer and the Administration District, as applicable, the Districts hereby delegate to the Issuer and the Administration District, as applicable, the power and authority to provide for the levy, allocation, collection and enforcement of the Public Infrastructure Assessments, so that the Public Infrastructure Assessments and any other revenues pledged to Public Infrastructure Indebtedness are received as and when needed to pay the principal of, interest on, and redemption price, if any,

of the indebtedness to which such Public Infrastructure Assessments and/or other revenues are pledged, and to take all other actions necessary and desirable in connection therewith. Such power and authority shall include, by way of example and not limitation, the following:

(a) in the case of the Issuer, the power and authority to determine whether to levy the Public Infrastructure Assessments from time to time as either non-ad valorem special assessments or non-ad valorem benefit assessments or a combination of the foregoing;

(b) in the case of the Issuer, as the Issuer issues Public Infrastructure Indebtedness from time to time to fund one or more Public Infrastructure projects, the power and authority to determine the security to be pledged thereto and related debt service requirements, the adoption of necessary assessment resolutions establishing the total Public Infrastructure Assessments for that project, and the prepayment provisions, discounts, collection fees, interest rates and other matters necessary or useful to the levy of the Public Infrastructure Assessments and/or the issuance of Public Infrastructure Indebtedness;

(c) in the case of the Administration District, the power and authority, in connection with Public Infrastructure Indebtedness, to determine the portion of Public Infrastructure Assessments to be allocated to Planned Uses actually developed within the Community Property (excluding the Existing Development), the Annual Assessment Levy, subdivision adjustments and other matters necessary or useful to the levy and collection of the Public Infrastructure Assessments, in each case consistent with the Master Assessment Report;

(d) in the case of the Administration District, the power and authority to decide to bill and collect all or any portion of the Public Infrastructure Assessments from time to time directly by the Administration District or on the tax bill pursuant to the Uniform Method of Collection provided by the Act and Chapter 197, Florida Statutes or pursuant to a combination of the foregoing methods and the entering into of agreements with the Property Appraiser and Tax Collector for the County in connection therewith;

(e) in the case of the Administration District, the power and authority to enforce remedies provided by the Act and other applicable law with respect to the collection of delinquent Public Infrastructure Assessments relating to applicable District Lands, including the decision to purchase tax certificates relating to applicable District Lands on which delinquent Public Infrastructure Assessments remain due and owing and the enforcement of remedies provide by the Act and other applicable law with respect to the collection of other revenues securing Public Infrastructure Indebtedness; and

(f) in the case of the Issuer, the approval of such modifications to the Master Assessment Report and additional methodology reports relating to the Community Infrastructure and District Infrastructure as the Issuer determines, in consultation on with the Methodology Consultant, Issuer's general counsel and Bond Counsel, are in the best interests of the Districts and the applicable District Lands, including to conform to modifications of the Master Engineer's Report, and any additional reports of the Consulting Engineers, as applicable, relating thereto and made in accordance herewith, consistent with the allocation methodology set forth in the Master Assessment Report and subject to the Community Infrastructure Maximum Allocation and subject to Section 7.01 and Section 7.02 hereof.

Section 4.04 **Annual Assessment Levy.** Subject to Article VIII hereof, the Districts agree that, although the delegation herein is intended to confer complete authority for the Issuer and Administration District, as applicable, to levy, collect and enforce the Annual Assessment Levy without further action by the other Districts, if requested by the Issuer and/or the Administration District, the Districts shall promptly take all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 170, Florida Statutes and Chapter 197, Florida Statutes, to provide for the levy, in accordance with the applicable assessment methodologies, of the Annual Assessment Levy on District Lands within its boundaries specially benefited by the applicable Public Infrastructure.

Section 4.05 **Nonpayment of Public Infrastructure Assessments.** The Districts agree that if the uniform method of levy and collection of the Public Infrastructure Assessments is not utilized, and if any District Lands shall be offered for sale for the nonpayment of any Public Infrastructure Assessments, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Public Infrastructure Assessments (principal, interest, penalties and costs, plus attorney's fees, if any), the District within which such District Lands are located shall be obligated to use its legally available funds, if any, to purchase such District Lands for an amount equal to the balance due on the applicable Public Infrastructure Assessments (principal, interest, penalties and costs, plus attorney's fees, if any). Upon a failure to make such purchase, any of the other Districts may, but, shall not be obligated to, use their legally available funds, if any, to purchase, individually or jointly, on a pro rata basis among the purchasing Districts, such District Lands for an amount equal to the balance due on the Public Infrastructure Assessments (principal, interest, penalties and costs, plus attorney's fees, if any). In either case, the purchasing District(s) shall thereupon receive in its corporate name the title to the property purchased solely for the purpose of collecting the applicable delinquent assessments either through lease or sale. If purchased by one or more of the Districts, the Districts hereby delegate to the Administration District the authority, either through its own actions or actions caused to be done through an agent, to use its best efforts to lease or sell such District Lands, whether or not then owned by the Administration District, and to deposit all of the net proceeds of any such lease or sale into the appropriate funds and accounts created under the financing documents authorizing the issuance of the indebtedness to which such Public Infrastructure Assessments were pledged.

