

Osceola Chain of Lakes Community Development District

Board of Supervisors

Anthony Iorio, Chairman
Jason Lonas, Vice Chairman
Doug Beasley, Assistant Secretary
Garison Clemens, Assistant Secretary
Kimberly Locher, Assistant Secretary

Staff

Gary L. Moyer, District Manager
Tucker Mackie, District Counsel
Sarah Sandy, District Counsel
Nicole Stalder, District Engineer

Agenda **** Continued ****

Thursday, January 30, 2020 – 10:00 a.m.

1. **Call to Order**
2. **Roll Call**
3. **Public Comment Period**
4. **Approval of Minutes of the January 8, 2020, Meeting**
5. **Bond-Related Matters**
 - a. Presentation of the 2020 Supplemental Engineer's Report
 - b. Presentation of the 2020 Supplemental Assessment Report
 - c. Consideration of Resolution 2020-06, Supplemental Assessment Resolution for the Series 2020 Bonds
 - d. Ratification of Acquisition Agreement
 - e. Consideration of Completion Agreement
 - f. Consideration of True-Up Agreement
 - g. Consideration of Collateral Assignment and Assumption of Development and Contract Rights
 - h. Consideration of Contribution Agreement
 - i. Consideration of Tri-Party Agreement Relating to Consent to Jurisdiction, Imposition of Special Assessments, and Subordination of Interests
 - j. Presentation of Mortgagee Acknowledgement
 - k. Presentation of Notice of Series 2020 Assessments
6. **District Improvement Matters**
 - a. Acquisition of Series 2020 Project Improvements – Update to Phase 3 Utilities
7. **Staff Reports**
 - a. Manager
 - b. Attorney
 - c. Engineer
8. **Public Comment Period**
9. **Other Business**
10. **Supervisors Requests**
11. **Adjournment**

***NOTE:** The next meeting is scheduled for Wednesday, February 5, 2020, at 1:30 p.m.*

District Office:
313 Campus Street
Celebration, FL 34747
407-566-1935

www.OsceolaChainOfLakesCDD.org

Meeting Location:
District Office
313 Campus Street
Celebration, FL 34747

Section 4

Minutes

MINUTES OF MEETING

OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Osceola Chain of Lakes Community Development District was held Wednesday, January 8, 2020, at 1:30 p.m. at the District office, 313 Campus Street, Celebration, FL 34747.

Present and constituting a quorum were:

Anthony Iorio	Chairman
Jason Lonas	Vice Chairman
Douglas Beasley	Assistant Secretary
Garison Clemens	Assistant Secretary
Kimberly Locher	Assistant Secretary

Also present were:

Gary Moyer	Manager: Moyer Management Group
Sarah Sandy	Attorney: Hopping Green & Sams
Danielle Van De Loo	Engineer: Dewberry
Scott Hoopes (<i>by phone</i>)	Hanover Capital Partners
Andrew Orosz (<i>by phone</i>)	Hanover Capital Partners
Steve Orosz (<i>by phone</i>)	Hanover Capital Partners
Justin Rowan (<i>by phone</i>)	MBS Capital Markets
Cynthia Wilhelm	Nabors Giblin & Nickerson

FIRST ORDER OF BUSINESS

Call to Order

Mr. Iorio called the meeting to order at 1:30 p.m.

SECOND ORDER OF BUSINESS

Roll Call

Mr. Iorio called the roll and stated a quorum was present for the meeting.

THIRD ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

FOURTH ORDER OF BUSINESS

Approval of the December 4, 2019, Meeting Minutes

Mr. Iorio reviewed the minutes, which are included in the agenda package and are available for public review in the District Office during normal business hours or on the website, and requested additions, corrections, or deletions.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to accept the minutes of the December 4, 2019, meeting, as presented.

FIFTH ORDER OF BUSINESS

Administrative Matters

A. Oath of Office for Newly Elected Supervisors

Mr. Moyer stated at our last meeting, the Board appointed Mr. Beasley to Seat 3, which expires November 2022, and Mr. Clemens to Seat 5, which expires November 2020. When those dates come up, we will have a landowner election, at which time the landowners will vote for the seats whose terms of office have expired. For the record, I am a Notary of the State of Florida and as such can administer oaths of office.

Mr. Moyer administered the oath of office to Mr. Beasley and Mr. Clemens.

Mr. Moyer stated I will ask you to sign the written oath of office that we will make part of today's meeting minutes. I distributed the Form 1 financial disclosure form that needs to be filed with the supervisor of elections in the county in which you reside. Even though the project may be in Osceola County, if you live in a different county, you need to file this form with the supervisor of elections in your county.

Mr. Iorio stated if you need help filling out the form, Mr. Moyer or his assistant is available to answer your questions.

Mr. Moyer stated you are now considered to be a public official in the State of Florida, which means you are subject to the Sunshine Law. Simply stated, that means no two members serving on the same board can talk to each other about District business outside of a publicly noticed meeting, like we are having today. All those discussions have to take place in a public forum. The State of Florida has a public records law, which means if you decide to keep any of the documents you receive prior to these meetings or anything distributed at the meetings, including emails and text messages, they are public records. If someone wants to review those documents, you have to provide them with those documents, and you cannot ask why they want to see them. They simply have a right to see the documents. There are probably 26 Florida laws that govern what we, as a District, do. Ms. Sandy is the District's legal counsel, and as we go through different steps in these processes that we will ask the Board members to consider, we will tell you why we are doing it, what law it implements, and what controls your actions as a Board.

Ms. Sandy asked have either of you served on a board before?

Mr. Beasley stated I served on an HOA Board.

Ms. Sandy stated this is a little different because you are now a public official. The Sunshine Law and public records law apply to you, which includes emails. We ask that you file District emails in a separate folder to keep them separate from your other emails,

or you can setup a separate email address for District emails. Then if we receive a public records request, we can easily pull those. With the Sunshine Law, you cannot have discussions by email or text with other Board members about matters that could come before the Board for consideration.

Mr. Moyer stated welcome to the Board.

B. Consideration of Resolution 2020-02, Election of Officers

Mr. Moyer read Resolution 2020-02 into the record by title.

Mr. Moyer stated prior to Mr. Beasley and Mr. Clemens being appointed to the Board, the Board elected officers. Mr. Iorio serves as Chairman, Ms. Locher and Mr. Lonas serve as Assistant Secretaries, and I serve as Secretary and Treasurer. You can change the officer structure as you desire. Generally, for those Supervisors not otherwise an officer, we appoint them as Assistant Secretary so if I am not available, at least someone else is available to sign documents on behalf of the District. You can keep the same organizational structure if you desire, and I recommend appointing Mr. Beasley and Mr. Clemens as Assistant Secretaries.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to appoint Mr. Beasley and Mr. Clemens as Assistant Secretaries.

Ms. Locher asked we do not need a Vice Chairman?

Mr. Moyer stated we have not had one, but the Board can have one.

Ms. Sandy stated it is helpful to have a Vice Chairman, especially with the bond issuance coming up. If the Chairman is not available, then the Vice Chairman can step in to sign documents if needed. It is good to have a backup.

On MOTION by Mr. Iorio, seconded by Ms. Locher, with all in favor, unanimous approval was given to appoint Mr. Lonas as Vice Chairman and to adopt Resolution 2020-02, election of officers, as updated.

SIXTH ORDER OF BUSINESS

Bond-Related Matters

A. Second Supplemental Engineering Report

Ms. Sandy stated there are a couple changes I worked on with Ms. Van De Loo.

Ms. Van De Loo stated the main change is, we added the landscaping back into the costs associated with the Series 2020 Project.

Ms. Sandy stated because this line item was listed in the master improvement plan, we wanted to include it as a cost in the overall 2020 Project. The report is largely in the same form as when it was presented in November. The overall costs increased slightly, so we want to make that corresponding update in the assessment report. This change was made yesterday. For the benefit of the new Supervisors, we are working toward issuing a new series of bonds to finance some of the master infrastructure plan that the District previously adopted in 2018. This is our second series of bonds. With each series of bonds, we have an engineering report that describes the improvements that are associated with the bonds and can be funded with the bonds. This project is about \$9 million. The bonds we will issue will fund only a portion of the project. The remaining portion of the project will be funded by the developer and contributed to either the District or the ultimate entity that will be the owner.

On MOTION by Ms. Locher, seconded by Mr. Lonas, with all in favor, unanimous approval was given to the 2020 supplemental engineering report in substantial form, subject to final review by legal counsel and staff prior to use in the PLOM for marketing the bonds.

B. Second Supplemental Assessment Report

Mr. Moyer stated this report was updated yesterday to take into account some changes that were made, which Ms. Sandy briefly outlined. There will probably be a couple footnotes or a few sentences clarifying the methodology, but generally it follows the same format with the addition of lots that will be adjusted based on contributions from the developer that will be offsets to those assessments.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to the second supplemental assessment report in substantial form, subject to final review by legal counsel and staff prior to marketing the bonds.

C. Consideration of Resolution 2020-03, Delegation Resolution

- i. Exhibit A: Bond Purchase Agreement**
- ii. Exhibit B: Supplemental Trust Indenture**
- iii. Exhibit C: Preliminary Limited Offering Memorandum**
- iv. Exhibit D: Continuing Disclosure Agreement**

Mr. Moyer read Resolution 2020-03 into the record by title.

Ms. Wilhelm stated this Resolution is called the delegated award resolution. It approves various acts of the proposed bond issue, including the forms of certain documents that are necessary for closing on the bonds. The recitals on pages 1 and 2 give an overview of what we are doing, including the bonds will be sold by negotiated sale instead of competitive bid. The bonds are to be purchased by MBS Capital Markets who serves as the underwriter for a percentage of the bonds sold. Paragraph 2 on page 2 under Award approves the form of the bond purchase agreement and delegates to the Chairman the ability to execute the purchase agreement as long as the terms are within the parameters, which are attached as Schedule I to the Resolution. The maximum principal amount for the Series 2020 Bonds is not to exceed \$6.5 million. The maximum coupon rate is the maximum Statutory rate, which as of January 1, 2020, is 5.74%. If the District prices the bonds in January, the interest rate cannot be above 5.74% pursuant to State law. The underwriting discount is a maximum of 2%. The maximum maturity date is May 1, 2050. The redemption provisions are set forth in the form of the bonds, which is in the supplemental trust indenture, with an optional redemption no later than May 1, 2033. Usually, the option redemption is about 10 years out, but we are giving ourselves a little leeway in case we need it when we go to price the bonds. Paragraph 3 provides for a negotiated sale for the reasons indicated. Paragraph 4 approves the form of the second supplemental trust indenture and ratifies the master trust indenture, which was put in place in 2018. It appoints US Bank as the trustee, paying agent, and bond registrar. Paragraph 5 sets forth the general terms of the bonds and approves the form of the bonds. It also authorizes the Chairman and the Secretary to execute the bonds and deliver them to the trustee for authentication. Paragraph 6 approves the form of the preliminary limited offering memorandum ("PLOM"), and it authorizes the Chairman to deem the PLOM final within the meaning of Rule 15c2(12), Security and Exchange Commission ("SEC"). This means that once the PLOM has been finalized and is ready to send out to market, the Chairman will execute a Rule 15c2(12) certificate, which certifies that as of the date of the PLOM, it is in final form except for what is called "permitted omissions," which under the Rule are for things like the interest rates of the bonds, the maturity dates, the par amounts, and things that go along with the pricing since we will not know those yet. Everything else in the PLOM is considered final. Paragraph 6 also approves the form of the continuing disclosure agreement. Paragraph 7 indicates the Board has complied with

the Sunshine Law. Paragraph 8 is a catch-all, authorizes all Board members to take all actions and execute all documents, and anything that is left to address. It also provides that the Vice Chairman can step into the role of the Chairman if needed, and any Assistant Secretary can step into the role of Secretary if needed. Paragraph 9 provides direction to the trustee to deposit monies from the sale of bonds as provided in the trust indenture. Paragraph 10 authorizes the undertaking of the 2020 Project and the execution of any documents required. Paragraph 11 provides for severability. Paragraph 12 is the effective date. The Resolution has four exhibits attached to it. First is the bond purchase agreement, which is the agreement between the District and the underwriter for the underwriter to purchase the bonds. It basically sets forth the requirements for closing, the representations of the District, and various standard things that are in a bond purchase agreement. Once it is executed by both parties, it obligates the underwriter to buy the bonds. So they have to purchase the bonds unless some extreme things happen, such as war. The second supplemental trust indenture is very similar to the first supplemental trust indenture, which was for the Series 2018 Bonds. It contains the terms, conditions, and details of the Series 2020 Bonds once they are priced. Third is the PLOM, which is what is sent to investors. It gives a summary of the bonds, the development of the District, and other details of the project. The last document is the continuing disclosure agreement, which is required by Federal Securities law and provides that both the District and the developer will provide certain financial information. The District has to provide it annually, and the developer has to provide it quarterly. It basically updates information that is in the PLOM. This is the SEC's reporting requirement for publicly traded companies, which does not apply to governments, so this is their answer to that.

Mr. Moyer stated the main document to get everyone up to speed on this transaction is the PLOM. A lot of material is in it, and you do not need to read it all. The front outlines what we are doing and how we are doing it. It contains the continuing disclosure agreement, bond documents, trust indenture, and others. This is a lot of material, and Ms. Wilhelm and Ms. Sandy look out for our interests as a District from a legal perspective. I think it is important that everyone has a familiarity with what we are doing, and the PLOM is the best way to do that.

Ms. Sandy stated the supplemental engineering and assessment reports the Board just approved are attached to the PLOM. They are important components, and we want to be

sure they are in final form because when we go to market, we are certifying that they are final and accurate and will not be changing after-the-fact. That is why it is important to make sure they are in good shape now before we go to market.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to Resolution 2020-03, delegation resolution.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2020-05, Series 2018 Project Infrastructure Contribution

Mr. Moyer read Resolution 2020-05 into the record by title.

