

**AGREEMENT BETWEEN THE LAKEWOOD RANCH STEWARDSHIP
DISTRICT AND SMR NORTHEAST, LLC REGARDING THE
COMPLETION OF CERTAIN IMPROVEMENTS
(NORTHEAST SECTOR PROJECT)**

This Agreement (the “Agreement”) is made and entered into as of this 8th day of September, 2017, by and between:

LAKWOOD RANCH STEWARDSHIP DISTRICT, a local unit of special-purpose government established pursuant to Chapter 2005-338, Laws of Florida, and located in Sarasota and Manatee Counties, Florida (the “District”); and

SMR NORTHEAST, LLC, a Florida limited liability company and owner of lands within the boundaries of the District, whose address is 14400 Covenant Way, Lakewood Ranch, Florida 34202, its successors and assigns (the “Landowner” together with the District, the “Parties”).

RECITALS

WHEREAS, the District was established for the purpose of planning, financing, constructing, installing, operating, and/or maintaining certain infrastructure, including certain roadway, water and sewer, drainage, stormwater management, and other improvements; and,

WHEREAS, the Landowner is the owner and/or developer of certain lands known as the Northeast Sector Project which is located within the boundaries of the District (the “Development”); and,

WHEREAS, the District has adopted an engineer’s report for the planning, design, acquisition, construction, and installation of various infrastructure improvements and facilities serving the Development as described in that certain *Master Engineer’s Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements*, dated August 4, 2017, attached hereto as **Exhibit A** (the “Series 2017 Improvements”); and,

WHEREAS, the District has imposed special assessments on the property within the District to secure financing for the planning, design, permitting, construction and/or acquisition of the Series 2017 Improvements described in **Exhibit A**; and,

WHEREAS, the District intends to finance a portion of the Series 2017 Improvements through the use of proceeds from the sale of \$45,000,000 in aggregate principal amount of Lakewood Ranch Stewardship District Bond Anticipation Notes, Series 2017 (Northeast Sector Project) (the “Series 2017 Notes”) and,

WHEREAS, in order to ensure that the Series 2017 Improvements are completed and funding is available in a timely manner to provide for their completion, the Landowner will make provision for any additional funds that may be needed in the future for the completion of the Series 2017 Improvements including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs to the extent such costs are not funded from the Series 2017 Notes or debt subsequently issued by the District for the Series 2017 Improvements.

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

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

2. COMPLETION OF SERIES 2017 IMPROVEMENTS. The Landowner and District agree and acknowledge that the District's proposed Series 2017 Notes may provide only a portion of the funds necessary to complete the Series 2017 Improvements. In the event that the cost of the Series 2017 Improvements is such that the construction funds available from the Series 2017 Notes and any debt subsequently issued by the District to fund the Series 2017 Improvements are insufficient to complete the Series 2017 Improvements, which determination shall be in the sole and exclusive discretion of the District, the Landowner hereby agrees to complete, cause to be completed, or provide funds to the District in an amount sufficient to allow the District to complete or cause to be completed, those portions of the Series 2017 Improvements which remain unfunded including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs (the "Remaining Series 2017 Improvements") whether pursuant to existing contracts, including change orders thereto, contracts assigned by the Landowner to the District, or future contracts. Nothing herein shall cause or be construed to require the District to issue additional notes, bonds or indebtedness to provide funds for any portion of the Remaining Series 2017 Improvements nor shall this Agreement preclude the District from issuing such additional debt. The District and Landowner hereby acknowledge and agree that the District's execution of this Agreement constitutes the manner and means by which the District has elected to provide any and all portions of the Remaining Series 2017 Improvements not funded by District notes, bonds or other indebtedness.

(a) When all or any portion of the Remaining Series 2017 Improvements is the subject of an existing District contract, the Landowner shall provide funds directly to the District in an amount sufficient to complete the Remaining Series 2017 Improvements pursuant to such contract, including change orders thereto.

(b) When any portion of the Remaining Series 2017 Improvements is not the subject of an existing District contract, the Landowner may choose to complete, cause to be completed, or provide funds to the District in an amount sufficient to allow the District to complete or cause to be completed, those Remaining Series

2017 Improvements, subject to a formal determination by the District that the option selected by the Landowner will not adversely impact the District, and is in the District's best interests.