ARTICLE V

OPERATION AND MAINTENANCE OF COMMUNITY INFRASTRUCTURE: LEVY OF COMMUNITY O&M INFRASTRUCTURE MAINTENANCE ASSESSMENTS

Section 5.01 **Operation and Maintenance of Community Infrastructure.**

(a) Pursuant to Article II hereof, the Administration District shall implement all matters relating to the operation and maintenance of the Community Infrastructure. In furtherance thereof, the Districts shall instruct the (i) Consulting Engineers to prepare and, as appropriate, to from time to time update, the Community Infrastructure O&M Cost Report

describing the Community Infrastructure Maximum Annual O&M Cost with respect to the Community O&M Infrastructure and (ii) Methodology Consultant to prepare and, as appropriate, to from time to time update, a Community Infrastructure O&M Methodology describing the method for allocating the Community Infrastructure Maximum Annual O&M Cost to the District Lands specially benefited by the Community O&M Infrastructure (which excludes the Existing Development). The Community Infrastructure Maximum Annual O&M Cost, as determined by the Community Infrastructure O&M Cost Report, may include an automatic annual fixed percentage increase or an annual increase pegged to an index, to take into account the impact of inflation. In the absence of such Community Infrastructure O&M Report and Community Infrastructure O&M Methodology, the Administration District shall determine the Community Infrastructure Maximum Annual O&M Cost for each of the Districts based on a fair and proportional allocation, subject in all cases to approval of such allocation by all Districts so affected.

(b) The Districts may each review the Community Infrastructure O&M Cost Report and Community Infrastructure O&M Methodology, discuss any questions, comments or objections they may have with respect thereto with the Consulting Engineers and Methodology Consultant, and cause the Consulting Engineers and Methodology Consultant to make such changes to their reports as the Administration District, in consultation with the Consulting Engineers and Methodology Consultant, deems necessary and advisable. The Consulting Engineer and Methodology Consultant shall notify the Districts whenever it has determined that the Community Infrastructure O&M Cost Report and Community Infrastructure O&M Methodology are in a form suitable for approval and acceptance by the Districts. Each of the Districts agrees to thereafter promptly consider the Community Infrastructure O&M Cost Report and Community Infrastructure O&M Methodology for approval.

(c) The cost of operating and maintaining the Community O&M Infrastructure, including reasonable reserves for periodic repairs, renovations and renewals, shall be paid from Community O&M Infrastructure Maintenance Assessments levied and collected by the Districts on District Lands (excluding the Existing Development) and any rates, fees, charges or other revenue generated from such Community O&M Infrastructure, to the extent available for such purpose. In furtherance thereof; each of the Districts agrees that it will take all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 197, Florida Statutes, to provide for the perpetual annual levy of the Community O&M Infrastructure Maintenance Assessments on District Lands in its boundaries (excluding the Existing Development) in an amount equal to the proportionate share of the Community Infrastructure Maximum Annual O&M Cost allocated to such District Lands by the Community Infrastructure O&M Methodology. Although each of the Districts shall thus generally authorize the annual levy of Community O&M Infrastructure Maintenance Assessments in an amount not to exceed that District's proportionate share of the Community Infrastructure Maximum Annual O&M Cost, the Districts intend that the Administration District, pursuant to the delegation described in Section 5.02 below, will annually determine the actual budget for operating and maintaining the Community O&M Infrastructure, not in excess of the Community Infrastructure Maximum Annual O&M Cost, will determine the portion thereof to be paid from Community O&M Infrastructure Maintenance Assessments and will levy and collect such amounts from the District Lands (excluding the Existing Development), in accordance with the Community Infrastructure O&M Methodology.

(d) The Districts agree, upon the request of the Administration District, to promptly take all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 170, Florida Statutes and Chapter 197, Florida Statutes, to provide for the levy, in accordance with the Community Infrastructure O&M Methodology and the Annual Budget, of the Community Infrastructure Annual Maintenance Assessment Levy on District Lands in its boundaries (excluding the Existing Development). The foregoing shall not be construed as limiting the Administration District's authority to take action on behalf of itself and the other Districts pursuant to this Agreement, including this subsection.

Section 5.02 Delegation to Administration District. Each of the Districts hereby delegates to the Administration District the power and authority, on behalf of itself and the other Districts, to operate and maintain the Community O&M Infrastructure, and to collect and enforce the Community O&M Infrastructure Maintenance Assessments in connection therewith, and to take all action necessary or desirable in connection therewith. Such power and authority shall include, by way of example and not limitation, the following:

(a) the retention of third parties to operate, maintain and manage all or any portion of the Community O&M Infrastructure;

(b) the determination of the level of service at which the Community O&M Infrastructure and any portions thereof will be operated and maintained;

(c) the development of rules, regulations, policies and procedures, including setting rates, fees and charges, for use of the Community O&M Infrastructure;

(d) the development and approval of an Annual Budget, in consultation with the Consulting Engineers, for the Community O&M Infrastructure;

(e) the adoption of assessment resolutions establishing the Community Infrastructure Annual Maintenance Assessment Levy in accordance with the Community Infrastructure O&M Methodology and the Annual Budget adopted by the Administration District and then in effect, which Community Infrastructure Annual Maintenance Assessment Levy shall allocate to each of the Districts 100% of the cost of operating and maintaining each such District's allocable share of the cost of operating and maintaining the Community Infrastructure that is part of the Community O&M Infrastructure, as such allocable share is established by the Community Infrastructure O&M Methodology;

(f) the decision to bill and collect all or any portion of the Community O&M Infrastructure Maintenance Assessments from time to time directly by the Administration District or on the tax bill pursuant to the Uniform Method of collection provided by the Act and Chapter 197, Florida Statutes or pursuant to a combination of the foregoing methods and the entering into of agreements with the County's Property Appraiser and Tax Collector in connection therewith; and

(g) the enforcement of remedies provided by the Act and other applicable law with respect to the collection of delinquent Community O&M Infrastructure Maintenance

Assessments relating to Community Property, including the decision to purchase tax certificates relating to Community Property on which delinquent Community O&M Infrastructure Maintenance Assessments remain due and owing.