Ms. Sandy stated this Resolution pertains to the developer's contribution obligation in conjunction with the Series 2018 Bonds. Part of the assessment methodology report that the Board adopted was, because we are trying to target certain assessments, the developer agreed to make certain infrastructure contributions to offset those assessments that we would typically levy under our methodology. The master assessment report and both supplemental reports include the amount of the contribution requirement. We also have an agreement between the District and the developer outlining that contribution obligation and the amount. The obligation for Series 2018 Bonds was about \$3 million. The obligation amount for the Series 2020 Bonds will be about \$5.6 million. This Resolution recognizes that the Series 2018 Project, which contains Phases 1 and 2, is complete, and the engineer has certified in conjunction with that the value of the improvements that were completed exceeds the amount of the Series 2018 contribution obligation. Therefore, that amount is satisfied in full, and the developer has funded the improvements solely without being reimbursed with bond proceeds. It satisfies the obligation in full. The Resolution states that any additional amount from the developer-funded infrastructure would be applied to the Series 2020 obligation. Dewberry is still going through all the paperwork to finalize the exact number. The number in the Resolution that is included on the engineer's certificate is a little over \$4 million. The engineer feels comfortable that is the minimum amount that the developer has funded. They are going through all the pay applications to see if there are additional amounts funded by the developer to make sure we are capturing everything. Another thing this Resolution does is amends and restates a prior Resolution the District adopted. We previously recognized about \$900,000 in improvements that the District acquired as part of the Phases 1 and 2 stormwater. We were going to recognize that as an infrastructure

contribution, but instead because there is sufficient infrastructure to fulfill the Developer's full obligation without using that \$900,000, we are going to carry that forward to the Series 2020 Project, so it will be reimbursable from the Series 2020 Bond proceeds. The numbers in this Resolution will need to be incorporated into the reports, which is why the reports are in substantial form. We are getting them all finalized now. We want to approve this before issuing the Series 2020 Bonds.

Mr. Clemens asked did we not just approve the Series 2020 Bonds?

Ms. Sandy stated the Board approved going to market for the Series 2020 Bonds. It is separate, and we want to make sure we note in the documents for the 2020 Project that we are taking care of this. The Board approved Resolution 2020-03, the delegated award resolution. The underwriter will be marketing the bonds next, which usually takes about two weeks or so once the bonds are priced. Then they will sign the bond purchase agreement, have the numbers finalized and incorporated in the documents, and have a closing to actually issue and fund everything.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to amend the agenda to add consideration of Resolution 2020-05, Series 2018 Project infrastructure contribution.

There being no public comment, the next item followed.

On MOTION by Ms. Locher, seconded by Mr. Lonas, with all in favor, unanimous approval was given to Resolution 2020-05, Series 2018 Project infrastructure contribution, as discussed.

EIGHTH ORDER OF BUSINESS

Acquisition of Series 2020 Project Improvements

A. Phase 3 Right-of-Way

Ms. Sandy stated a chart was distributed to the Board, which summarizes these acquisitions, with bills of sale behind it. There are two different bills of sale. One is for Phase 3 infrastructure, and the other is for some offsite infrastructure for Alligator Lake right-of-way improvements. The summary chart shows the description of each of the improvements within Phase 3, which include roadway improvements on Nottel Drive, Lotta Court, and Olivia Court. Those are the three roadway tracts that the District will be

acquiring and then will be turned over to the City for ownership and maintenance. The not-to-exceed amount is \$985,000.

B. Phase 3 Stormwater

Ms. Sandy stated the stormwater tract is Tract A, which is part of the larger stormwater piece. The District will keep this and maintain the stormwater tract. The not-to-exceed amount is \$985,000.

C. Phase 3 Utilities and Electrical

Ms. Sandy stated water, sewer, and reclaimed utilities will be turned over to the City. Electrical facilities will be turned over to OUC (Orlando Utilities Commission). The not-to-exceed amount is \$645,000.

D. Phase 3 Offsite Right-of-Way

Ms. Sandy stated offsite right-of-way is for improvements on Alligator Lake Road. The not-to-exceed amount is \$345,000. All these amounts were provided by Mr. Andres Arvelo. Dewberry is reviewing them and will finalize the numbers. We include an estimate to make sure when we are reviewing and refining the numbers, we have enough room to move forward. All the improvements are either complete or close to being complete. We are waiting on sign-offs from the City for the roadways. Offsite right-of-way is Osceola County. We would like to move forward with approval of this acquisition, subject to receipt and review of the documents required pursuant to the District's acquisition agreement with the developer. Documents include costs paid, as-builts, lien releases, and things of that nature. With infrastructure acquisitions, I will review the documents. I also produced a lot of them. I will work with the developer on getting them finalized and executed. At the point we have those finalized documents, we will requisition the money and pay those monies out. We will not do that until we have received everything and finalized the documents, the engineer has confirmed that the improvements are complete and the monies fully paid, and everything signed off by the various entities that need to sign off. We are still working on the legal descriptions, so those will need to be updated as part of the bills of sale.

Mr. Iorio stated all that information is available. It is just a matter of putting it all together.

Ms. Sandy stated we have a preliminary plat for Phase 3. It would be easiest to include the legal descriptions from a recorded plat, so we might be able to do that in the

meantime. If not, we will get some metes and bounds descriptions for the legal description.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to acquisitions of the following: Phase 3 right-of-way in an amount not to exceed \$985,000, Phase 3 stormwater in an amount not to exceed \$985,000, Phase 3 utilities and electrical in an amount not to exceed \$645,000, and Phase 3 offsite right-of-way in an amount not to exceed \$345,000, subject to receipt and review by legal counsel of the documents required by the acquisition agreement.

Ms. Sandy stated I will ask the Board to authorize the Chairman to execute any documents required to convey these improvements to the next entity, if so needed.

On MOTION by Ms. Locher, seconded by Mr. Lonas, with all in favor, unanimous approval was given to authorize the Chairman to execute any documents required to convey the above Phase 3 improvements to the next ownership entity, if needed.

NINTH ORDER OF BUSINESS

District Manager Report

A. Financial Statements *(November 2019)*

Mr. Moyer reviewed the financial statements, which are contained in the agenda package and available for public review on the website or at the District office during normal business hours.

B. Check Register

Mr. Moyer reviewed the check register contained in the agenda package and available for public review on the website or at the District office during normal business hours.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to the check register, as presented.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i. Resolution 2020-04, Internal Control Policy

Ms. Sandy read Resolution 2020-04 into the record by title.

Ms. Sandy stated these are internal control policies our firm has been working on. This past year, the Florida Legislature adopted a requirement that special districts adopt internal control policies. This refers mostly in regard to how funds are handled, how the

manager handles funds, and how they are processed in order to make sure that when we have an audit, which we are required to have annually, that there is no fraud, waste, or abuse. We have been working with district managers to put together these internal control policies. I will ask the Board to table this Resolution to the next meeting because I believe our firm has updated these since we provided it for this agenda package.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to table Resolution 2020-04, internal controls policy.
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ii. Discussion on Amended and Restated Rules of Procedure

Ms. Sandy stated the agenda package included a memorandum from our firm as well as a redline of the rules of procedure for the District. The District adopted rules of procedure in the past at the outset of the District's establishment as part of organizing the District. Our firm puts together and recommends standard rules for all our districts, which include processes and procedures on how the District operates. Periodically, we update the rules as laws or best practices change. We like to update them every four or five years. This is the result of that modification. A lot of different things have been dealt with under this update. In order to adopt rules, we have to hold a public hearing. I will ask the Board to set a public hearing probably two months from now. It will take some time to advertise, so I recommend setting the hearing for March 4, 2020, at our regular meeting time and place. That will give us time to advertise 28 and 29 days in advance.

On MOTION by Ms. Locher, seconded by Mr. Lonas, with all in favor, unanimous approval was given to set a public hearing for rulemaking for Wednesday, March 4, 2020, at 1:30 p.m. at 313 Campus Street, Celebration, Florida.

Mr. Iorio stated for the benefit of the new Supervisors, we also receive updates from Hopping Green & Sams on things that are happening in Tallahassee as far as changes and any new laws that are potentially being reviewed that will affect special districts.

Ms. Sandy stated we are based in Tallahassee, and we monitor those activities. Session starts earlier this year, so those updates will be rolling out soon.

Mr. Iorio stated the updates are very helpful because they include changes that are being proposed.

B. Engineer

There being nothing to report, the next order of business followed.

ELEVENTH ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

TWELFTH ORDER OF BUSINESS

Other Business

Mr. Rowan asked is the next meeting scheduled for February 5, 2020?

Mr. Moyer stated yes.

Mr. Rowan stated the developer had a goal, to the extent the District is willing to accommodate it, to attempt to close on the bonds prior to the end of January. If we are to stay on course, I will ask the Board to continue this meeting to January 31 to allow us the most time possible. I did not realize the next Board meeting was the following week on February 5. Perhaps the representatives of the developer can comment if they would like to continue this meeting and attempt to close on the bonds prior to January 31, or if doing so in conjunction with the February 5 Board meeting is acceptable.

Mr. Steve Orosz stated the intent would be to close as soon as possible in selling the bonds, which could be at the end or before the end of the month, before the next Board meeting.

Mr. Rowan asked would the Board object to continuing this meeting to January 31 or around that time? To the extent we can close on the bonds prior to then, we will. If for some reason our schedule slips a week, we can cancel the continued meeting.

Ms. Sandy stated I think that makes sense.

After a brief discussion, the Board chose Thursday, January 30, 2020, at 10:00 a.m. to continue this meeting.

Ms. Wilhelm asked would you intend to fund on January 31?

Mr. Rowan stated yes, that would be the goal to pre-close on January 30 and close on January 31, if that works for the Board.

THIRTEENTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

FOURTEENTH ORDER OF BUSINESS

Adjournment

- The next meeting is scheduled for January 30, 2020, at 10:00 a.m.

On MOTION by Ms. Locher, seconded by Mr. Lonas, with all in favor, the meeting was continued to Thursday, January 30, 2020, at 10:00 a.m. at 313 Campus Street, Celebration, Florida.

Gary L. Moyer, Secretary

Anthony Iorio, Chairman

Section 5

Bond-Related Matters

Subsection 5a

2020 Supplemental Engineer's Report

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Osceola Chain of Lakes Community Development District

2020 Supplemental Engineer's Report

Phases 3, 4, and 5

January 8, 2020

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EXHIBIT E	Legal Description
EXHIBIT F	Opinion of Probable Construction Costs

Osceola Chain of Lakes Community Development District

2020 Supplemental Engineer's Report Phases 3, 4, and 5

1. INTRODUCTION

1.1 Description of the Osceola Chain of Lakes Community

Osceola Chain of Lakes (also referred to as the “Development” or “Community”) is a 177.038 gross acres master planned, residential community located in Osceola County and annexed into the City of St. Cloud (“City”) as of September 13, 2018, as shown on Exhibit A. The Master Developer (“Developer”) is Hanover Lakes, LLC, based in Orlando, Florida. The Development is approved as a Low Density Residential (LDR) subdivision with 541 residential units. A land use summary is presented in Table 1.

The Osceola Chain of Lakes Community Development District (herein after called the “District” or “CDD”) encompasses the entire 177.038 gross acres of the Development. The District will construct, acquire, operate and/or maintain certain portions of the public infrastructure to support the Community. The legal description of the District boundaries can be seen in Exhibit E. The District will acquire or construct infrastructure in phases as necessary. Currently, the Development has five (5) phases for which all or a portion of certain infrastructure improvements are expected to be financed from the proceeds of District’s Capital Improvement Revenue Bonds.

Construction of the first and second phases are complete as of December 2019. The third phase is now finalizing construction, which is to be completed by the end of January 2020 with Phases 4 and 5 to be constructed thereafter. The construction of Phases 3, 4, & 5 includes the roadway infrastructure, completion of the drainage pond construction and the onsite utilities construction. A summary of the areas for Phases 3, 4, and 5 is shown in Table 2. The current development plan has been presented in Table 3, with the platted unit mix for Phases 1 and 2 and the proposed residential unit mix for the development of Phases 3, 4, and 5.

1.2 Purpose of Report

The District has adopted a master capital improvement plan in the amount of \$15,719,172, as described in the Master Engineer’s Report dated January 3, 2018 (the “Master Project”). The purpose of this report is to (i) provided the current status of development and final actual costs of the Series 2018 Project (hereinafter defined); (ii) provide a description of the portions of the Master Project that are intended to be financed in part through the issuance of the District’s proposed Series 2020 Bonds (hereinafter defined) (the “Series 2020 Project”); (iii) provide the current status of development and construction of the Series 2020 Project; and (iv) provide a summary cost estimate of the Series 2020 Project. The Series 2020 Project, as described herein, will encompass Master Project infrastructure improvements located within Phases 3, 4, and 5, as well as certain remaining Series 2018 Project infrastructure (Phases 1 and 2) not financed with the Series 2018 Bonds.

TABLE 1 Land Use Summary Master Project	AREA (AC)
Stormwater	49.53
Residential Land	87.398
Roadways	21.26
Amenity Center	1.51
Right-of-Way Dedications	5.58
Open Space/Parks	7.92
Conservation Areas	3.84
TOTAL	177.038

The Master Project, which includes the Series 2020 Project, is to be developed and delivered as a system of improvements benefitting all lands within the District. Construction of Phases 3 has commenced and is expected to be complete by the end of January 2020. Phase 4 is anticipated to be completed by the beginning of 2021. Phase 5 is anticipated to begin construction in 2020 and completed by 2022. The Series 2020 Project is anticipated to complete the District's Master Project.

1.3 Master Project and Series 2018 Project Status.

The District's 2018 Supplemental Engineer's Report dated February 14, 2018 ("2018 Engineer's Report"), identified an initial project ("Series 2018 Project") to be funded in part by the District's \$2,200,000 Capital Improvement Revenue

Bonds, Series 2018 (the "Series 2018 Bonds"). The Series 2018 Project, consisting of Master Project infrastructure in Phases 1 and 2 as described in the 2018 Engineer's Report, had an estimated cost of \$7,614,297, of which \$1,830,531 was funded with proceeds of the Series 2018 Bonds. The remaining Series 2018 Project costs were funded by the Developer. Of such Developer funded costs: (i) approximately \$3 million was recognized as a contribution of Series 2018 Project infrastructure by the District in full satisfaction of the Developer's infrastructure contribution obligation under that certain Contribution Agreement dated March 9, 2018, between the Developer and District, entered into upon the issuance of the Series 2018 Bonds; and (ii) \$910,823 will be carried over into the Series 2020 Project ("2018 Project Carryover") and acquired with a portion of the Series 2020 Bond proceeds.