3. OTHER CONDITIONS AND ACKNOWLEDGMENTS

(a) The District and the Landowner agree and acknowledge that the exact location, size, configuration and composition of the Series 2017 Improvements may change from that described in **Exhibit A**, depending upon final design of the development, permitting or other regulatory requirements over time, or other factors. Material changes to the Series 2017 Improvements shall be made by a written amendment to **Exhibit A**, which shall include an estimate of the cost of the changes.

(b) The District and Landowner agree and acknowledge that for any and all portions of the Remaining Series 2017 Improvements which are constructed, or caused to be constructed, by the Landowner for the benefit of the District shall be conveyed to the District or such other appropriate unit of local government as is designated in **Exhibit A** or required by governmental regulation or development approval. All conveyances to another governmental entity shall be in accordance with and in the same manner as provided in any agreement between the District and the appropriate unit of local government. All conveyances to the District shall be in accordance with an agreement or agreements governing conveyances between the Landowner and the District.

4. DEFAULT AND PROTECTION AGAINST THIRD PARTY INTERFERENCE. A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance. The District shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the District's right to protect its rights from interference by a third party to this Agreement.

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

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

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

- (a) **If to Landowner:** SMR Northeast, LLC
14400 Covenant Way
Lakewood Ranch, Florida 34202
Attn: Scott Almand
- (b) **If to District:** Lakewood Ranch Stewardship District
12051 Corporate Blvd
Orlando, Florida 32817
Attn: District Manager
- With a copy to:** Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Post Office Box 6526
Tallahassee, Florida 32314
Attn: Jonathan T. Johnson

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Landowner may deliver Notice on behalf of the District and the Landowner. Any party or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth herein. A copy of any notice given hereunder shall be provided to Florida Community Bank, N.A. at its "Notice Address" set forth in that certain Sixteenth Supplemental Trust Indenture dated September 1, 2017.

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

9. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Landowner and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and the Landowner any right, remedy, or claim under or by reason of this

Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Landowner and their respective representatives, successors, and assigns.

10. ASSIGNMENT. No party may assign its rights, duties or obligations under this Agreement or any monies to become due hereunder without the prior written consent of each other party, which consent shall not be unreasonably withheld; provided, however, the Landowner may assign this Agreement to any developer or sub-developer of all or a significant portion of the lands within the Project without obtaining the prior written consent of the District.

11. CONTROLLING LAW; VENUE. This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida. Venue shall be in Manatee County, Florida.

12. EFFECTIVENESS. This Agreement shall be effective after execution by both the District and the Landowner.

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

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

15. SOVEREIGN IMMUNITY. Landowner agrees that nothing in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28, Florida Statutes, as amended, or other statutes or law.

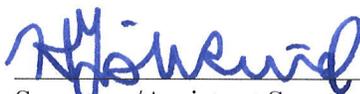
16. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

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

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

Attest:

LAKWOOD RANCH STEWARDSHIP DISTRICT


Secretary/Assistant Secretary


Rex Jensen, Chairman

Attest:

SMR NORTHEAST, LLC,
a Florida limited liability company
By: Schroeder-Manatee Ranch, Inc., its
Authorized Member


Witness: _____

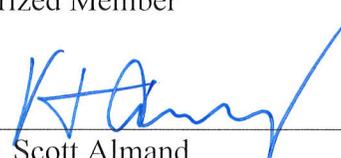
By: 
Name: Scott Almand
Title: Vice President, Finance

Exhibit A: *Master Engineer's Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements, dated August 4, 2017*

Exhibit A

Engineer's Report

**LAKWOOD RANCH
STEWARDSHIP DISTRICT
MASTER ENGINEER'S REPORT
FOR NORTHEAST SECTOR AT
LAKWOOD RANCH
INFRASTRUCTURE
IMPROVEMENTS**



Prepared for:
Lakewood Ranch Stewardship District
14400 Covenant Way
Lakewood Ranch, FL 34240

Prepared by:
Stantec Consulting Services Inc.
6900 Professional Parkway East
Sarasota, FL 34240