ARTICLE VI DISTRICT INFRASTRUCTURE

Section 6.01 Operation and Maintenance of District Infrastructure. Each Delegating District may, from time to time and for specific periods of time, delegate to the Administration District the responsibility for operating and maintaining all or any portion of the District Infrastructure within the boundaries of the Delegating District. Such election shall be evidenced by the delivery of a Delegation Notice to the Administration District by a Delegating District. The acceptance or rejection by the Administration District of such delegation shall be in the sole discretion of the Administration District and shall be evidenced in writing to the Delegating District. In the event that the Administration District accepts such delegation, the provisions of Section 6.02, 6.03 and 6.04 below shall apply.

Section 6.02 District Infrastructure Annual Budget. On or before October 1 of each year, each Delegating District shall adopt a final District Infrastructure Annual Budget for the upcoming Fiscal Year which provides for the payment of anticipated operating and maintenance expenses of the District Infrastructure within its boundaries and may also include the annual administration costs of the Delegating District. A copy of the District Infrastructure Annual Budget shall be supplied promptly upon the approval thereof to the Administration District. If for any reason a Delegating District shall not have adopted its District Infrastructure Annual Budget on or before the first day of any Fiscal Year, the District Infrastructure Annual Budget for the preceding Fiscal Year shall, until the adoption of a new District Infrastructure Annual Budget, be deemed in force for the ensuing Fiscal Year. Each Delegating District may at any time adopt an amended or supplemental District Infrastructure Annual Budget for the remainder of the current Fiscal Year, subject to any contractual commitments made in reliance upon a previously approved District Infrastructure Annual Budget and when such amended or supplemental District Infrastructure Annual Budget is approved it shall be treated as the official District Infrastructure Annual Budget hereunder. Copies of any amended or supplemental District Infrastructure Annual Budget shall be filed with the Administration District.

Section 6.03 District Maintenance and Administration Assessments. Each Delegating District hereby delegates to the Administration District the power and authority, on behalf of itself, to operate and maintain the District Infrastructure described in the Delegation Notice, and to collect and enforce District Maintenance and Administration Assessments in connection therewith on District Lands within the Delegating District as provided herein and in the District Infrastructure Annual Budget, and to take all action necessary or desirable in connection therewith. Such power and authority shall include, by way of example and not limitation, the following:

(a) the retention of third parties to operate, maintain and manage all or any portion of the District Infrastructure described in the Delegation Notice;

(h) the determination of the level of service, consistent with the District Infrastructure Annual Budget, at which the District Infrastructure described in the Delegation Notice will be operated and maintained;

(c) the development of rules, regulations, policies and procedures, including for the collection of rates, fees and charges consistent with the District Infrastructure Annual Budget, for use of the District Infrastructure described in the Delegation Notice;

(d) the adoption of assessment resolutions establishing the Annual District Maintenance and Administration Assessment Levy, taking into account any rates, fees, charges or other revenues generated by the District Infrastructure that may be available for that purpose;

(e) the decision to bill and collect all or any portion of the District Maintenance and Administration Assessments from time to time directly by the Administration District or on the tax bill pursuant to the Uniform Method of collection provided by the Act and Chapter 197, Florida Statutes or pursuant to a combination of the foregoing methods and the entering into of agreements with the County's Property Appraiser and Tax Collector in connection therewith; and

(f) the enforcement of remedies provided by the Act and other applicable law with respect to the collection of delinquent District Maintenance and Administration Assessments relating to District Lands within the Delegating District, including the decision to purchase tax certificates relating to such District Lands on which delinquent District Maintenance and Assessment Assessments remain due and owing.

Section 6.04 Cooperation of Delegating District. Each Delegating District agrees, upon the request of the Administration District, to promptly take all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 170, Florida Statutes and Chapter 197, Florida Statutes, to provide for the levy, in accordance with the District Infrastructure Annual Budget, of the Annual District Maintenance and Administration Assessment Levy on District Lands within its boundaries. The foregoing shall not be construed as limiting the Administration District's authority to take such actions on behalf of itself and the other Delegating Districts in accordance with Section 6.03.

Section 6.05 Termination of Operation and Maintenance Obligations. Notwithstanding anything to the contrary herein, the Administration District may choose at any time to terminate its responsibility for operating and maintaining any District Infrastructure, upon 90 days prior written notice to the applicable Delegating District, at which time the Administration District shall have no further obligations hereunder with respect to such District Infrastructure.