TABLE 2 LAND AREAS PHASES 3, 4, and 5	AREA (AC)
PHASE 3	43.22
PHASE 4	33.95
PHASE 5	17.04
TOTAL	94.21

TABLE 3 - LOT SIZES BY PHASE			
PHASE	LOT TYPE	UNITS	AREA (AC.)
Osceola Chain of Lakes Phase 1 - Platted	Interior - 50' lots	33	4.96
	Lake - 50' lots	19	2.62
	Lake - 60' lots	41	7.52
Osceola Chain of Lakes Phase 2 - Platted	Interior - 50' lots	36	5.51
	Lake - 50' lots	18	2.57
	Lake - 60' lots	21	3.76
Osceola Chain of Lakes Phase 3 - Unplatted	Interior - 50' lots	58	7.92
	Lake - 50' lots	29	4.07
	Lake - 60' lots	54	6.58
Osceola Chain of Lakes Phase 4 - Unplatted	Interior - 50' lots	55	9.08
	Lake - 50' lots	37	5.09
	Lake - 60' lots	62	12.86
Osceola Chain of Lakes Phase 5 - Unplatted	Interior - 50' lots	27	4.21
	Lake - 50' lots	24	3.25
	Lake - 60' lots	27	5.09
TOTAL Units by Lot Type	Interior - 50' lots	209	52.92
	Lake - 50' lots	127	17.6
	Lake - 60' lots	205	35.81
Total Units Phases 1-5		541	106.3

2. DISTRICT BOUNDARY AND PROPERTIES SERVED

2.1 District Boundary

The Development 2020 Site Plan, Exhibit B, identifies the location and boundary of the property included within the District delineating Phases 3, 4, and 5. The Series 2020 Project for the District will provide for multiple-type residential land uses. The District is located on the southeast corner of Hickory Tree Road and Alligator Lake Road in the City of St. Cloud, Osceola County, with Phases 3, 4, and 5 located within the north and eastern portions of the District.

3. PROPOSED SERIES 2020 PROJECT INFRASTRUCTURE

3.1 Summary of the Series 2020 Project Infrastructure

The infrastructure for the Series 2020 Project will generally consist of the following systems:

- On-Site Public Roadway Improvements within Phases 3, 4, and 5
- Portions of Water Distribution and Sanitary Sewer Collection Systems and Reuse Water Distribution
- Portions of Off-Site Public Roadway Improvements on Alligator Lake Road
- Portions of the Master Stormwater Management System – both 2018 Project Carryover and Phases 3, 4, and 5
- Portions of the Stormwater Conveyance System
- Portions of the Electrical Service System (Underground)

This infrastructure serves as a system of improvements benefitting all lands within the District. To the extent that the boundary of the District is amended from time to time, the District will consider amendments or supplemental to this report at such time.

Table 4 shows the Series 2020 Project facilities, proposed ownership, and maintenance entities for each.

TABLE 4 PROPOSED FACILITIES	
Series 2020 Project Facilities/Systems	Proposed Ownership and Maintenance Entity
Sanitary Sewer Collection	City of St. Cloud
Water Distribution	City of St. Cloud
Reuse Water	City of St. Cloud
Master Stormwater Management System	Osceola Chain of Lakes CDD
Electrical Service System	Orlando Utilities Commission
On-Site Master Public Roadway Improvements	City of St. Cloud
Off-Site Master Public Roadway and Utility Improvements	Osceola County and City of St. Cloud

3.2 Master Stormwater Management System

The Master Stormwater Management System provides for the treatment and attenuation of stormwater runoff, which will be collected in curbs and pipes and carried through the development to the master pond. These systems all discharge to the master pond within the Development. A portion of this pond is being constructed with the Series 2020 Project – (i) 2018 Project Carryover (Phase 1 & 2) and (ii) Phase 3 of development, which will finalize the construction of the master stormwater pond. Osceola County and the South Florida Water Management District (SFWMD) regulate the design criteria for the District's stormwater management facilities. The Master Stormwater Management System will discharge through the large pond to the existing lake adjacent to the Development. The Master Stormwater Management System will adhere to the design criteria of these agencies, which requires that drainage systems be designed to attenuate a 10-year, 72-hour rainfall event to limit flows to pre-development discharge rates. This criterion is typical for similar developments with positive outfalls.

The Master Stormwater Management System will also adhere to other requirements of SFWMD and the County, which requires that all building finished floor elevations be constructed above the anticipated flood elevation for the 100-year, 72-hour storm event. The treatment of stormwater

runoff will be provided in accordance with the design guidelines for retention/detention systems as mandated by the SFWMD and the County. Stormwater runoff will be collected by curbs and stormwater conveyance surfaces with drainage inlets and an underground storm sewer pipe system conveyed to the detention area. The overall drainage system and area of the Series 2020 Project, excluding the 2018 Project carryover, is shown on the Master Stormwater Plan, Exhibit C. The Master Stormwater Management System includes the final phase of a large pond that collects runoff from the developed property. The District may finance the cost of stormwater collection and treatment systems, as well as the construction, acquisition, and/or maintenance of said detention areas. These improvements may be owned and maintained by the District.

As the District's Master Project does not include the payment of the underlying land associated with the stormwater ponds (rather the land that contains the pond is being dedicated to the District by the Developer at no cost), the District acknowledges that the Developer owns any fill dirt coming from the excavation associated with the stormwater ponds; however, such fill dirt shall be made available to the District for the grading of public lands on which District improvements are constructed. The cost to transport fill dirt to Developer projects shall be borne solely by the Developer. Table 5 shows the total acreage of the ponds for the entire development. The pond has been completed.

TABLE 5 STORMWATER MASTER SYSTEM	
DEVELOPMENT PHASE	ACREAGE (AC.)
Phase 1 & 2 – Osceola Chain of Lakes	34.16
Phase 3 – Osceola Chain of Lakes	15.37
TOTAL – Osceola Chain of Lakes CDD	49.53

*Phases 4 & 5 do not include stormwater ponds.

3.3 Master Public Roadway Systems On and Off-Site

It is anticipated that the majority of the on-site roadway improvements associated within the Development will be constructed and funded by the District and later turned over to the City for ownership and operation. The roadway improvements consist of a looped system with two (2)-lane roads and a minimum of 22-foot pavement sections with curbs. The internal roadways will be public and will be funded by the District. The roadways will serve the various land uses within the Development. Construction of the roadways will consist of an asphaltic concrete surface, sidewalks, signing and striping, and lighting.

The Series 2020 Project will include both onsite and off-site roadways in Phases 3, 4, and 5 and provide for off-site roadway improvements at the intersection of Alligator Lake Road and Olympia Drive. The intersection improvements will include turn lane expansions for the benefit of the development.

The roadways and off-site master public roadway improvements will be designed and constructed in accordance with the applicable Osceola County and Florida Department of Transportation (FDOT) standards. Please refer to Exhibits A and B for depiction of the roadway systems within and adjacent to the Development. The roadway improvements for the Series 2020 Project will include utilities that will be installed within the road right-of-way, as described in Section 3.4 and landscaping, as described in Section 3.5. The stormwater drainage facility (as described in Section 3.2) for the Series 2020 Project roadway improvements is provided for within the Master Stormwater Management System. The District may finance these onsite and off-site roadways and convey all to the City upon completion. The off-site roadway construction has commenced for the Series 2020 Project. In addition, the onsite roadway construction has been completed for Phase 3. The future two phases, Phases 4 and 5 will then commence in the next two following years.

3.4 Water Distribution, Sanitary Sewer Collection and Reuse Water Distribution Systems

The utility services are provided by the City, including reuse water, sanitary sewer service, and water distribution. The Series 2020 Project includes utilities within the right-of-way of the proposed community infrastructure and internal

streets. The major trunk lines, collection systems and transmission mains to serve the District are to be constructed or acquired by the District as part of the Series 2020 Project. The overall water distribution systems, sanitary sewer collection, and reuse water lines for the Series 2020 Project are shown on the Master Utility Plan, Exhibit D.

The potable water facilities included in the Series 2020 Project will include both transmission and distribution mains along with necessary valving, fire hydrants, and water services to individual lots and development parcels within Phases 3, 4, and 5. It is currently estimated that these water mains of various sizes will be funded by the District.

The Series 2020 Project wastewater facilities will include gravity collection sewer lines and mains. The two new lift stations will be located within the District and will service the Development, one of which is located within the Series 2020 Project. This new lift station will tie into the existing forcemain located on Hickory Tree Road. It is currently estimated that these gravity collection systems and forcemain within Phases 3, 4, and 5 will be constructed, acquired or financed as part of the Series 2020 Project.

Design of the wastewater collection system, reuse water system, and the water distribution system for potable water and fire protection was permitted and will be constructed in accordance with the criteria and guidelines of Osceola County and the Florida Department of Environmental Protection (FDEP). Utility extensions within Alligator Lake Road will also be included as part of the infrastructure improvements for the Series 2020 Project. All of these improvements are anticipated to be financed by the CDD and maintained by the City of St. Cloud Utilities. As part of the Series 2020 Project, Phase 3 utilities installation has been completed. Installation of Phases 4 and 5 utilities has not yet commenced, but is anticipated to commence in 2020 and 2021, respectively.

3.5 Landscaping, Hardscape, Irrigation and Entry Features

The Series 2020 Project will include landscaping, hardscape, irrigation, entry features and walls at the entrances and along the outside boundary of the Development that will be provided by the Developer. The irrigation system will utilize reuse water as provided by the City of St. Cloud. It is anticipated that the master reuse water mains to the various phases of development will be constructed or acquired by the CDD with District funds and subsequently turned over to the

City of St. Cloud. Landscaping for the Series 2020 Project will consist of sod, annual flowers, shrubs, ground cover, and trees for the off-site intersection improvements for Alligator Lake Road and the on-site roadways. Perimeter walls will be provided at the site entrances and boundaries. While these items were anticipated in the Master Engineer's Report to be funded, owned, and maintained by the District, they are now anticipated to be funded by the Developer; and owned and maintained by the HOA. Phase 3 irrigation and hardscape features have been completed with landscaping to be completed by January 15, 2020. Installation of Phases 4 and 5 features has not yet commenced, but are anticipated to be commenced in 2020 and 2021, respectively.

3.6 Electrical Service Systems (Underground)

Orlando Utilities Commission (OUC) will provide the underground electrical service to the Community. The service will include the primary and secondary systems to serve the various land uses. The electrical conduit may be financed by the District and owned and maintained by the OUC.

The Series 2020 Project provides underground electrical service within the Development. The service also includes underground electrical service within the Hickory Tree Road right-of-way to service the lift station as well as the primary service for Phases 3, 4, and 5. Within each phase, underground electric conduit is provided for street lighting as well as electrical service within the project area's right-of-way. The Series 2020 Project's underground electrical service construction has not yet commenced. Phase 3 has been completed. Installation of Phases 4 and 5 utilities has not yet commenced, but are anticipated to be commenced in 2020 and 2021, respectively.

4. OPINION OF PROBABLE CONSTRUCTION COSTS

Exhibit F presents a summary of the costs for Series 2020 Project infrastructure including stormwater drainage, stormwater pond, water and sewer, and reclaim, underground of electrical service, and onsite and off-site roadway improvements.

Costs in Exhibit F are derived from expected quantities of the infrastructure multiplied by unit costs typical of the industry in Central Florida. Included within these costs are

technical services consisting of planning, land surveying, engineering, environmental permitting, and soils and material testing related to such infrastructure. These services are necessary for the design, permitting and construction contract management for the Series 2020 Project infrastructure. The costs are exclusive of certain legal, administrative, financing, operations or maintenance services necessary to finance, construct, acquire and/or operate the Series 2020 Project infrastructure.

5. PERMITTING STATUS

The District is in the Osceola County and City of St. Cloud utility service area and has been approved as a LDR subdivision by Osceola County. A permit to provide overall grading and infrastructure roadways has been approved by the SFWMD and the County. Phases 1 and 2 are complete. Phase 3 construction is anticipated to be complete January 15, 2020. Phases 4 and 5 are both permitted.

The Developer has obtained approvals and permits for all phases from the City, SFWMD, Army Corps of Engineers (ACOE) and FDEP including Phases 3, 4, and 5. A Master Stormwater Permit has been approved by SFWMD for this project that addresses the stormwater and environmental items for the site.

Permits, which have been approved for mass grading and construction of Phases 1-5, in general, include the following:

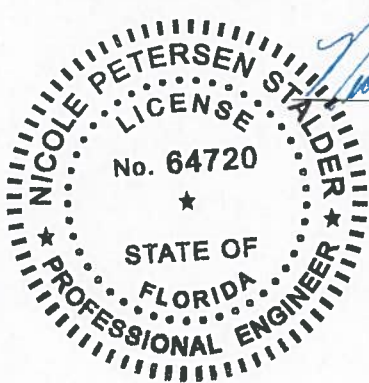
- City of St. Cloud
- Osceola County Construction Approval;
- SFWMD Environmental Resource Permit (ERP);
- FDEP Water and Wastewater Permits; and
- Environmental Protection Agency (EPA) National Pollutant Discharge Elimination System (NPDES).

The District Engineer hereby certifies that all permits necessary to complete the Series 2020 Project have either been obtained or, in her expert opinion, will be obtained and there is no reason to believe that the necessary permits cannot be obtained for the Series 2020 Project.