August 4, 2017

LAKWOOD RANCH STEWARDSHIP DISTRICT MASTER ENGINEER'S REPORT FOR NORTHEAST SECTOR
AT LAKEWOOD RANCH INFRASTRUCTURE IMPROVEMENTS

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LAKWOOD RANCH STEWARDSHIP DISTRICT MASTER ENGINEER'S REPORT FOR NORTHEAST SECTOR AT LAKWOOD RANCH INFRASTRUCTURE IMPROVEMENTS

August 4, 2017

I. INTRODUCTION

Lakewood Ranch is a master planned multi-use project located in Manatee and Sarasota Counties, Florida. Lakewood Ranch currently consists of six approved Developments of Regional Impact (DRI), namely Cypress Banks, University Lakes, University Place, Northwest Sector, Lakewood Centre, and the Villages of Lakewood Ranch South. Local Bill 1429 passed by the Florida State Legislature and signed by the Governor of the State of Florida on June 17, 2005 created the Lakewood Ranch Stewardship District (the "District"). The Northeast Sector (the "Project") is within the District and more specifically generally bounded by State Road 70, State Road 64, Lorraine Road, and Bourneside Boulevard. It is the purpose of this report to provide a description of the Project and the proposed capital improvements to serve it. Exhibit 1 delineates the boundaries of the Project, with an area consisting of approximately 3,853 acres.

II. GENERAL DESCRIPTION

The terrain within the District is gently rolling, with elevations within the Project ranging from elevation 35 feet to 68 feet NAVD. Soils generally consist of fine sands and shell typical for Manatee County. The primary soil type within the Project boundary is Myakka-Myakka, wet, fine sand (#30). Other soil types at the site include Floridana-Immokalee-Okeelanta Association (#26), Okligore, Wabasso fine sand (#48), Canova, Anclote and Okeelanta soils (#7), Delray complex (#16), Cassia fine sand (#11), Ona fine sand (#35), Pinellas fine sand (#40), Delray-Pomona Complex (#18), Felda-Wabasso association (#24), Pomello fine sand (#42), Wabasso fine sand (#48), and Wachula fine sand (#51). Groundwater generally is located one to two feet below natural grade during the rainy season. Annual fluctuations may reach three to four feet. A series of lakes and control structures are planned to control stormwater discharge. Southwest Florida Water Management District (SWFWMD) and Manatee County design criteria will be utilized for design of all water management facilities within the District.

The four major roadways serving the Project will be SR-70, SR-64, Lorraine Road, and Bourneside Boulevard. Within the Project, there are additional planned major access ways, namely Uihlein Road, Rangeland Parkway, 44th Avenue East, and Post Road.

Potable water and sanitary sewer service will be provided by Manatee County. Non-potable water will be provided by Braden River Utilities.

LAKWOOD RANCH STEWARDSHIP DISTRICT MASTER ENGINEER'S REPORT FOR NORTHEAST SECTOR
AT LAKWOOD RANCH INFRASTRUCTURE IMPROVEMENTS

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III. LAND USES

Land uses within the Project will include (but not be limited to):

- a) Open space and preservation areas
- b) Commercial and Mixed Use
- c) Residential (single family and multiple family)

Table 1 summarizes proposed land uses.

TABLE 1
PROPOSED LAND USES

DESCRIPTION	APPROXIMATE AREA (AC)
Residential	3,648
Mixed Use (retail, office, etc.)	85
Open space, preserve, water management facility, lakes & drainage, rights-of-way, school, park, etc.	120
Total	3,853

Note: Acreages are approximate and will be determined at final platting.

IV. PERMITS

Permits for site construction are required prior to the start of infrastructure construction. These permits typically include the following:

- Local Zoning approval
- SWFWMD for Surface Water and Consumptive Use ("SWFWMD")
- Manatee County Final Site Plan ("FSP")
- Manatee County Construction Plans ("Const")
- Manatee County Health Department for Water Distribution ("FHD – Water")
- Florida Department of Environmental Protection for Sanitary Sewage Collection ("FDEP – WW")
- U.S. Army Corps of Engineers ("USACE")

Permitting is in the preliminary stages for several major roadways within the development.