ARTICLE VII
RETENTION OF CONSTITUTIONAL AND STATUTORY AUTHORITY

Section 7.01 **Construction.** It is the intention of each District to delegate authority to the Issuer and the Administration District, as applicable, to the greatest extent legally permissible and consistent with the terms hereof, as will assist in the most efficient acquisition, financing, refinancing, construction, ownership, operation and maintenance of the Public Infrastructure in accordance herewith. This Agreement should be liberally construed in favor of granting the maximum delegated authority to the Issuer and the Administration District, as applicable, consistent with the constitutional and statutory limits placed on such delegations of authority. It is the intention of each District and each District's governing body that it and they have properly retained their respective constitutional and statutory duties and responsibilities by each separately legislatively approving:

(a) in the case of the Districts, the Master Engineer's Report and any additional engineer's reports specifying the Community Infrastructure and the total estimated cost thereof (excluding financing and related costs identified in the related assessment methodologies);

(b) in the case of the District Infrastructure Districts, the Master Engineer's Report and any additional engineer's reports specifying the applicable District Infrastructure for their respective District Lands and the total estimated cost thereof (excluding financing and related costs identified in the related assessment methodologies);

(c) in the case of the Districts, the Community Infrastructure Assessment Proceedings, including the Master Assessment Report and any additional assessment methodology reports establishing the total estimated cost of the Community Infrastructure, including financing and related costs, and specifying the Community Infrastructure Maximum Allocation to each of the Districts and the method by which the Community Infrastructure Assessments that will be allocated to the District Lands, together with any additional assessment methodologies related thereto, thus assuring that each of the Districts has approved the allocation of the Community Infrastructure Assessments to District Lands in its boundaries (excluding the Existing Development);

(d) in the case of the Districts, if applicable, the Community Infrastructure O&M Cost Report setting forth the plans for operating and maintaining the Community O&M Infrastructure and establishing the Community Infrastructure Maximum Annual O&M Cost;

(e) in the case of the Districts, if applicable, the Community Infrastructure O&M Methodology specifying the manner in which the Community Infrastructure Maximum Annual O&M Cost will be allocated, first, to each of the Districts and, then, within the District Lands within each of the Districts (excluding the Existing Development), thus assuring that each of the Districts has approved the percentage of the Community O&M Infrastructure Maintenance Assessments that will become part of that District's Community Infrastructure Annual Maintenance Assessment Levy;

(f) in the case of the Districts, the approval of this Agreement and amendments thereto;

(g) in the case of the Districts and District Infrastructure Districts, the form of the Public Infrastructure Master Indenture and/or other master financing documents pursuant to which the Community Infrastructure Indebtedness and District Infrastructure Indebtedness will be issued;

(h) in the case of the District Infrastructure Districts, the final pricing terms of any District Infrastructure Indebtedness issued to finance and refinance any District Infrastructure project; and

(i) record-keeping and reporting with respect to the Public Infrastructure, Public Infrastructure Assessments, Community O&M Infrastructure Maintenance Assessments, and Public Infrastructure Indebtedness.

Section 7.02 Approval of Districts Required for Certain Matters. Consistent with each District's retained powers described in Section 7.01(a) above, but without negating the general intent to delegate authority to the Issuer and the Administration District, as applicable, to the extent permissible as set forth above, no District as described below shall be bound by any of the following unless such District has, through its governing body, approved same:

(a) in the case of the Districts, a change in the scope of the projects that materially alters the nature or location of the Community Infrastructure unless such change is either: (1) authorized or required by a development order issued by a local government pursuant to Section 380.06 or 380.061, Florida Statutes; or (2) is the subject of an agreement between the Issuer and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located;

(b) in the case of the District Infrastructure Districts, a change in the scope of the District Infrastructure for a specific District that materially alters the nature or location of the applicable District Infrastructure project unless such change is either: (1) authorized or required by a development order issued by a local government pursuant to Section 380.06 or 380.061, Florida Statutes; or (2) is the subject of an agreement between the Issuer or District Infrastructure District and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located;

(c) any increase in the total cost, including financing and related costs, of the Community Infrastructure, if such increase, together with any other increases implemented after the date hereof, would result in increasing the Community Infrastructure Assessments that may be levied against the Community Property in excess of the applicable maximum amount approved by the Districts or any increase in the total cost, including financing and related costs, of the District Infrastructure for a District, as applicable, if such increase, together with any other increases implemented after the date hereof, would result in increasing the District Infrastructure Assessments in a specific District that may be levied against the Community Property in that District in excess of the applicable maximum amount approved by such District;

(d) any increase in the Community Infrastructure Assessments in excess of the Community Infrastructure Maximum Allocation to Community Property or any increase in the District Infrastructure Assessments levied by any District with respect to District Infrastructure;

(e) in the case of the Districts, any increase in the allocation of Community O&M Infrastructure Maintenance Assessments to any District to operate and maintain Community O&M Infrastructure in excess of that District's proportionate share as established pursuant to the Community Infrastructure O&M Methodology;

(f) in the case of the Districts, any increase in the Community Infrastructure Maximum Annual O&M Cost of the Community O&M Infrastructure if such increase, together with any other increases implemented after the date hereto would result in increasing the Community O&M Infrastructure Maintenance Assessments that may be levied each year against Community Property by an amount, in the aggregate, in excess of ten percent (10%) more than the Community Infrastructure Maximum Annual O&M Cost established by the Community Infrastructure O&M Cost Report (i.e., 10% above the fixed or index pegged increases to adjust for inflation);

(g) any decision to incur obligations on behalf of the Districts with respect to the planning, permitting, design, acquisition and construction of any Public Infrastructure other than from proceeds of Public Infrastructure Indebtedness or funds provided by third parties;