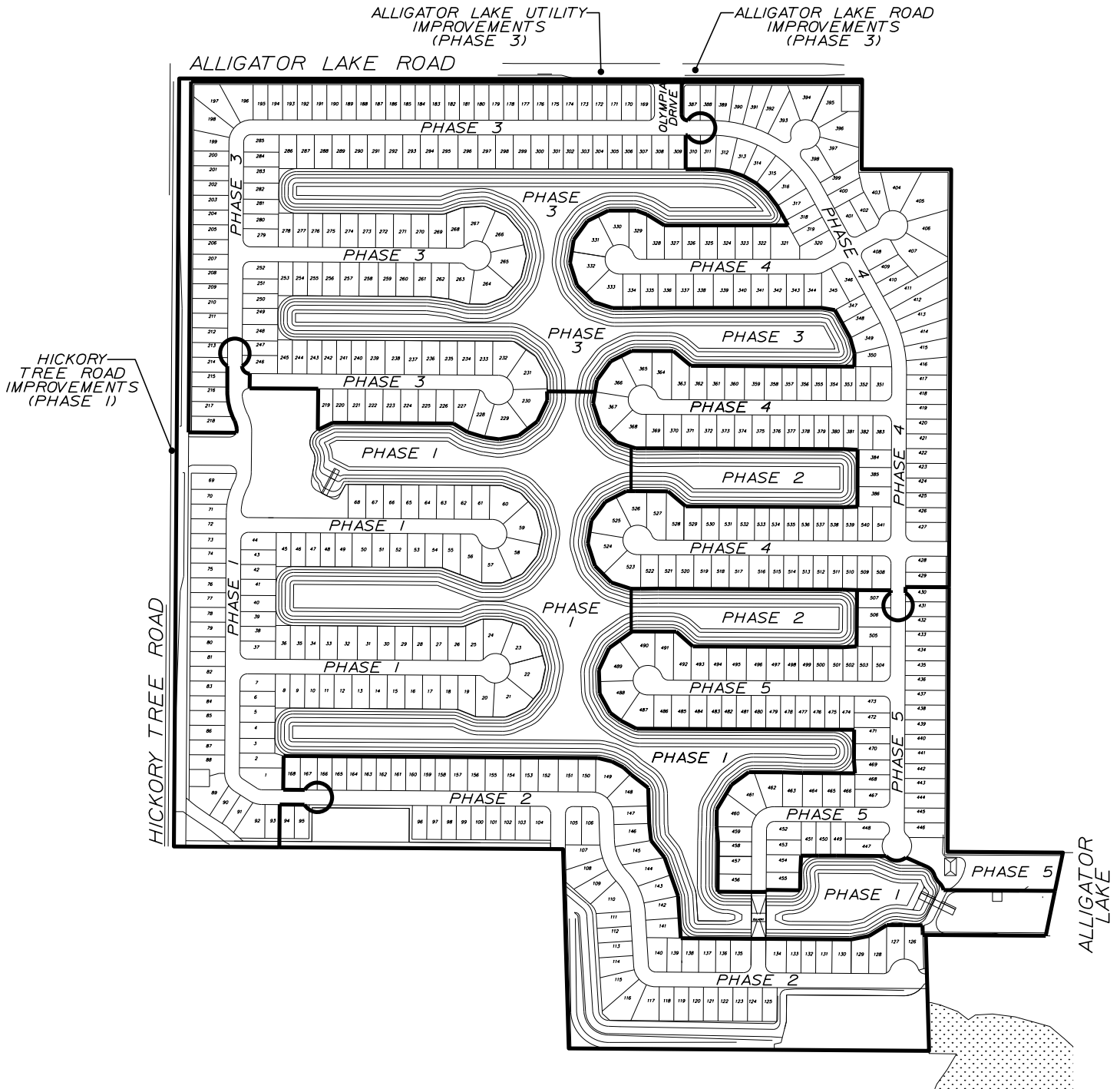
6. ENGINEER'S CERTIFICATION

It is our opinion that the costs of the Series 2020 Project improvements proposed represent a system of improvements benefitting all developable property located within the District are fair and reasonable and that the District-funded improvements are assessable improvements within the meaning of Chapter 190, F.S. We have no reason to believe that the Series 2020 Project cannot be constructed at the cost described in this report. We expect the Series 2020 Project improvements to be constructed or acquired by the District with bond proceeds, as indicated within this report. With certain improvements to be ultimately owned by other governmental entities, Phase 3 of the Series 2020 Project improvements are currently under construction and it is anticipated that Phases 4 and 5 will follow in the next two years.

I hereby certify that the foregoing is a true and correct copy of the 2020 Supplemental Engineer's Report for Osceola Chain of Lakes Community Development District.



Nicole P. Stalder, P.E.
Florida License No. 64720

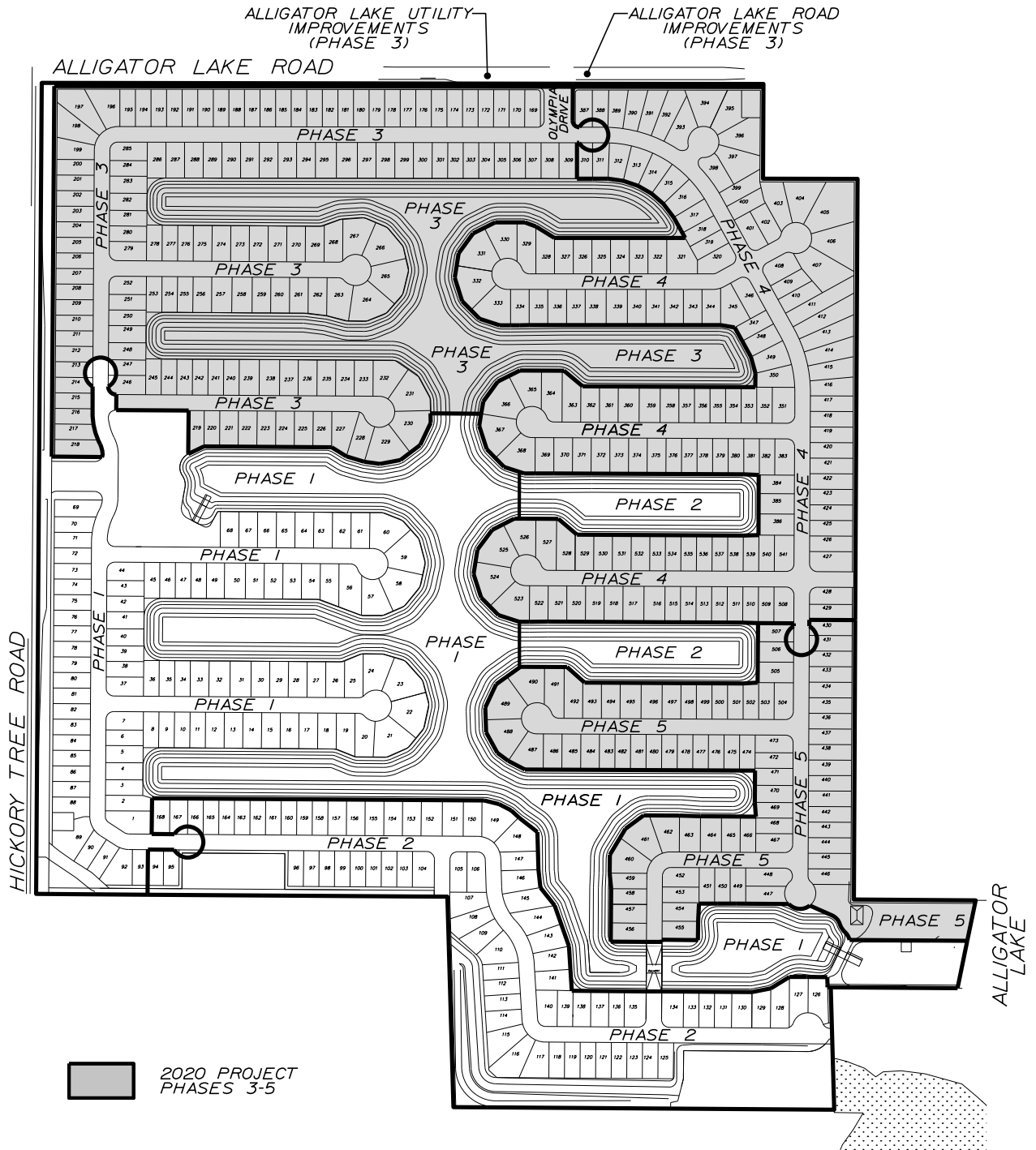


TYPE: EXHIBIT
 DATE: OCTOBER 2019
 PROJECT NO.: 50097589
 DRAWN BY: SKH
 CHECKED BY: NPS
 SCALE: 1" = 500'
 SHEET: 1 OF 1

OSCEOLA CHAIN
 OF LAKES CDD
 EXHIBIT A

MASTER
 SITE
 PLAN

CORPORATE OFFICE - 800 NORTH MAGNOLIA AVENUE - SUITE 1000 - ORLANDO, FLORIDA 32803
 407-843-5120 - ENGINEERING BUSINESS - 8794

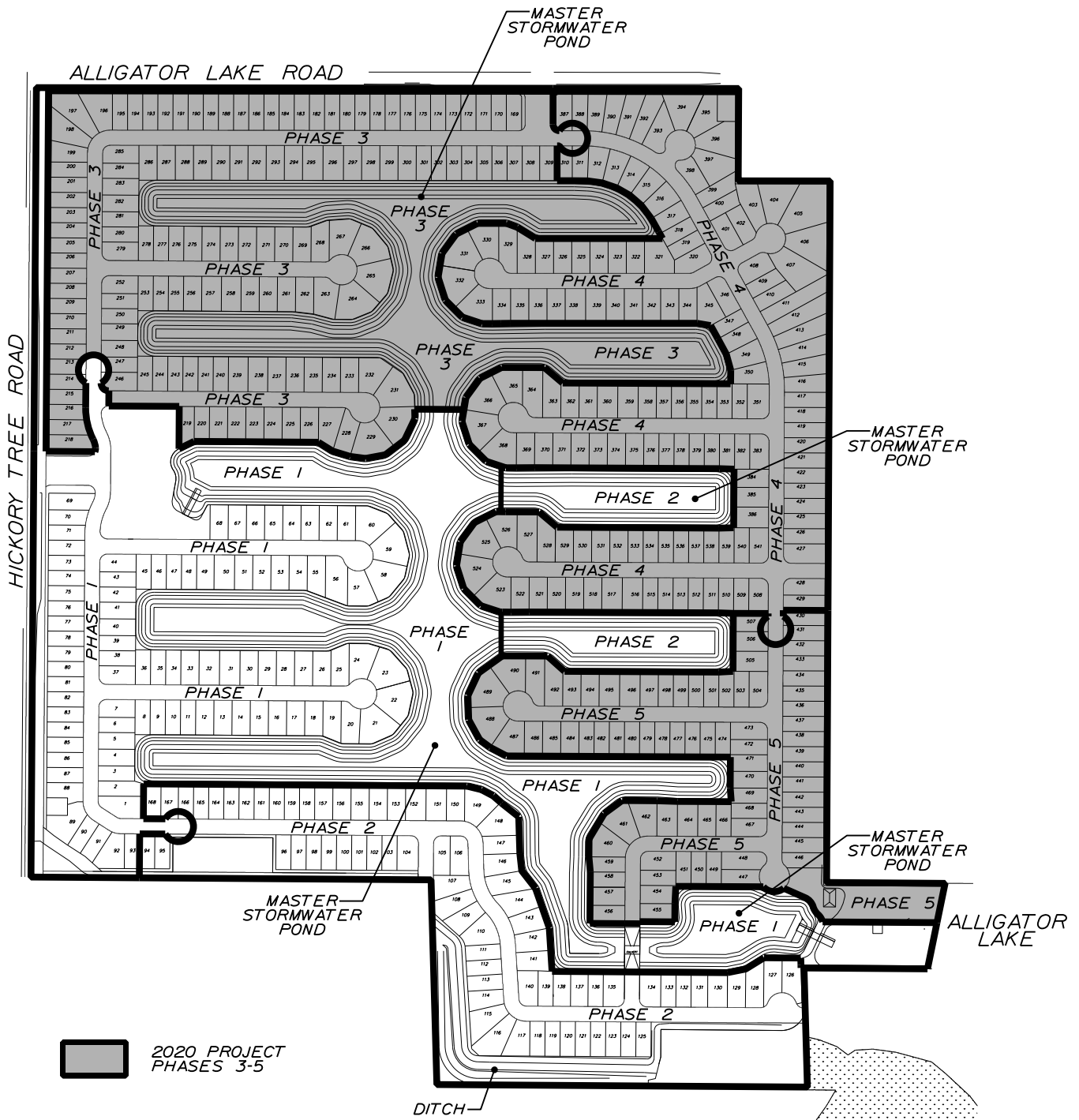


TYPE: EXHIBIT
DATE: OCTOBER 2019
PROJECT NO.: 50097589
DRAWN BY: SKH
CHECKED BY: NPS
SCALE: 1" = 500'
SHEET: 1 OF 1

OSCEOLA CHAIN
OF LAKES CDD
EXHIBIT B

2020
SITE
PLAN

CORPORATE OFFICE - 800 NORTH MAGNOLIA AVENUE - SUITE 1000 - ORLANDO, FLORIDA 32803
407-843-5120 - ENGINEERING BUSINESS - 8794



TYPE: EXHIBIT
 DATE: OCTOBER 2019
 PROJECT NO.: 50097589
 DRAWN BY: SKH
 CHECKED BY: NPS
 SCALE: 1" = 500'
 SHEET: 1 OF 1

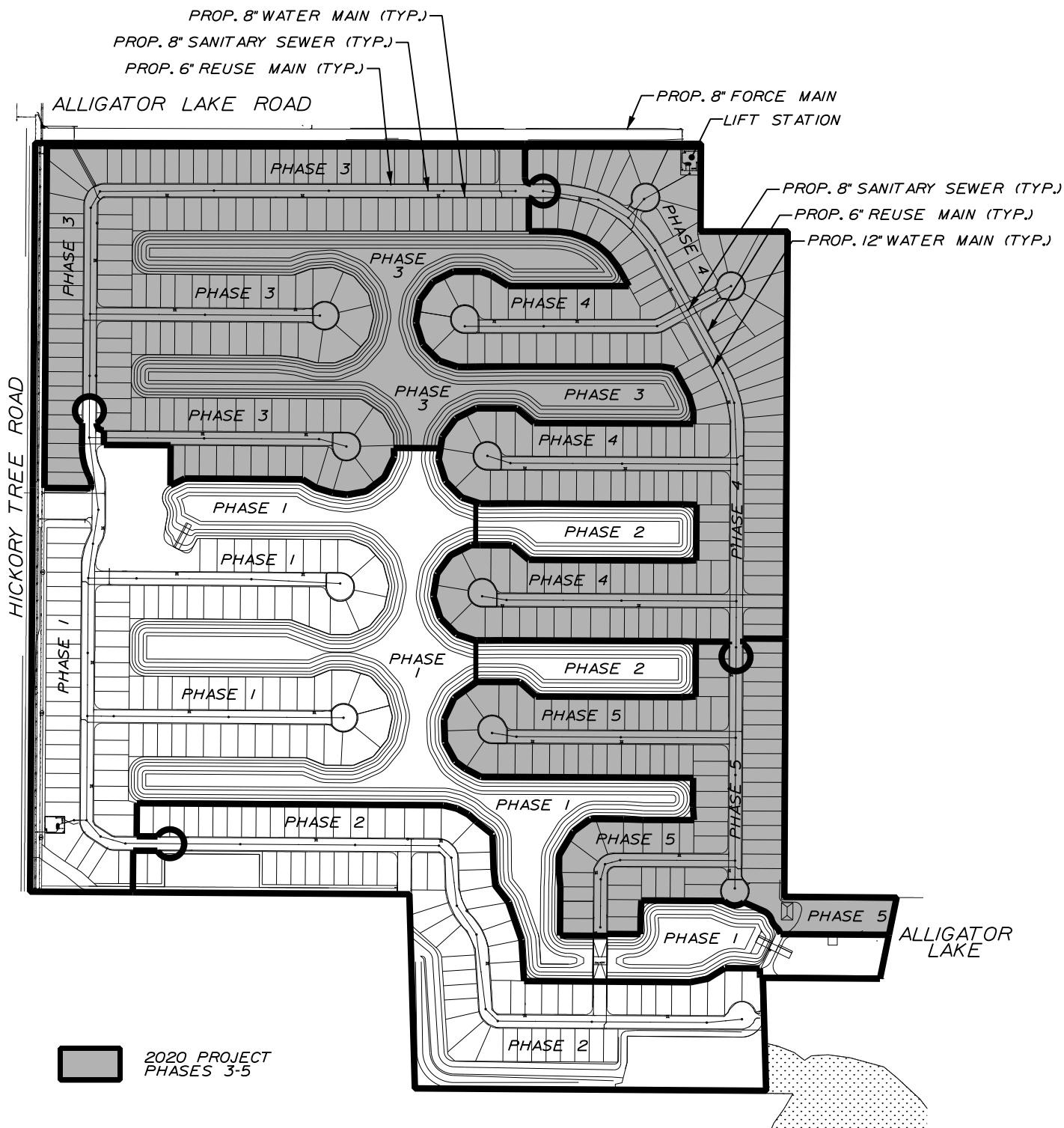
OSCEOLA CHAIN OF LAKES CDD EXHIBIT C

MASTER STORMWATER PONDS

CORPORATE OFFICE - 800 NORTH MAGNOLIA AVENUE - SUITE 1000 - ORLANDO, FLORIDA 32803
 407-843-5120 - ENGINEERING BUSINESS - 8794