LAKWOOD RANCH STEWARDSHIP DISTRICT MASTER ENGINEER'S REPORT FOR NORTHEAST SECTOR AT LAKEWOOD RANCH INFRASTRUCTURE IMPROVEMENTS

August 4, 2017

V. INFRASTRUCTURE IMPROVEMENTS

A. Proposed Infrastructure Improvements

Proposed improvements for the Project will consist of roadways, a drainage system and stormwater management system (i.e. pipes, lakes, control structures, etc.), landscaping, lighting, recreation (i.e. parks, trails, etc.), decorative walls, fences, potable water systems, sanitary sewer systems, and irrigation facilities. Of these facilities, the District will own and operate/maintain the stormwater management system, irrigation system, and portions of the landscaping within the roadway system. Some roadway lighting may be owned and operated by the District. Portions of the internal roadways, commercial/office, mixed use and multi-family will be privately owned and, therefore, will not be funded by the District. Most of the potable water system and the sanitary sewer system will be owned and operated/maintained by Manatee County, with lesser portions being owned and operated/maintained by the District. District funded improvements are further described in the following sections.

1. Roadways

There are roadways that may require improvement in order to serve the Project. Improvements may include new roadways, street lighting, expansion of existing roadways, intersection improvements, etc. These improvements will be assigned to the Project on a pro-rata basis consistent with the benefit received.

2. Utilities

The District will construct the potable water, sanitary sewer and irrigation systems necessary to support the Project's residents and other activities. Potable water, sanitary sewer and irrigation will be constructed to Manatee County standards. Utilities may include offsite systems (i.e., offsite force main to a wastewater treatment plant) or onsite systems constructed as part of a major roadway or subdivision.

3. Water Management/ Drainage

The stormwater management system will be comprised of excavated stormwater management ponds as well as above ground and below-ground collection systems to transport the stormwater to the appropriate stormwater ponds for treatment and attenuation. Stormwater treatment will occur by the Biological Filtration Process. The filtration system consists of constructed littoral shelves in the appropriate stormwater ponds. These littoral shelves will be planted with wetland plants to create the filtration process.

LAKWOOD RANCH STEWARDSHIP DISTRICT MASTER ENGINEER'S REPORT FOR NORTHEAST SECTOR AT LAKWOOD RANCH INFRASTRUCTURE IMPROVEMENTS

August 4, 2017

Run-off attenuation also occurs in the stormwater ponds. SWFWMD requirements mandate that the pre-development peak rates of runoff be maintained during the post development phase. For areas within the Evers Reservoir Watershed, Manatee County requires an additional attenuation, 75% of the pre-development peak rates of runoff are allowed. The design storm event is the 25-year, 24-hour storm.

Minimum residential finished floor elevations as well as minimum roadway elevations will be set per Manatee County requirements. These requirements are established to minimize road flooding during the critical storm event and to prevent flooding during the 100-year design storm.

Portions of the Project lie within the FEMA 100-year floodplain. As a result, there is the possibility of floodplain lakes within the Project to mitigate any impacts. All floodplain impact mitigation will be designed per SWFWMD and Manatee County criteria.

4. Landscaping and Entry Features

Landscaping and entry features will be an integral part of the Project's infrastructure. Development areas and various neighborhoods will have entry features and various hardscape features designed to provide a distinctive look to the community.

Table 2 summarizes improvement costs.

VI. SUMMARY AND CONCLUSION

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

It is our professional opinion that the infrastructure costs provided herein for the District improvements for the Project are reasonable to complete the construction of the infrastructure described herein and that these infrastructure improvements will benefit and add value to the District. These estimated costs are based upon prices currently being experienced for similar items of work in Southwest Florida and expected inflation in the future. Actual costs may vary based on final engineering, planning and approvals from regulatory agencies.