(h) any increase in an Annual District Maintenance and Administration Assessment Levy in excess of the amount approved in the District Infrastructure Annual Budget then in effect as approved by the Delegating District;

(i) the replacement of any of the firms initially selected as identified herein to act as Consulting Engineers, Methodology Consultant and Bond Counsel to the Districts if, as to any District, the replacement firm could not be selected by a majority of the governing body of that District because same would constitute a conflicting contractual relationship pursuant to Section 112.313(7), Florida Statutes;

(j) any change in the terms of the District Infrastructure Indebtedness relating to the financing of District Infrastructure on behalf of a requesting District Infrastructure without the express written consent of such District; or

(k) any amendment to, or early termination of, the City/District Interlocal Agreement (other than the automatic amendments contemplated by such instruments to make each Future District executing a Joinder a party thereto and the amendment contemplated by Section 2.01(c)) and any amendment to this Agreement.

ARTICLE VIII
COVENANTS AND AGREEMENTS OF THE DISTRICTS

Section 8.01 **Covenants of Issuer and Administration District.** Subject to Article VII and Section 8.01(h), the Issuer and the Administration District, as applicable, is hereby deemed to make the following covenants and agreements with the other Districts:

(a) the Administration District shall establish and enforce reasonable rules and regulations, in accordance with the Act, governing the use and operation of the Delegation Infrastructure. The Administration District shall operate, use (on a non-exclusive basis) and maintain the Delegation Infrastructure in accordance with the Act and all other applicable federal and State laws, rules and regulations, shall maintain and operate the Delegation Infrastructure in an efficient and economical manner, shall at all times maintain the same in good repair and in sound operating condition, and shall make all necessary repairs, renewals and replacements. Notwithstanding the foregoing, the permitted use by the Administration District of the Delegation Infrastructure shall in no way impede the use and enjoyment of such Delegation Infrastructure by the other Districts.

(b) Except as otherwise provided in this subsection (b), the Administration District will carry or cause to be carried, in respect of the Delegation Infrastructure, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth herein. At all times, to the extent commercially available, the Administration District shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the Administration District determines will afford adequate protection against loss caused by damage to or destruction of any component of Delegation Infrastructure. All policies providing the insurance coverages required by this subsection (b) shall designate the Administration District as the loss-payee and shall be made payable to the Administration District. All net proceeds received from property damage or casualty insurance and all net proceeds received from the condemnation of Delegation Infrastructure or any part thereof; to the extent pledged as security for Public Infrastructure Indebtedness, shall be deposited at the option of the Administration District, but subject to the limitations hereinafter described, either (i) into a separate fund to be established for such purpose, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) in accordance with requirements of the financing documents relating to the Public Infrastructure Indebtedness. The Administration District shall be entitled to provide all or a portion of the insurance coverage required by this subsection through Qualified Self Insurance, provided that the requirements hereinafter set forth in this subsection (b) are satisfied. In the event that the financing documents relating to Public Infrastructure Indebtedness provide other requirements with respect to any portion of the Public Infrastructure, such requirements shall be automatically deemed to supersede the requirements of this subsection (b) with respect to such portion of the Public Infrastructure. If insurance proceeds or condemnation awards received by the Administration District as a result of damage, destruction or condemnation of Delegation Infrastructure are not governed, as to its disposition, by either the financing documents related to

Public Infrastructure Indebtedness and are not governed by the terms of any Qualified Self Insurance or other insurance policy, the Administration District shall disburse such proceeds allocably to the Districts, in the same proportions in which each District contributed toward the payment of such infrastructure.

(c) The Administration District shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Delegation Infrastructure, the Community Infrastructure Assessments, the District Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, the Community O&M Infrastructure Maintenance Assessments, any District Maintenance and Administration Assessments, the Community Infrastructure Indebtedness, and any District Infrastructure Indebtedness, which, together with all other books and records of the Administration District, including, without limitation, insurance policies relating to the Delegation Infrastructure, shall at all times be subject to the inspection of the other Districts during regular business hours. The Administration District covenants that all such books of record and account will be kept according to Generally Accepted Accounting Principles for governmental accounting consistently applied.

(d) The reports and budget of the Administration District hereunder shall relate to the Fiscal Year of the Districts unless and until, in accordance with applicable law, a different Fiscal Year is established for the Districts. On or before the first day of each Fiscal Year, the Administration District shall adopt a final Annual Budget for such Fiscal Year with respect to the Community O&M Infrastructure, which provides for the payment of anticipated operating and maintenance expenses. A copy of the Annual Budget shall be supplied promptly upon the approval thereof to the other Districts. If for any reason the District shall not have adopted the Annual Budget on or before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the new Annual Budget, be deemed in force for the ensuing Fiscal Year. The Administration District may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it shall be treated as the official Annual Budget hereunder. Copies of such amended or supplemental Annual Budget shall be filed with the other Districts.

(e) No later than 365 days after the end of each Fiscal Year, the Administration District will cause an audit to be made by an independent firm of certified public accountants selected as provided in Section 11.45, Florida Statutes, covering all Public Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, Community O&M Infrastructure Maintenance Assessments and District Maintenance and Administration Assessments received by the Administration District. Copies of such audit reports shall be filed with the applicable Districts.