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TYPE: EXHIBIT
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SCALE: 1" = 500'
SHEET: 1 OF 1

OSCEOLA CHAIN OF LAKES CDD EXHIBIT D

MASTER UTILITY SYSTEM

CORPORATE OFFICE - 800 NORTH MAGNOLIA AVENUE - SUITE 1000 - ORLANDO, FLORIDA 32803
407-843-5120 - ENGINEERING BUSINESS - 8794

LEGAL DESCRIPTION

Exhibit E

LEGAL DESCRIPTION

A TRACT OF LAND, BEING LOTS 69 THROUGH 76, LOTS 85 THROUGH 92, LOTS 103 THROUGH 106 AND LOTS 119 THROUGH 122 ALL OF THE PLAT OF SEMINOLE LAND AND INVESTMENT COMPANY'S, SUBDIVISION OF SECTION 20, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK "B", PAGE 26, LESS THE RIGHT-OF-WAY FOR ALLIGATOR LAKE ROAD AND LESS THE RIGHT-OF-WAY OF HICKORY TREE ROAD AND LESS THOSE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 4805, PAGE 1214 THROUGH 1216 ALL OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, TOGETHER WITH THOSE INTERIOR AND ADJACENT UN-NAMED ROAD RIGHT-OF-WAYS AS SHOWN ON SAID PLAT, AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 26 SOUTH, RANGE 31 EAST, AND ALL OF LOTS 6 AND 11 AND PORTION OF LOTS 4, 5, AND 12, TOGETHER WITH THOSE INTERIOR AND ADJACENT UN-NAMED ROADS OF THE PLAT OF SEMINOLE LAND AND INVESTMENT COMPANY'S SUBDIVISION OF SECTION 29, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK "B", PAGE 51, PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 20 FOR A POINT OF REFERENCE; THENCE RUN SOUTH 89°36'24" EAST, ALONG THE SOUTH LINE OF SAID SECTION 20, A DISTANCE OF 20.00 FEET TO A POINT LYING ON THE EAST RIGHT-OF-WAY OF HICKORY TREE ROAD, AND THE POINT OF BEGINNING; THENCE RUN NORTH 00°23'53" EAST, ALONG SAID EAST RIGHT-OF-WAY LINE 2605.31 FEET TO A POINT LYING ON THE SOUTH RIGHT-OF-WAY LINE OF ALLIGATOR LAKE ROAD (STATE ROAD NO. 534A); THENCE RUN SOUTH 89°55'23" EAST, ALONG SAID SOUTH RIGHT-OF-WAY LINE, 2317.43 FEET TO A POINT LYING ON THE WEST LINE OF THE ABOVE REFERENCE LANDS, AS DESCRIBED IN OFFICIAL RECORDS BOOK 4805, PAGE 1214 THROUGH 1216 OF SAID PUBLIC RECORDS; THENCE RUN SOUTH 00°17'19" WEST, ALONG SAID WEST LINE, 304.51 FEET TO A POINT LYING ON THE SOUTH LINE OF LOT 69 OF SAID PLAT OF SEMINOLE LAND AND INVESTMENT COMPANY'S; THENCE RUN SOUTH 89°53'00" EAST, ALONG THE SOUTH LINE OF SAID LOT 69 A DISTANCE OF 303.50 FEET TO A POINT LYING ON THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 20; THENCE RUN SOUTH 00°17'19" WEST, ALONG SAID EAST LINE, 2315.07 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 29; THENCE RUN SOUTH 89°36'24" EAST, ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 29, A DISTANCE OF 390.92 FEET TO A POINT LYING ON THE APPROXIMATE LOCATION OF THE NORMAL HIGH WATER LINE OF ALLIGATOR LAKE, SAID POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE RUN SOUTHWESTERLY ALONG THE WATERS OF ALLIGATOR LAKE 290 FEET MORE OR LESS TO A POINT LYING SOUTH 11°35'05" WEST, 288.19 FEET FROM THE AFORESAID POINT "A"; SAID POINT LYING 65.00 NORTH OF, BY PERPENDICULAR MEASURE THE SOUTH LINE OF AFORESAID LOT 4 OF SAID PLAT OF THE SEMINOLE LAND AND INVESTMENT COMPANY'S SECTION 29; THENCE RUN NORTH 89°36'24" WEST, PARALLEL TO SAID SOUTH LINE OF LOT 4, A DISTANCE OF 407.52 FEET TO A POINT LYING 65.00 FEET WEST OF, BY PERPENDICULAR MEASURE THE EAST LINE OF THE AFORESAID LOT 5, OF SAID PLAT OF THE SEMINOLE LAND AND INVESTMENT COMPANY'S SECTION 29, THENCE RUN SOUTH 01°38'08" EAST, PARALLEL TO SAID WEST LINE OF LOT 5, A DISTANCE OF 392.96 FEET TO A POINT LYING ON THE SOUTH LINE OF THE ABOVE REFERENCED LOT 12 OF SAID PLAT OF THE SEMINOLE LAND AND INVESTMENT COMPANY'S SECTION 29, THENCE RUN NORTH 89°36'24" WEST, ALONG THE SOUTH LINE OF SAID LOT 12 AND THE SOUTH LINE OF THE AFORESAID LOT 11, A DISTANCE OF 1222.88 FEET TO THE SOUTHWEST CORNER OF SAID LOT 11; THENCE RUN NORTH 01°38'08" WEST, ALONG THE WEST LINE OF SAID LOT 11, AND THE WEST LINE OF THE AFORESAID LOT 6 AND THE NORTHERLY EXTENSION THEREOF, A DISTANCE OF 675.85 FEET TO A POINT LYING ON THE NORTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 29; THENCE RUN NORTH 89°36'24" WEST, ALONG THE NORTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 29, A DISTANCE OF 1320.45 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND LIES IN OSCEOLA COUNTY, FLORIDA AND CONTAINS 177.038 ACRES MORE OR LESS.

REVISIONS:

REVISED SKETCH AND LEGAL DESCRIPTION (3-7-2017) (J.L.M.)

(THIS IS NOT A SURVEY)

SEE SHEET 2 OF 3 FOR SURVEYOR'S NOTES.

SEE SHEET 3 OF 3 FOR SKETCH OF DESCRIPTION.



DAVID A. WHITE, P.S.M.

FLORIDA REGISTRATION NO. 4044

PEC - SURVEYING AND MAPPING, LLC.

CERTIFICATE OF AUTHORIZATION L.B. #7808

DATE OF SIGNATURE: 03-7-2017

SHEET 1 OF 3

PEC

SURVEYING AND MAPPING, LLC

CERTIFICATE OF AUTHORIZATION NUMBER LB 7808

2100 Alafaya Trail, Suite 203 • Oviedo, Florida 32765 • 407-542-4967

WWW.PECONLINE.COM

SECTIONS 20 & 29, TOWNSHIP 26 SOUTH, RANGE 31 EAST

DATE: MARCH 25, 2016

PREP BY: J.L.M.

DRAWN BY: J.L.M.

JOB #: 15-042

O: 15-042 Alligator Estates Brown and Yates 15-042-BRY-SKETCH.dwg Mar 07, 2017 - 10:38am

LEGAL DESCRIPTION

SURVEYOR'S NOTES:

- (1) THIS LEGAL DESCRIPTION IS NOT VALID UNLESS IT BEARS THE SIGNATURE AND ORIGINAL RAISED SEAL OF THE FLORIDA LICENSED SURVEYOR AND MAPPER IDENTIFIED BELOW.
- (2) NO ABSTRACT FOR RIGHTS-OF-WAY, EASEMENTS, OWNERSHIP OR OTHER INSTRUMENTS OF RECORD HAVE BEEN PROVIDED TO THIS FIRM.
- (3) BEARINGS SHOWN HEREON ARE ASSUMED RELATIVE TO THE EAST LINE OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 26 SOUTH, RANGE 31 EAST. BEING SOUTH 00°17'19" WEST.
- (4) THE "LEGAL DESCRIPTION" HEREON HAS BEEN PREPARED BY THE SURVEYOR AT THE CLIENT'S REQUEST.
- (5) THIS SKETCH DOES NOT REPRESENT A FIELD SURVEY, AS SUCH.
- (6) THE DELINEATION OF LANDS SHOWN HEREON IS AS PER THE CLIENT'S INSTRUCTIONS.

(THIS IS NOT A SURVEY)

SEE SHEET 1 OF 3 FOR LEGAL DESCRIPTION.

SEE SHEET 3 OF 3 FOR SKETCH OF DESCRIPTION.

SHEET 2 OF 3

PEC

SURVEYING AND MAPPING, LLC

CERTIFICATE OF AUTHORIZATION NUMBER LB 7808

2100 Alafaya Trail, Suite 203 • Oviedo, Florida 32765 • 407-542-4967

WWW.PECONLINE.COM

SECTIONS 20 & 29, TOWNSHIP 26 SOUTH, RANGE 31 EAST

DATE: MARCH 25, 2016

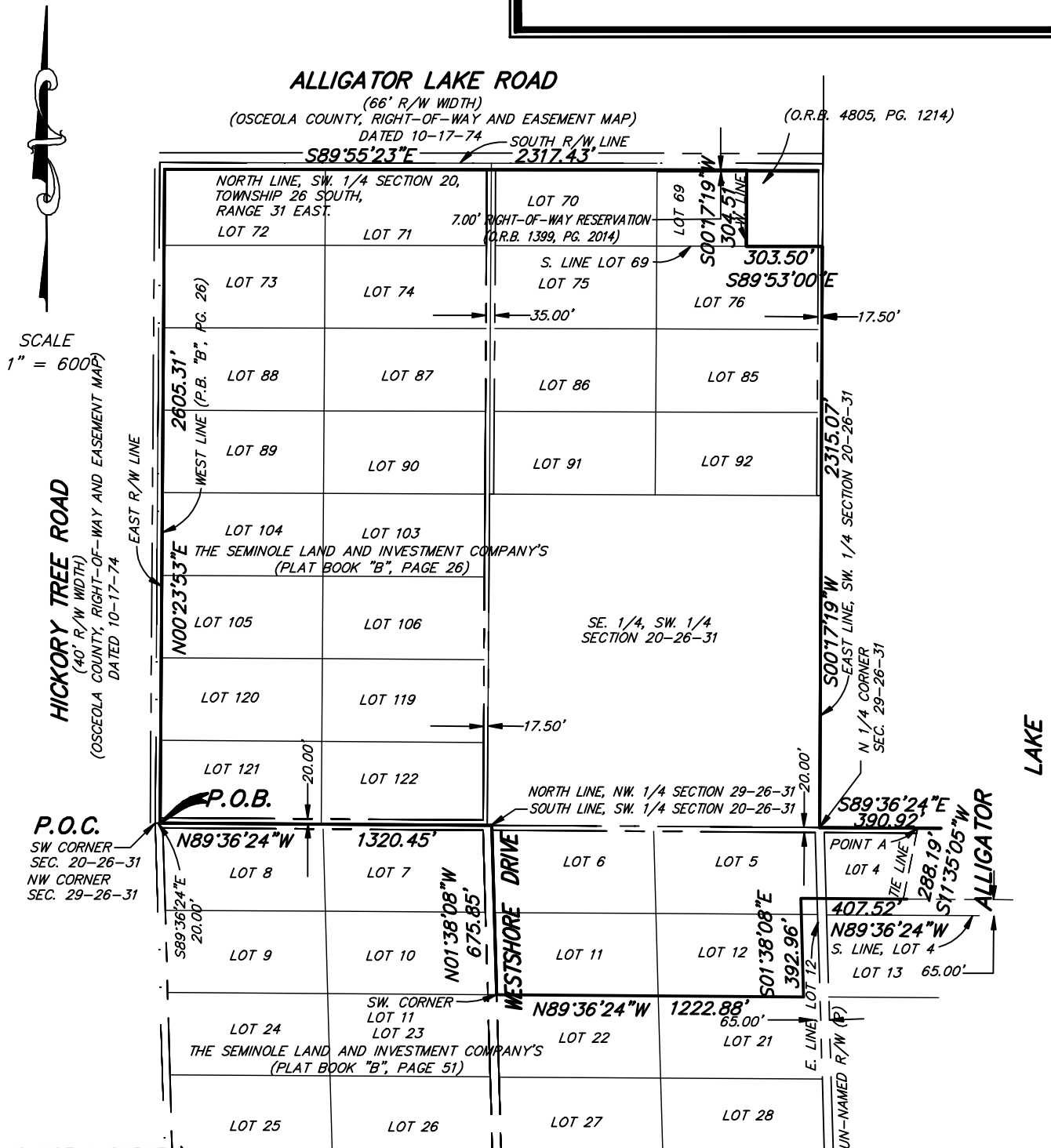
PREP BY: J.L.M.

DRAWN BY: J.L.M.

JOB #: 15-042

O: 15-042 Alligator Estates Brown and Yates 15-042-BRY-SKETCH.dwg Mar 07, 2017 - 10:38am

LEGAL DESCRIPTION



SHEET 3 OF 3

PEC

SURVEYING AND MAPPING, LLC

CERTIFICATE OF AUTHORIZATION NUMBER LB 7808

2100 Alafaya Trail, Suite 203 • Oviedo, Florida 32765 • 407-542-4967

WWW.PECONLINE.COM

SECTIONS 20 & 29, TOWNSHIP 26 SOUTH, RANGE 31 EAST

DATE: MARCH 25, 2016

PREP BY: J.L.M.

DRAWN BY: J.L.M.