LAKWOOD RANCH STEWARDSHIP DISTRICT MASTER ENGINEER'S REPORT FOR NORTHEAST SECTOR
AT LAKWOOD RANCH INFRASTRUCTURE IMPROVEMENTS

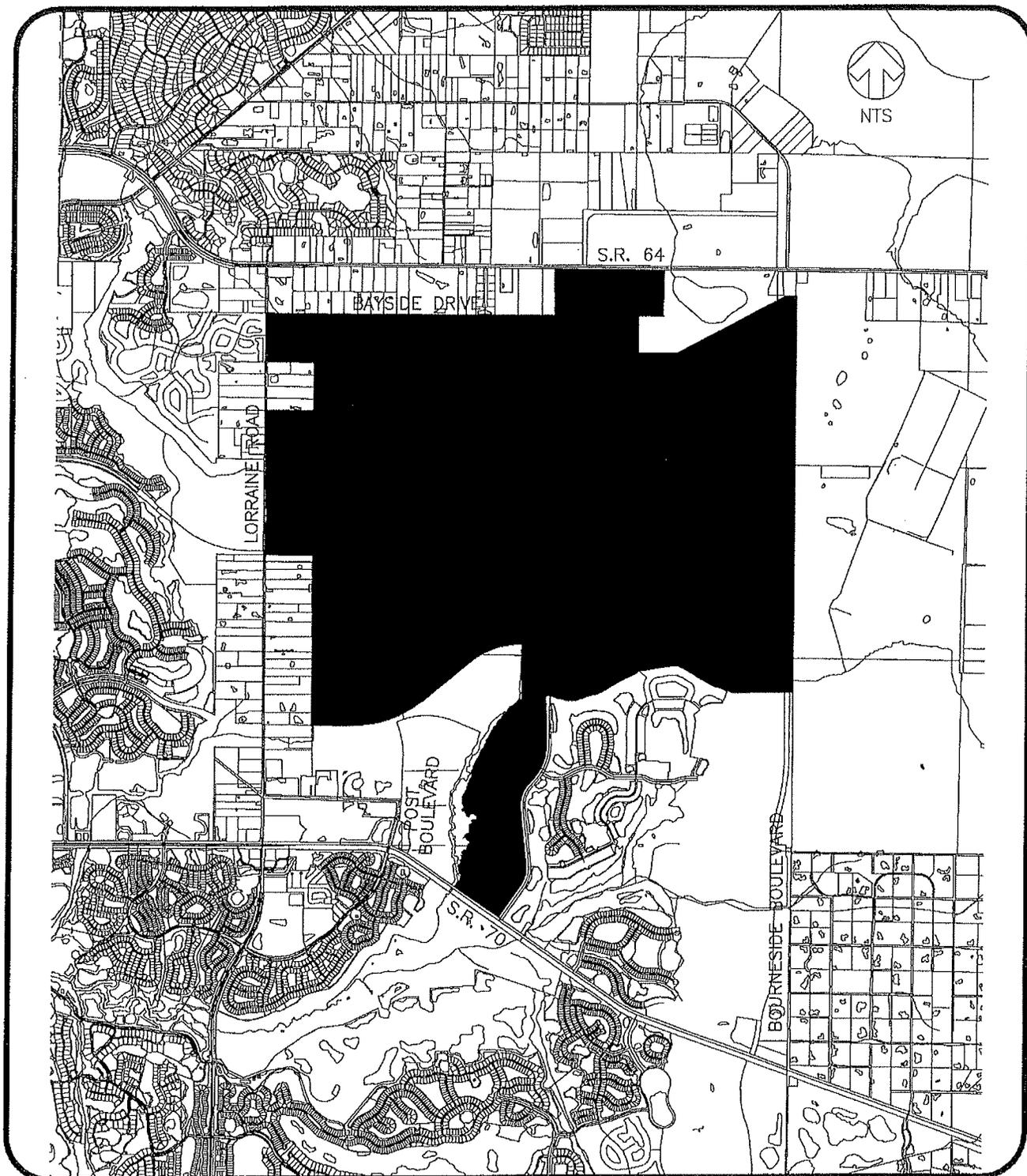
August 4, 2017

TABLE 2
SUMMARY OF PROPOSED MASTER IMPROVEMENT COSTS

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>PROPOSED CONSTRUCTION</u>
1.	Roadways	\$ 77,870,530
2.	Consultants/ Contingencies/ Other	\$ 6,809,951
	TOTAL	\$ 84,680,481

NOTE 1: All costs are approximate and are subject to change based upon actual bid prices. Roadway costs include roads, drainage, utilities, lighting, landscape, entry features, etc.

EXHIBIT 1



LOCATION MAP