(f) The Administration District shall annually, within 365 days after the close of each Fiscal Year, file with the other Districts, a copy of an annual report for such year, prepared in accordance with generally accepted accounting principles by a firm of Independent (as defined in the Public Infrastructure Master Indenture) certified public accountants, relating to its operations and including, without limitation, statements in reasonable detail of financial condition as of the end of such Fiscal Year and income and expenses for such Fiscal Year relating to the Delegation

Infrastructure, and a summary of the receipts of Public Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, Community Infrastructure Assessments, District Infrastructure Assessments, Community O&M Infrastructure Maintenance Assessments, District Maintenance and Administration Assessments, and disbursements thereof during such Fiscal Year, and the amounts held in any fund or account of the Administration District and any funds and accounts established under any financing instrument relating to Public Infrastructure Indebtedness at the end of such Fiscal Year.

(g) The Administration District shall file with the other Districts annually within 365 days after the close of each Fiscal Year a certificate of an officer of the Administration District setting forth (i) a description in reasonable detail of the insurance then in effect pursuant to the requirements hereof and that the Administration District has complied in all material respects with such requirements, (ii) whether during such year any material part of the Delegation Infrastructure has been damaged or destroyed or taken through condemnation and, if so, the amount of insurance proceeds covering such loss or damage or condemnation award covering such taking and specifying the reasonable and necessary replacement costs, and (iii) whether or not to the knowledge of the signatory, the Administration District is in default with respect to any of the covenants, agreements or conditions on its part contained herein, and if so, the nature of such default.

(h) The Administration District shall provide for or otherwise require the Delegation Infrastructure and all parts thereof to be (i) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the District Lands specially benefited thereby; and (ii) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

(i) The Issuer shall comply, and the Administration District shall assist the Issuer in complying, to the extent practicable, with all covenants and agreements of the Issuer in any financing documents relating to Public Infrastructure Indebtedness.

(j) The Issuer and the Administration District, as applicable, shall apply Public Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, Community O&M Infrastructure Maintenance Assessments, and District Maintenance and Administration Assessments received by it only for the purposes provided herein and shall not enter into any contract or contracts or take any action inconsistent with the provisions hereof.

(k) The Issuer and the Administration District covenant to each of the Districts that any power, duty, obligation, service or responsibility delegated to it, as applicable, by any of the Districts shall be effected only in accordance with applicable constitutional and statutory law.

Section 8.02 Covenants of Districts. The Districts hereby covenant and agree with one another as follows:

(a) In the event that any District other than the Administration District collects any Public Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, Community O&M Infrastructure Maintenance Assessments, and District Maintenance and Administration Assessments, to the extent they are within the scope of this Agreement, including

any delinquencies thereof, it shall immediately remit such amounts to the Administration District to permit the Issuer to discharge its obligations with respect to the Public Infrastructure Indebtedness to which such assessments are pledged and the Administration District to discharge its obligations hereunder to maintain the Delegation Infrastructure.

(b) The Districts agree to levy non-ad valorem assessments on District Lands within their respective boundaries (excluding the Existing Development) in amounts sufficient to pay their proportionate share, in accordance with the allocation of operation and maintenance costs set forth in the Community Infrastructure O&M Methodology, of all municipal or governmental charges lawfully levied or assessed upon all or any part of the Community O&M Infrastructure when the same shall become due, upon request from the Administration District with accompanying invoices, and to promptly remit such amounts to the Administration District.

(c) Each District Infrastructure District agrees to levy non-ad valorem assessments on District Lands within their respective boundaries in amounts sufficient to pay their share of all municipal or governmental charges lawfully levied or assessed upon all or any part of the District Infrastructure included in the Delegation Infrastructure when the same shall become due, upon request from the Administration District with accompanying invoices, and to promptly remit such amounts to the Administration District.

(d) Except as otherwise permitted herein or by any financing document or instrument relating to Public Infrastructure Indebtedness, no District shall create or suffer to be created any lien or charge upon the Public Infrastructure or upon non-ad valorem assessments, to the extent they are within the scope of this Agreement, except the lien and charge of the Public Infrastructure Indebtedness to which such assessments are pledged.

(e) The Districts agree that none of the Public Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, Community O&M Infrastructure Maintenance Assessments, and District Maintenance and Administration Assessments, levied and/or collected by them shall be used for any purpose other than as provided herein and no contract or contracts shall be entered into or any action taken by any District which will be inconsistent with the provisions hereof.

(f) The fees and expenses for all goods and services, including the fees payable consultants, professionals, and experts, incurred by the Issuer and/or the Administration District in connection with this Agreement or in connection with Public Infrastructure Indebtedness and/or the City/District Interlocal Agreement and the expenses incurred by the Issuer and the Administration District in fulfilling its obligations hereunder or in connection therewith, including with respect to maintaining any insurance policies required hereby or by the financing documents relating to Public Infrastructure Indebtedness, shall, to the extent the same are treated for accounting purposes as operating expenses as opposed to capital be shared on a proportionate basis by the Districts. Accordingly to the extent such fees and expenses relate to (i) the Community Infrastructure (which shall be deemed to include matters relating to this Agreement and the City/District Interlocal Agreement) and/or Community Infrastructure Indebtedness, they shall be shared on a proportionate basis by the Districts in accordance with the allocation set forth in the Community Infrastructure O&M Methodology; or (ii) District Infrastructure or District Infrastructure Indebtedness, they shall be borne by the applicable District Infrastructure

District. The other Districts shall remit their share of such fees and expenses to the Administration District promptly upon receipt of invoices for such costs in accordance with the foregoing.