JOB #: 15-042

O:\15-042 Alligator Estates Brown and Yates\15-042-BRY-SKETCH.dwg Mar 07, 2017 - 10:39am

Exhibit F
2019 Project Phases 3, 4 & 5
Opinion of Probable Construction Costs

<u>Proposed Improvements</u>	<u>Cost</u>
1. Master Utilities System	
a. Sanitary Sewer System (on and off-site)	\$1,416,412
b. Water Distribution System	\$780,855
c. Reuse Water System	\$510,557
2. Master Stormwater Management System	
a. Pond and Roadway Earthwork	\$681,576
b. On and Offsite Storm Conveyance System	\$610,594
c. 2018 Project Carryover	\$910,823
3. Electrical Service Systems (Underground)	\$303,885
4. On-Site Roadway Improvements	\$1,556,811
5. Off-Site Roadway	\$311,162
6. Landscaping, Hardscaping and Irrigation	\$409,420
6. Professional Consulting Fees	\$467,801
7. Contingency (15%)	\$1,193,985
TOTAL	\$9,153,882

Subsection 5b

2020 Supplemental Assessment Report



Moyer Management Group, Inc.

Community Development District Management Consulting

SECOND SUPPLEMENTAL ASSESSMENT REPORT FOR OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT

Capital Improvement Revenue Bonds, Series 2020

January 30, 2020

Prepared for:

**Board of Supervisors
Osceola Chain of Lakes
Community Development District**

Prepared by:

**Moyer Management Group, Inc.
313 Campus Street
Celebration, FL 34747
321-939-4301**

www.Moyer-Group.com

**SECOND SUPPLEMENTAL ASSESSMENT REPORT FOR
OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT
(Capital Improvement Revenue Bonds, Series 2020)**

January 30, 2020

1.0 Introduction

1.1 Purpose

The Osceola Chain of Lakes Community Development District (“District”) is situated in Osceola County and includes 177.038 gross acres within its boundaries. This Second Supplemental Assessment Report (“Supplemental Report”) provides a methodology for allocating the assessments securing the repayment of the District’s Capital Improvement Revenue Bonds, Series 2020 (“Series 2020 Bonds”), which follows the methodology more fully described in the Master Assessment Report dated January 3, 2018 (the “Master Report”), relating to the District’s CIP (hereinafter defined) and the allocation of the maximum special assessment lien. The District desires to issue the Series 2020 Bonds to provide assessable improvements to certain properties located within the District, which includes 177.038 gross acres within its boundaries. The Series 2020 Bonds will be secured by the assessments levied on certain property in the District identified in the Series 2020 Assessment Roll attached hereto as Exhibit A (the property identified therein is referred to herein as the “2020 Assessment Area”).

Following a publicly noticed hearing on January 3, 2018, the District approved the Master Report, which specifies the allocation methodology to be used for the District’s debt assessments. This Supplemental Report will follow the methodology described in the Master Report for purposes of allocating the assessments securing the District’s Series 2020 Bonds.

This Supplemental Report is designed to conform to the requirements of Chapters 170 and 190, Florida Statutes, with respect to special assessments and is consistent with our understanding of the case law on this subject. Refer to the Master Report, for an explanation of the items that a valid assessment must contain and other details related to the methodology described therein. All capitalized terms not defined herein shall retain the meaning ascribed in the Master Report.

1.2 Background

The District is planned to include two housing types constructed in five (5) phases.

The Board of Supervisors (“Board”) for the District adopted a master capital improvement plan on January 3, 2018 (the “CIP”), as described in the Master Engineer’s Report (the “Master Engineer’s Report”). The District’s overall CIP is to be developed and delivered as a system of improvements benefitting all lands within the five phases throughout the District. This Report addresses the allocation of the costs of a portion of the District’s CIP, as more fully described in the Supplemental Engineer’s Report (hereinafter defined) (the “Series 2020 Project”) to developable properties located within the 2020 Assessment Area that receive a special benefit from the District’s Series 2020 Project.

The District previously issued its \$2,200,000 Capital Improvement Revenue Bonds, Series 2018 (“Series 2018 Bonds”), which financed a portion of the Series 2018 Project (as defined in the First Supplemental Assessment Report dated March 7, 2018). The Series 2018 Bonds are secured by the pledged revenues from the Series 2018 Assessments, which have been fully allocated to the platted units in Phases 1 and 2 in the District. This Supplemental Report will detail the financing terms of the District’s Series 2020 Bonds, which will be secured by Series 2020 Assessments anticipated to be absorbed by Phases 3, 4, and 5.

2.0 Series 2020 Project and Series 2020 Bonds

2.1 Series 2020 Project

The Series 2020 Project is a portion of the District’s CIP necessary to support further development of lands within the District, as more fully described in the 2020 Supplemental Engineer’s Report dated November 6, 2019 (the “Supplemental Engineer’s Report”). Per the Master Engineer’s Report, the District Engineer estimates the total cost of the CIP at \$15,719,172. Per the Supplemental Engineer’s Report, the District Engineer estimates the cost of the Series 2020 Project at \$9,153,881.92, a portion of which will be funded by the Series 2020 Bonds. The portion of the Series 2020 Project not funded with proceeds of the Series 2020 Bonds is anticipated to be funded by Hanover Lakes, LLC (the “Developer”) or other available sources. The Series 2020 Project is anticipated to complete the District’s CIP.

TABLE 1. Series 2020 Project

PROPOSED IMPROVEMENTS	COST
1. Master Utilities System	
a. Sanitary Sewer	\$ 1,416,412.00
b. Water Distribution System	\$ 780,855.05
c. Reuse Water System	\$ 510,557.10
2. Master Stormwater Management System	
a. Pond and Roadway Earthwork	\$ 681,576.35
b. Onsite and Offsite Storm Conveyance System	\$ 610,594.45
c. Series 2018 Project Carryover	\$ 910,823.00
3. Electrical Service Systems (Underground)	\$ 303,885.11
4. Onsite Roadway Improvements	\$ 1,556,811.15
5. Offsite Roadway and Utility Improvements	\$ 311,161.90
6. Landscaping, Hardscaping, and Irrigation	\$ 409,419.92
7. Professional Consulting and Legal Fees	\$ 467,801.29
8. Contingency (15%)	<u>\$ 1,193,984.60</u>
TOTAL	\$ 9,153,881.92

2.2 Series 2020 Bond Sizing and Series 2020 Assessments

In order to provide for the Series 2020 Project funding described in Section 2.1 above, the District will issue the Series 2020 Bonds in the aggregate principal amount of \$5,980,000, which will fund a portion of the Series 2020 Project. Table 2 below presents the general financing terms of the Series 2020 Bonds. The Series 2020 Bonds will be structured as amortizing current-interest bonds, with repayment occurring in substantially equal annual installments of principal and interest. Interest payment dates shall occur every May 1 and November 1 after the date of issuance until final maturity on May 1, 2050. Interest will be capitalized through November 1, 2020, with the first installment of principal due on May 1, 2021. The annual principal payment will be due each May 1 thereafter until final maturity. Aggregate maximum annual debt service (MADS) will be \$342,993.75.

The Series 2020 Bonds will be secured by the pledged revenues from Series 2020 Assessments. The Series 2020 Assessments will initially be levied in a principal amount of \$5,980,000, and shall be structured in the same manner as the Series 2020 Bonds, so that revenues from the Series 2020 Assessments are sufficient to fulfill the debt service requirements for the Series 2020 Bonds.

It is expected that the Series 2020 Assessment installments assigned to platted units within the District will be collected via the Osceola County property tax collector (the “Uniform Method”). Accordingly, the Series 2020 Assessments may need to be adjusted to allow for current collection costs and the possibility that landowners will avail themselves of early payment discounts. Currently, the aggregate rate for costs and discounts is 6.0%, but this may fluctuate as provided by law. The collection costs may be increased if the fees charged by the property appraiser and tax collector increase as permitted by Florida law.

TABLE 2. Details of the Series 2020 Bonds

SOURCES		
Par Amount of Series 2020 Bonds		\$ 5,980,000.00
Premium		<u>56,328.75</u>
TOTAL SOURCES		<u>\$ 6,036,328.75</u>
USES OF FUNDS		
Project Fund Deposits:		
Project Fund		\$ 5,404,161.42
Other Fund Deposits:		
Reserve Fund at MADS (50%)	\$ 171,496.88	
Capitalized Interest to November 1, 2020	<u>174,070.45</u>	
		\$ 345,567.33
Delivery Date Expenses:		
Cost of Issuance	\$ 167,000.00	
Underwriter’s Discount	<u>119,600.00</u>	
		<u>\$ 286,600.00</u>
TOTAL USES OF FUNDS		<u>\$ 6,036,328.75</u>
Dated Date	January 31, 2020	
Duration	30 years	
True Interest Cost	4.034753%	
Average Coupon	3.960486%	
Capitalized Interest (end)	November 1, 2020	

3.0 Assessment Methodology

3.1 Master Report Methodology

The District's Master Report contains specific special benefit findings relative to the Maximum Annual Assessments Per Unit, as described in Table 5 of the Master Report, and the District's CIP. As stated therein, the CIP Cost Per Unit and Maximum Annual Assessments Per Unit were allocated pursuant to an ERU-based methodology on a first-platted, first-assigned basis. Table 3 shows the allocation of the complete CIP to each ERU and the resulting debt allocation for the number of planned units within District.

Per Section 2.2 above, the Series 2020 Bonds will fund just a portion the District's Series 2020 Project, which is expected to be constructed in a manner generally proportionate to the construction of improvements for the overall CIP. Accordingly, it is expected that the improvements funded by the Series 2020 Bonds will confer benefit on the District's developable parcels in a manner generally proportionate to and consistent with the allocation of benefit found in the Master Report, with each lot sharing equally in the benefits/costs bestowed by such improvements based on the number of ERUs for each housing type. Therefore, it is proper to impose the Series 2020 Assessments on the parcels specified in the District's Series 2020 Assessment Roll, attached hereto as Exhibit A.

TABLE 3. Master Allocation of the CIP Per Unit and Debt Allocation

Housing Type	ERU Factor	Units	Total ERUs	CIP Per Unit Type	CIP Per Unit	Total Par Debt	Par Debt Per Unit
50-ft interior	1.0	209	209	\$ 5,644,857.30	\$ 27,008.89	\$ 7,517,895.20	\$ 35,970.79
50-ft lakeside	1.0	127	127	\$ 3,430,128.60	\$ 27,008.89	\$ 4,568,290.38	\$ 35,970.79
60-ft lakeside	1.2	205	246	\$ 6,644,186.10	\$ 32,410.66	\$ 8,848,814.43	\$ 43,164.95
Total		541	582	\$ 15,719,172.00		\$ 20,935,000.00	

3.2 Series 2020 Assessment Allocation

The Series 2020 Assessments levels for platted units are reflected in Table 4, which have been determined based on two levels of targeted annual assessment installments provided by the Developer in order to achieve a certain market-level end user assessment. The first level of targeted Series 2020 Assessments ("Level 1") shall be allocated to a maximum of 131 units (comprised of

the product mix identified in Table 5), which allocation shall be made by the District at the time of platting (or otherwise provided herein) based on direction received by the Developer. At this time, it is anticipated the Level 1 Series 2020 Assessments will be allocated to certain planned units within Phases 3 and 4, as further identified in Exhibit B. The second level of targeted Series 2020 Assessments (“Level 2”) will be allocated to the remaining 242 units within the 2020 Assessment Area. In order to reduce the Series 2020 Assessments to each target level under the methodology, the platted units assigned Series 2020 Assessments are allocated the total CIP Per Unit shown in Table 3 (the “Total CIP Per Unit”), in accordance with the methodology in the Master Report. The District shall recognize contributions of CIP infrastructure from the Developer (the “2020 Contribution”) in an amount equal to the difference between the Total CIP Per Unit and the CIP Per Unit amount funded based upon the targeted Series 2020 Assessment level allocated to each unit (the “2020 Assessment Funded CIP Per Unit”), as reflected in Table 4.

TABLE 4. Series 2020 Assessments

<u>Housing Type</u>	<u>Number of Units</u>	<u>Target Gross Annual Series 2020 Assessment Per Unit¹</u>	<u>Target Net Annual Series 2020 Assessment Per Unit²</u>	<u>Estimated Series 2020 Assessment Principal Per Unit</u>	<u>2020 Assessment-Funded CIP Per Unit</u>	<u>Developer-Funded CIP Per Unit³</u>
Level 1 Units						
50' interior	57	\$720.00	\$676.80	\$11,799.82	\$10,663.57	\$16,345.32
50' lake	23	\$720.00	\$676.80	\$11,799.82	\$10,663.57	\$16,345.32
60' lake	<u>51</u>	\$1,080.00	\$1,015.20	\$17,699.73	\$15,995.35	\$16,415.32
Subtotal	<u>131</u>					
Level 2 Units						
50' interior	83	\$809.59	\$761.01	\$13,268.08	\$11,990.44	\$15,018.45
50' lake	67	\$1,163.59	\$1,093.77	\$19,069.65	\$17,233.36	\$9,775.53
60' lake	92	\$1,163.59	\$1,093.77	\$19,069.65	\$17,233.36	\$15,177.30
Subtotal	<u>242</u>					
TOTAL	<u>373</u>					

Notes: ¹ Maximum annual debt service in the aggregate is \$342,993.75 (net).

² Includes 4% discount for early payment of real estate tax bills, and 2% for collection costs (total of 6%). The collection costs may be increased if the fees charged by the property appraiser and tax collector increase as permitted by Florida law.

³ Amount calculated by determining the difference between the CIP Per Unit identified in Table 3 and the 2020 Assessment-Funded CIP Per Unit identified in this Table 4.

The per-unit portion of the CIP funded by the 2020 Contribution (the “Developer-Funded CIP Per Unit”) is reflected in Table 5. Based on the number of units anticipated to absorb the Series 2020 Bond principal, it is estimated the Developer will contribute a total of \$5,442,610.26 in CIP infrastructure, as reflected in Table 5.

TABLE 5. Developer’s 2020 Contribution Calculation

<u>Housing Type</u>	<u>Anticipated Series 2020 Assessment Unit Allocation</u>	<u>Developer-Funded CIP Per Unit</u>	<u>Anticipated Developer- Funded CIP Total</u>
Level 1 Units			
50' interior	57	\$16,345.32	\$931,683.28
50' lake	23	\$16,345.32	\$375,942.38
60' lake	<u>51</u>	\$16,415.32	<u>\$837,181.07</u>
	131		<u>\$2,144,806.74</u>
Level 2 Units			
50' interior	83	\$15,018.45	\$1,246,531.13
50' lake	67	\$9,775.53	\$654,960.34
60' lake	<u>92</u>	\$15,177.30	<u>\$1,396,312.04</u>
	242		<u>\$3,297,803.52</u>
TOTALS	<u>373</u>		<u>\$5,442,610.26</u>

If the Series 2020 Assessments are fully absorbed by platted residential lots prior to eight (8) years following the issuance of the Series 2020 Bonds, the District shall recalculate the 2020 Contribution amount owed by the Developer pursuant to the methodology provided herein based on the actual number of residential lots that fully absorb the Series 2020 Assessments. Further details regarding such calculation and the 2020 Contribution shall be governed by the Contribution Agreement and Completion Agreement entered into in connection with the issuance of the Series 2020 Bonds.

3.3 Assignment of Series 2020 Assessments

The assignment of Series 2020 Assessments to platted units will be done on a first-platted, first-assigned basis, consistent with the assessment methodology found in the Master Report and as further described below.

The lands in the 2020 Assessment Area currently consist of unplatted, undeveloped land. The Series 2020 Assessments will be initially levied on the parcels in the 2020 Assessment Area on an equal-assessment-per-gross-acre basis. At the time parcels in the 2020 Assessment Area are platted, individual Series 2020 Assessments will be assigned to the platted units at the per-unit amounts described in Table 4, thereby reducing the Series 2020 Assessments encumbering the remaining unplatted lands in the 2020 Assessment Area by a corresponding amount. Any unassigned amount of Series 2020 Assessments encumbering the remaining unplatted lands in the 2020 Assessment Area will continue to be calculated and levied on an equal assessment per gross acre basis. The Series 2020 Assessments will continue to be allocated until enough units have been platted to fully secure the entire principal of the Series 2020 Bonds.

In the event an unplatted parcel in the 2020 Assessment Area is sold to a third party not affiliated with the Developer, the Series 2020 Assessments will be assigned to that unplatted parcel based on the maximum total number of unit entitlements assigned to or sold with such unplatted parcel. The new owner of that unplatted parcel will be responsible for the total assessments applicable to the unplatted parcel, regardless of the total number of units ultimately actually platted. These total assessments are fixed to the unplatted parcel at the time of the sale. If the unplatted parcel is subsequently subdivided into smaller parcels, the total Series 2020 Assessments initially allocated to the unplatted parcel will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e., equal assessment per gross acre until platting).

As of the date of this Supplemental Report, the 2020 Assessment Area includes 94.21 acres of unplatted, undeveloped land. The \$5,980,000.00 in unallocated Series 2020 Assessment principal shall be divided among the 94.21 acres of undeveloped lands in the 2020 Assessment Area, for an assessment level of \$63,475.21 per gross acre, as reflected in Table 7. The Series 2020 Assessments on the lands in the 2020 Assessment Area are reflected in the Series 2020 Assessment Roll, attached hereto as Exhibit A.

In the event that developable lands that derive benefit from the Series 2020 Project are added to the District boundaries, whether by boundary amendment or increase in density, the Series 2020 Assessments may be allocated to such lands, pursuant to the methodology described herein.

Based on the number of planned units, Table 6 illustrates those units anticipated to absorb the Series 2020 Assessments.

TABLE 6. Units Anticipated to Absorb Series 2020 Assessments

<u>Housing Type</u>	<u>Phase 3 Units¹</u>	<u>Phase 4 Units¹</u>	<u>Phase 5 Units¹</u>	<u>Total Units</u>
50' interior	58	55	27	140
50' lake	29	37	24	90
60' lake	<u>54</u>	<u>62</u>	<u>27</u>	<u>143</u>
	141	154	78	373

Notes: ¹ All units in Phases 3, 4, and 5 are anticipated to absorb the Series 2020 Assessments.

4.0 True-Up Payment of Series 2020 Assessments

The District's Series 2020 Assessment program is predicated on the development of a minimum of lots in the manner described in Table 6. However, if a change in development results in a net decrease in the overall principal amount of assessments able to be assigned to the 2020 Assessment Area, then a true-up, or principal reduction payment, will be required to cure the deficiency. As shown in Table 7, the initial debt assessment ceiling level for Series 2020 Bond principal per gross unplatted acre is \$63,475.21.

TABLE 7. Series 2020 Bonds Principal Ceiling for Unplatted Gross Acreage

Category	Remaining Unplatted Gross Acres	Total Unallocated Bond Principal	Total Bonds Principal Allocation per Gross Acre
Unplatted Gross Acreage	94.21	\$5,980,000.00	\$63,475.21

At regular intervals, i.e., when platted acreage represents 25%, 50%, 75%, and 100% of the acres within the entire 2020 Assessment Area (each such date being a "True-Up Date"), the District shall determine if the Series 2020 Bond debt per acre remaining on the unplatted land is greater than the Series 2020 Bond debt per acre of such land at the time of imposition of the initial assessment, and if it is, a True-Up Payment in the amount of such excess shall become due and payable by Developer in that tax year in accordance with the District's Supplemental Report, in addition to the regular assessment installment payable for lands owned by the Developer. The District will

ensure collection of such amounts in a timely manner in order to meet its debt service obligations, and in all cases, Developer agrees that such payments shall be made in order to ensure the District's timely payments of the debt service obligations on the Series 2020 Bonds. The District shall record all True-Up Payments in its Improvement Lien Book. For further detail on the true-up process, please refer to the True-Up Agreement.

Similarly, if a reconfiguration of lands would result in the collection of substantial excess assessment revenue in the aggregate, then the District shall undertake a pro rata reduction of assessments for all assessed properties.

5.0 Series 2020 Assessment Roll

The Series 2020 Assessments levied on the lands in the 2020 Assessment Area are reflected in the Series 2020 Assessment Roll, attached hereto as Exhibit A.

Exhibit A
OSCEOLA CHAIN OF LAKES CDD
Assessment Roll for Series 2020 Bonds

Parcel ID	Owner	Mailing Address	City	State	Zip Code	Land Use Code Description	Location Address	Total Acreage	Maximum Principal	Max Annual Net Assessment *
20-26-31-3443-0001-00N0	Hanover Lakes, LLC	605 Commonwealth Avenue	Orlando	FL	32803	No Ag Acreage Vacant	Wauseon Drive	94.21	\$ 5,980,000.00	\$ 342,993.75
Totals								94.21	\$ 5,980,000.00	\$ 342,993.75

* Amount excludes gross-up for discount for early payment of real estate tax bills and collection costs.

EXHIBIT B

Units Anticipated to Absorb Level 1 Series 2020 Assessments

Phase 3		
<u>Housing Type</u>	<u>Number of Units</u>	<u>Lot Numbers (as referenced on Hanover Lakes, Phase 3 Preliminary Plat)</u>
50' interior	37	169 - 179, 199 - 218, 253, 278 - 280, 284, 285
50' lake	16	245, 255, 276, 277, 281 - 283, 301 - 309
60' lake	<u>31</u>	256 - 275, 290 - 300
Subtotal	84	

Phase 4		
<u>Housing Type</u>	<u>Number of Units</u>	<u>Lot Numbers (as referenced on the Phase 4 Site Plan)</u>
50' interior	20	317 - 320, 387 - 402
50' lake	7	310 - 316
60' lake	<u>20</u>	321 - 340
Subtotal	<u>47</u>	
TOTAL	131	

Subsection 5c

Resolution 2020-06

RESOLUTION 2020-06

A RESOLUTION MAKING CERTAIN FINDINGS; APPROVING THE ENGINEER'S REPORT AND SUPPLEMENTAL ASSESSMENT REPORT; SETTING FORTH THE TERMS OF THE SERIES 2020 BONDS; CONFIRMING THE MAXIMUM ASSESSMENT LIEN SECURING THE SERIES 2020 BONDS; LEVYING AND ALLOCATING ASSESSMENTS SECURING SERIES 2020 BONDS; ADDRESSING COLLECTION OF THE SAME; PROVIDING FOR THE APPLICATION OF TRUE-UP PAYMENTS; PROVIDING FOR A SUPPLEMENT TO THE IMPROVEMENT LIEN BOOK; PROVIDING FOR THE RECORDING OF A NOTICE OF SPECIAL ASSESSMENTS; AND PROVIDING FOR CONFLICTS, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, the Osceola Chain of Lakes Community Development District ("**District**") has previously indicated its intention to undertake, install, establish, construct, or acquire certain public infrastructure improvements and to finance such public infrastructure improvements through the imposition of special assessments on benefitted property within the District and the issuance of bonds; and

WHEREAS, the District's Board of Supervisors ("**Board**") has previously adopted, after notice and public hearing, Resolution 2018-33, relating to the imposition, levy, collection, and enforcement of such special assessments; and

WHEREAS, pursuant to and consistent with the terms of Resolution 2018-33, this Resolution shall set forth the terms of bonds to be actually issued by the District and apply the adopted special assessment methodology to the actual scope of the project to be completed with such series of bonds and the terms of the bond issue; and

WHEREAS, on January 24, 2020, the District entered into a Bond Purchase Agreement whereby it agreed to sell its \$5,980,000 Osceola Chain of Lakes Community Development District (Osceola County, Florida) Capital Improvement Revenue Bonds, Series 2020 (the "**Series 2020 Bonds**"); and

WHEREAS, pursuant to and consistent with Resolution 2018-33, the District desires to set forth the particular terms of the sale of the Series 2020 Bonds and confirm the levy of special assessments securing the Series 2020 Bonds (the "**Series 2020 Assessments**").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Florida law, including without limitation Chapters 170, 190, and 197, *Florida Statutes*, and Resolution 2018-33.

SECTION 2. MAKING CERTAIN FINDINGS; APPROVING THE ENGINEER'S REPORT AND SUPPLEMENTAL ASSESSMENT REPORT. The Board of Supervisors of the Osceola Chain of Lakes Community Development District hereby finds and determines as follows:

(a) On January 3, 2018, the District, after due notice and public hearing, adopted Resolution 2018-33, which, among other things, equalized, approved, confirmed, and levied special assessments on property benefitting from the infrastructure improvements authorized by the District. That Resolution provided that as each series of bonds were issued to fund all or any portion of the District's infrastructure improvements a supplemental resolution would be adopted to set forth the specific terms of the bonds and to certify the amount of the lien of the special assessments securing any portion of the bonds, including interest, costs of issuance, the number of payments due, the true-up amounts, and the application of receipt of true-up proceeds.

(b) The *Master Engineer's Report* dated January 3, 2018, as supplemented by the *2020 Supplemental Engineer's Report* dated January 8, 2020, both prepared by the District Engineer, Dewberry Engineers Inc., and attached to this Resolution as **Exhibit A** (collectively, the "**Engineer's Report**"), identifies and describes the presently expected components of the infrastructure improvements to be financed in whole or in part with the Series 2020 Bonds (the "**Series 2020 Project**"), and sets forth the costs of the Series 2020 Project as \$9,153,882. The District hereby confirms that the Series 2020 Project serves a proper, essential, and valid public purpose. The use of the Engineer's Report in connection with the sale of the Series 2020 Bonds is hereby ratified.

(c) The *Second Supplemental Assessment Report*, dated January 30, 2020, attached to this Resolution as **Exhibit B** (the "**Supplemental Assessment Report**"), applies the adopted *Master Assessment Report*, dated January 3, 2018, and approved by Resolution 2018-33 on January 3, 2018 (the "**Master Assessment Report**"), to the Series 2020 Project and the actual terms of the Series 2020 Bonds. The Supplemental Assessment Report is hereby approved, adopted, and confirmed. The District ratifies its use in connection with the sale of the Series 2020 Bonds.

(d) The Series 2020 Project will specially benefit all of the developable acreage in the District, as set forth in the Supplemental Assessment Report. It is reasonable, proper, just, and right to assess the portion of the costs of the Series 2020 Project financed with the Series 2020 Bonds to the specially benefitted properties within the District as set forth in Resolution 2018-33 and this Resolution.

SECTION 3. SETTING FORTH THE TERMS OF THE SERIES 2020 BONDS; CONFIRMING THE MAXIMUM ASSESSMENT LIEN SECURING THE SERIES 2020 BONDS. As provided in Resolution 2018-33, this Resolution is intended to set forth the terms of the Series 2020 Bonds and the final amount of the lien of the Series 2020 Assessments securing those bonds. The Series 2020 Bonds, in an aggregate par amount of \$5,980,000, shall bear such rates of interest and mature on such dates as shown on **Exhibit C** attached hereto. The sources and uses of funds of the Series 2020 Bonds shall be as set forth in **Exhibit D**. The debt service due on the Series 2020 Bonds is set forth on **Exhibit E** attached hereto. The lien of the Series

2020 Assessments securing the Series 2020 Bonds on all developable land within the District, as such land is described in **Exhibit B**, shall be the principal amount due on the Series 2020 Bonds, together with accrued but unpaid interest thereon, and together with the amount by which the annual assessments shall be grossed up to include early payment discounts required by law and costs of collection.

SECTION 4. LEVYING AND ALLOCATING THE SERIES 2020 ASSESSMENTS SECURING THE SERIES 2020 BONDS; ADDRESSING COLLECTION OF THE SAME.

(a) The Series 2020 Assessments securing the Series 2020 Bonds shall be levied and allocated in accordance with **Exhibit B**. The Supplemental Assessment Report is consistent with the District's Master Assessment Report. The Supplemental Assessment Report, considered herein, reflects the actual terms of the issuance of the Series 2020 Bonds. The estimated costs of collection of the Series 2020 Assessments for the Series 2020 Bonds are as set forth in the Supplemental Assessment Report.

(b) The lien of the Series 2020 Assessments securing the Series 2020 Bonds includes certain unplatted developable acreage within the District (as the District's boundaries may be adjusted pursuant to law), as further provided in the Series 2020 Assessment Roll included in the Supplemental Assessment Report, and as such land is ultimately defined and set forth in site plans or other designations of developable acreage. To the extent that land is added to the District and made subject to the master assessment lien described in the Master Assessment Report, the District may, by supplemental resolution at a regularly noticed meeting and without the need for a public hearing on reallocation, determine such land to be benefitted by the Series 2020 Project and reallocate the Series 2020 Assessments securing the Series 2020 Bonds in order to impose Series 2020 Assessments on the newly added and benefitted property.

(c) Taking into account capitalized interest and earnings on certain funds and accounts as set forth in the Master Trust Indenture, dated March 1, 2018, and Second Supplemental Trust Indenture, dated January 1, 2020, the District shall for Fiscal Year 2020/2021, begin annual collection of Series 2020 Assessments for the Series 2020 Bonds debt service payments using the methods available to it by law. The Series 2020 Bonds include an amount for capitalized interest through November 1, 2020. Beginning with the first debt service payment on May 1, 2021, there shall be thirty (30) years of installments of principal and interest, as reflected on **Exhibit E**.