(g) For so long as any Public Infrastructure Indebtedness is outstanding, unless otherwise provided by the Act, each District for which such Public Infrastructure Indebtedness relates shall maintain its corporate existence as a local unit of special purpose government under the Act.

(h) The Districts agree to take such further action as may be required to carry out the purposes of this Agreement, to permit the Issuer to comply with its obligations under any financing documents relating to Public Infrastructure Indebtedness and to comply with its obligations under the City/District Interlocal Agreement and to permit the Issuer and the Administration District, as applicable, to comply with any requirements of the City imposed in connection with any development orders relating to Southern Grove that can be satisfied by any of the Districts.

ARTICLE IX

TERM: TERMINATION

Section 9.01 Term of this Agreement. The Term shall commence on the date on which the Districts execute this Agreement, and, unless extended or earlier terminated as provided herein, shall terminate on the date that is last to occur of (a) fifty years from the date hereof, and (b) the date on which all Public Infrastructure Indebtedness used to finance or refinance all or part of any Public Infrastructure, including refinancings thereof, are no longer deemed Outstanding as defined in the financing documents related to such Public Infrastructure Indebtedness. The Term may be extended for additional successive one-year terms upon the written consent of all of the Districts provided no later than sixty (60) days prior to the expiration of the then current Term.

Section 9.02 Termination of Term. The Term may be terminated as follows:

(a) Upon the failure of the Issuer or the Administration District, as applicable, to cure, or to be actively taking steps to cure, any default in its obligations hereunder within 180 days following receipt of written notice from all of the other Districts specifying the default and describing the steps required to be taken to remedy such default; or

(b) Upon the written consent of all of the Districts.

Section 9.03 Effect of Termination Upon Delegation Infrastructure. Upon the termination of the Term, the Administration District and any Delegating District may elect to continue to have the Administration District operate and maintain the Delegation Infrastructure of such Delegating District pursuant to a separate agreement.

**ARTICLE X
MISCELLANEOUS**

Section 10.01 **Validation.** This Agreement is subject to validation by the Circuit Court in and for St. Lucie County, Florida pursuant to a final judgment.

Section 10.02 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement.

Section 10.03 **Agreement Not Debt.** This Agreement shall not constitute a debt, liability, or obligation of the State of Florida, the City, the County or any of the Districts, nor shall this Agreement constitute a pledge of the full faith, credit or taxing power of the State of Florida, the City, the County or any of the Districts.

Section 10.04 **Notices.** Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with any of the Districts shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed to the applicable District as follows:

Southern Grove Community Development Districts
c/o Fishkind & Associates, Inc.
12051 Corporate Boulevard
Orlando, Florida 32817
Attention: District Manager

Any of the foregoing may, by notice sent to each of the other Districts, designate a different or additional address to which notices under this Agreement are to be sent.

Section 10.05 **Approvals.** Each party warrants and represents, with respect to itself, that neither the execution nor the performance of this Agreement requires any consent, vote or approval which has not been obtained, or at the appropriate time shall not have been given or obtained, nor shall it result in or constitute a breach or default under any indenture, contract or other commitment or restriction to which it is a party or by which it is bound.

Section 10.06 **Cooperation.** Whenever any review or approval is required by any party, such party agrees that such review or approval will be promptly conducted and concluded. Moreover, each party agrees that it will act reasonably in exercising its review and approval functions hereunder and no approval shall be unreasonably delayed nor withheld.

Section 10.07 **Further Assurances.** The parties hereto agree to execute any and all further instruments and documents and to take all such actions as may be reasonably required to carry out the terms of this Agreement and the transactions contemplated herein.

Section 10.08 Rights Cumulative. All rights, powers, remedies, benefits and privileges available to any party hereunder is in addition to and cumulative of any and all rights, powers, remedies, benefits and privileges available to such party under all other provisions of this Agreement, at law and in equity.

Section 10.09 Exhibits. All exhibits referred to in this Agreement and attached hereto are incorporated herein in full by this reference as if each exhibit were set forth in the body of this Agreement and duly executed by the parties hereto; provided, however, that when an exhibit is comprised of a separate agreement, only the signatories to such agreement shall be deemed to be parties to that agreement and the provisions of this section shall not be construed so as to extend any rights to non-signatories of such agreement.

Section 10.10 No Partnership or Joint Venture. Nothing set forth in this Agreement shall be deemed or construed as creating a legal partnership nor a legal joint venture between the parties hereto nor any other party, nor shall it cause any party to be responsible in any way for the debts and obligations of any other party.

Section 10.11 Beneficiaries. This Agreement has been entered into for the sole benefit and protection of the parties hereto and no other person or entity shall have any right of action under the Agreement; provided, however, that the holders of Public Infrastructure Indebtedness shall be express third party beneficiaries of the covenants of the Districts herein relating to the levy, collection and enforcement of the Public Infrastructure Assessments pledged to Public Infrastructure Indebtedness owned by such holders.

Section 10.12 Governing Law. This Agreement shall be interpreted under the laws of the State of Florida and any legal proceeding arising out of or in connection with this Agreement shall be brought in the Circuit Court of St. Lucie County, Florida.

Section 10.13 Conflict Resolution. Prior to initiating any litigation under any of the covenants of this Agreement, the parties shall submit the dispute to the conflict resolution procedures provided by the Florida Governmental Conflict Resolution Act, Chapter 164, Florida Statutes.

Section 10.14 Legal Fees. In the event of any dispute hereunder or of any action to interpret or enforce this Agreement, any provision hereof or any matter arising herefrom, the prevailing party shall be entitled to recover its reasonable costs, fees and expenses, including, but not limited to, witness fees, expert fees, consultant fees, attorney, paralegal and legal assistant fees, costs and expenses and other professional fees, costs and expenses whether suit be brought or not, and whether in settlement, in any declaratory action, in mediation, arbitration, bankruptcy or administrative proceeding, or at trial or on appeal.

Section 10.15 No Waiver. No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligation specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof

Section 10.16 Assignment. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, personal representatives, successors and assigns. Notwithstanding the foregoing, this Agreement shall not be assignable by any party hereto without the express consent of all remaining parties to this Agreement, which consent may be withheld in the sole discretion of any such party.

Section 10.17 Headings. The headings inserted at the beginning of each paragraph are for convenience only and do not add to or subtract from the meaning of the contents of each paragraph.

Section 10.18 Time is of the Essence. Time is of the essence of this Agreement. Whenever under the terms and provisions of this Agreement the time for performance falls upon a Saturday, Sunday, or legal holiday, such time for performance shall be extended to the next business day.

Section 10.19 Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

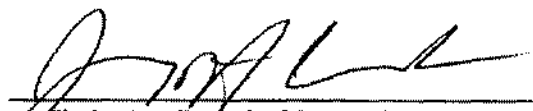
Section 10.20 Entire Agreement. This Agreement contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Any amendment to this Agreement shall not be binding upon any of the parties hereto unless such amendment is in writing and executed by the parties hereto.

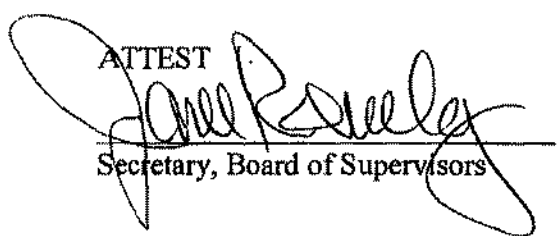
Section 10.21 Filing. This Agreement shall be filed with the Clerk of the Circuit Court of St. Lucie County, Florida for recording in the public records of the County and shall be deemed effective as of the date of such filing.

[Signatures on Following Page]

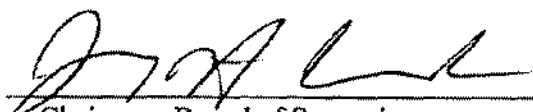
IN WITNESS WHEREOF, the parties have made and executed this Agreement on the respective dates under each signature through their respective Board of Supervisors, signing by and through their duly authorized representative.

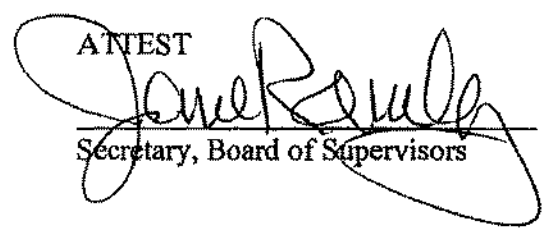
SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 1

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

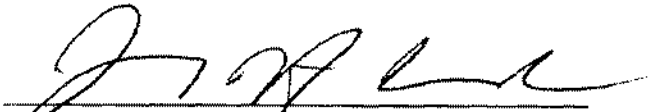
ATTEST

Secretary, Board of Supervisors

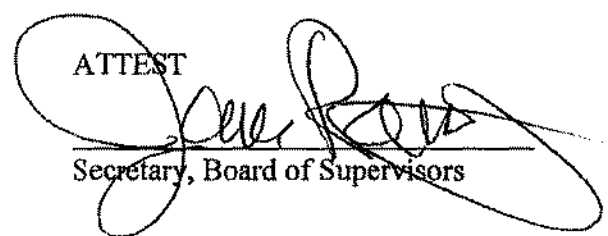
SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 2

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

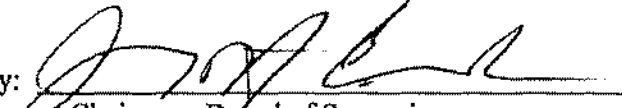
ATTEST

Secretary, Board of Supervisors

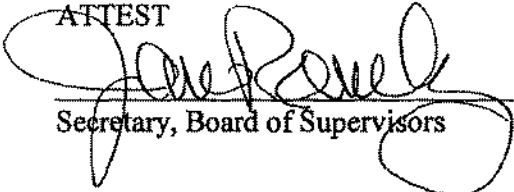
SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 3

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

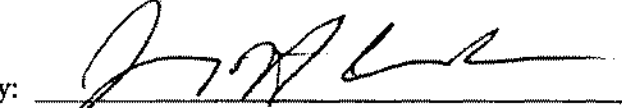
ATTEST

Secretary, Board of Supervisors

SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 4

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

ATTEST

Secretary, Board of Supervisors


SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 5

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

ATTEST

Secretary, Board of Supervisors

SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 6

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

ATTEST

Secretary, Board of Supervisors