(d) The District hereby certifies the Series 2020 Assessments for collection and directs staff to take all actions necessary to meet the time and other deadlines imposed for collection by Osceola County and other Florida law. The District's Board each year shall adopt a resolution addressing the manner in which the Series 2020 Assessments shall be collected for the upcoming fiscal year. The decision to collect Series 2020 Assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect Series 2020 Assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

SECTION 5. CALCULATION AND APPLICATION OF TRUE-UP PAYMENTS.

The terms of Resolution 2018-33 addressing True-Up Payments, as defined therein, shall continue to apply in full force and effect.

SECTION 6. IMPROVEMENT LIEN BOOK. Immediately following the adoption of this Resolution, the Series 2020 Assessments as reflected herein shall be recorded by the Secretary of the Board of the District in the District's Improvement Lien Book. The Series 2020 Assessments against each respective parcel shall be and shall remain a legal, valid and binding first lien on such parcels until paid and such lien shall be coequal with the lien of all state, county, district, municipal, or other governmental taxes and superior in dignity to all other liens, titles, and claims.

SECTION 7. ASSESSMENT NOTICE. The District's Secretary is hereby directed to record a Notice of Series 2020 Assessments securing the Series 2020 Bonds in the Official Records of Osceola County, Florida, or such other instrument evidencing the actions taken by the District.

SECTION 8. CONFLICTS. This Resolution is intended to supplement Resolution 2018-33, which remains in full force and effect. This Resolution and Resolution 2018-33 shall be construed to the maximum extent possible to give full force and effect to the provisions of each resolution. All District resolutions or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed.

SECTION 9. SEVERABILITY. If any section or part of a section of this Resolution be declared invalid or unconstitutional, the validity, force, and effect of any other section or part of a section of this Resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a section of this Resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

SECTION 10. EFFECTIVE DATE. This Resolution shall become effective upon its adoption.

APPROVED and ADOPTED, this 30th day of January, 2020.

ATTEST:

**OSCEOLA CHAIN OF LAKES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

Exhibit A: Engineer's Report
Exhibit B: Second Supplemental Assessment Report, dated January 30, 2020
Exhibit C: Maturities and Coupon of Series 2020 Bonds
Exhibit D: Sources and Uses of Funds for Series 2020 Bonds
Exhibit E: Annual Debt Service Payment Due on Series 2020 Bonds

EXHIBIT A

Engineer's Report

EXHIBIT B

Second Supplemental Assessment Report, dated January 30, 2020

EXHIBIT C

Maturities and Coupon of Series 2020 Bonds

Principal Amount: \$5,980,000

Term Bond 2025

Principal Amount: \$595,000

Interest Rate: 3.250%

Maturity: May 1, 2025

CUSIP: 688017 AE2

Price: 101.885

Yield: 2.860%

Term Bond 2030

Principal Amount: \$700,000

Interest Rate: 3.500%

Maturity: May 1, 2030

CUSIP: 688017 AF9

Price: 102.161

Yield: 3.250%

Term Bond 2040

Principal Amount: \$1,880,000

Interest Rate: 4.000%

Maturity: May 1, 2040

CUSIP: 688017 AG7

Price: 101.595

Yield: 3.810%

Term Bond 2050

Principal Amount: \$2,805,000

Interest Rate: 4.000%

Maturity: May 1, 2050

CUSIP: 688017 AH5

Price: 100.000

Yield: 4.000%

EXHIBIT D

Sources and Uses of Funds for Series 2020 Bonds

SOURCES AND USES OF FUNDS

Osceola Chain of Lakes Community Development District
Capital Improvement Revenue Bonds, Series 2020
(Osceola County, Florida)
FINAL NUMBERS

Sources:

Bond Proceeds:

Par Amount	5,980,000.00
Premium	56,328.75

6,036,328.75

Uses:

Project Fund Deposits:

Project Fund	5,404,161.42
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Other Fund Deposits:

Debt Service Reserve Fund @ 50% of MADS	171,496.88
Capitalized Interest Fund	174,070.45
	<hr/> 345,567.33

Delivery Date Expenses:

Cost of Issuance	167,000.00
Underwriter's Discount	119,600.00
	<hr/> 286,600.00

6,036,328.75

EXHIBIT E

Annual Debt Service Payment Due on Series 2020 Bonds

BOND DEBT SERVICE

Osceola Chain of Lakes Community Development District
Capital Improvement Revenue Bonds, Series 2020
(Osceola County, Florida)
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2020			58,451.70	58,451.70	
11/01/2020			115,618.75	115,618.75	174,070.45
05/01/2021	110,000	3.250%	115,618.75	225,618.75	
11/01/2021			113,831.25	113,831.25	339,450.00
05/01/2022	115,000	3.250%	113,831.25	228,831.25	
11/01/2022			111,962.50	111,962.50	340,793.75
05/01/2023	120,000	3.250%	111,962.50	231,962.50	
11/01/2023			110,012.50	110,012.50	341,975.00
05/01/2024	125,000	3.250%	110,012.50	235,012.50	
11/01/2024			107,981.25	107,981.25	342,993.75
05/01/2025	125,000	3.250%	107,981.25	232,981.25	
11/01/2025			105,950.00	105,950.00	338,931.25
05/01/2026	130,000	3.500%	105,950.00	235,950.00	
11/01/2026			103,675.00	103,675.00	339,625.00
05/01/2027	135,000	3.500%	103,675.00	238,675.00	
11/01/2027			101,312.50	101,312.50	339,987.50
05/01/2028	140,000	3.500%	101,312.50	241,312.50	
11/01/2028			98,862.50	98,862.50	340,175.00
05/01/2029	145,000	3.500%	98,862.50	243,862.50	
11/01/2029			96,325.00	96,325.00	340,187.50
05/01/2030	150,000	3.500%	96,325.00	246,325.00	
11/01/2030			93,700.00	93,700.00	340,025.00
05/01/2031	155,000	4.000%	93,700.00	248,700.00	
11/01/2031			90,600.00	90,600.00	339,300.00
05/01/2032	160,000	4.000%	90,600.00	250,600.00	
11/01/2032			87,400.00	87,400.00	338,000.00
05/01/2033	170,000	4.000%	87,400.00	257,400.00	
11/01/2033			84,000.00	84,000.00	341,400.00
05/01/2034	175,000	4.000%	84,000.00	259,000.00	
11/01/2034			80,500.00	80,500.00	339,500.00
05/01/2035	185,000	4.000%	80,500.00	265,500.00	
11/01/2035			76,800.00	76,800.00	342,300.00
05/01/2036	190,000	4.000%	76,800.00	266,800.00	
11/01/2036			73,000.00	73,000.00	339,800.00
05/01/2037	200,000	4.000%	73,000.00	273,000.00	
11/01/2037			69,000.00	69,000.00	342,000.00
05/01/2038	205,000	4.000%	69,000.00	274,000.00	
11/01/2038			64,900.00	64,900.00	338,900.00
05/01/2039	215,000	4.000%	64,900.00	279,900.00	
11/01/2039			60,600.00	60,600.00	340,500.00
05/01/2040	225,000	4.000%	60,600.00	285,600.00	
11/01/2040			56,100.00	56,100.00	341,700.00
05/01/2041	235,000	4.000%	56,100.00	291,100.00	
11/01/2041			51,400.00	51,400.00	342,500.00
05/01/2042	240,000	4.000%	51,400.00	291,400.00	
11/01/2042			46,600.00	46,600.00	338,000.00
05/01/2043	250,000	4.000%	46,600.00	296,600.00	
11/01/2043			41,600.00	41,600.00	338,200.00
05/01/2044	260,000	4.000%	41,600.00	301,600.00	
11/01/2044			36,400.00	36,400.00	338,000.00
05/01/2045	275,000	4.000%	36,400.00	311,400.00	
11/01/2045			30,900.00	30,900.00	342,300.00
05/01/2046	285,000	4.000%	30,900.00	315,900.00	

BOND DEBT SERVICE

Osceola Chain of Lakes Community Development District
 Capital Improvement Revenue Bonds, Series 2020
 (Osceola County, Florida)
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2046			25,200.00	25,200.00	341,100.00
05/01/2047	295,000	4.000%	25,200.00	320,200.00	
11/01/2047			19,300.00	19,300.00	339,500.00
05/01/2048	310,000	4.000%	19,300.00	329,300.00	
11/01/2048			13,100.00	13,100.00	342,400.00
05/01/2049	320,000	4.000%	13,100.00	333,100.00	
11/01/2049			6,700.00	6,700.00	339,800.00
05/01/2050	335,000	4.000%	6,700.00	341,700.00	
11/01/2050					341,700.00
	5,980,000		4,405,114.20	10,385,114.20	10,385,114.20

Subsection 5d

Acquisition Agreement

**AGREEMENT BY AND BETWEEN THE OSCEOLA CHAIN OF LAKES
COMMUNITY DEVELOPMENT DISTRICT AND HANOVER LAKES, LLC
REGARDING THE ACQUISITION OF CERTAIN WORK PRODUCT,
INFRASTRUCTURE AND REAL PROPERTY
(PHASES 3, 4 AND 5)**

THIS AGREEMENT (“Agreement”) is made and entered into this 6th day of November, 2019, by and between:

Osceola Chain of Lakes Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located entirely within Osceola County, Florida (the “**District**”); and

Hanover Lakes, LLC, a Florida limited liability company, the primary owner of lands within the boundaries of the District, whose address is 605 Commonwealth Avenue, Orlando, Florida 32803 (the “**Landowner**,” together with the District, the “**Parties**”).

RECITALS

WHEREAS, the District was established by Ordinance 2017-78, as amended, adopted by the Board of County Commissioners in and for Osceola County, Florida, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure, including roadways, stormwater management systems, potable and reclaimed water and sewer systems and other infrastructure; and

WHEREAS, the Landowner is the owner of certain lands in Osceola County, Florida, located within the boundaries of the District (the “**Development**”); and

WHEREAS, the District presently intends to finance the planning, design, acquisition, construction, and/or installation of certain infrastructure improvements, facilities, and services as detailed in the *2020 Supplemental Engineer’s Report* as finalized upon the issuance of the Series 2020 Bonds (the “**Supplemental Engineer’s Report**”), attached to this Agreement as **Exhibit A** (“**District Improvements**”), which Supplemental Engineer’s Report supplements the *Master Engineer’s Report* dated January 3, 2018 (the “**Master Engineer’s Report**” and together with the Supplemental Engineer’s Report, the “**Engineer’s Report**”), and the anticipated costs of the District Improvements described in the Supplemental Engineer’s Report are identified in Exhibit F of the Supplemental Engineer’s Report (the “**Series 2020 Project Costs**”); and

WHEREAS, the District does not have sufficient monies on hand to allow the District to contract directly for the preparation of the necessary surveys, reports, drawings, plans, permits, specifications, and related third-party development documents which would allow the timely commencement and completion of construction of the infrastructure improvements, facilities, and services within the Development (the “**Work Product**”); and

WHEREAS, the District will not have sufficient monies to proceed with either the preparation of the Work Product or the commencement of construction of the District Improvements described in **Exhibit A** until such time as the District has closed on the sale of its proposed Osceola Chain of Lakes Community Development District (Osceola County, Florida) Capital Improvement Revenue Bonds, Series 2020 (the “**Series 2020 Bonds**”), the proceeds of which will be utilized as payment for the Work Product and the District Improvements contemplated by this Agreement; and

WHEREAS, in order to avoid a delay in the commencement of the construction of the District Improvements, which delay would also delay the Landowner from implementing its planned development program, the Landowner will advance, fund, commence, and complete and/or cause third parties to commence and complete certain work to enable the District to expeditiously provide the infrastructure; and

WHEREAS, as of each Acquisition Date (as hereinafter defined), Landowner desires to convey, or assign as applicable, to the extent permitted, and the District desires to acquire, or take assignment of as applicable, the Work Product, the District Improvements, and the real property sufficient to allow the District to own, operate, maintain, construct, or install the District Improvements described in **Exhibit A**, if any such conveyances are appropriate (the “**Real Property**”), upon the terms and conditions contained herein; and

WHEREAS, the District and the Landowner are entering into this Agreement to ensure the timely provision of the District Improvements and completion of the Development.

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 as a material part of this Agreement.

2. ACQUISITION DATE. The Parties agree to cooperate and use good faith and best efforts to undertake and complete the acquisition process contemplated by this Agreement on such date as the Parties may jointly agree upon (“**Acquisition Date**”). The Parties agree that separate or multiple Acquisition Dates may be established for any portion of the acquisitions contemplated by this Agreement.

3. ACQUISITION OF WORK PRODUCT. Subject to any applicable legal requirements (e.g., but not limited to, those laws governing the use of proceeds from tax exempt bonds), the availability of proceeds from the Series 2020 Bonds, and the requirements of this Agreement, the District agrees to pay the actual reasonable cost incurred by the Landowner in preparation of the Work Product in accordance with the provisions of this Agreement. The Landowner shall provide copies of any and all invoices, bills, receipts, or other evidence of costs incurred by the Landowner for the Work Product acquired with proceeds from the Series 2020 Bonds. The District Engineer shall review all evidence of cost and shall certify to the District’s Board of Supervisors (“**Board**”) the total actual amount of cost, which in the District Engineer’s sole

opinion, is reasonable for the Work Product. The District Engineer's opinion as to cost shall be set forth in an Engineer's Certificate which shall accompany the requisition for the funds from the District's trustee for the Series 2020 Bonds ("**Trustee**"). In the event that the Landowner disputes the District Engineer's opinion as to cost, the District and the Landowner agree to use good faith efforts to resolve such dispute. If the Parties are unable to resolve any such dispute, the Parties agree to jointly select a third party engineer whose decision as to any such dispute shall be binding upon the Parties. Such a decision by a third-party engineer shall be set forth in an Engineer's Affidavit which shall accompany the requisition for Series 2020 Bonds funds from the Trustee. The foregoing engineering review and certification process shall hereinafter be referred to as the "Review Process." The Parties acknowledge that the Work Product is being acquired for use by the District in connection with the construction of the District Improvements.

- A. The Landowner agrees to convey to the District any and all of its right, title and interest in the Work Product (except as otherwise provided for in this Agreement) upon payment of the sums determined to be reasonable by the District Engineer, or a third party engineer selected pursuant to this Section, or prior to payment of such as provided for herein, and approved by the Board pursuant to and as set forth in this Agreement.
- B. Except as otherwise provided for in this Agreement, the Landowner agrees to release, or assign as applicable, to the District all transferrable right, title, and interest which the Landowner may have in and to the above described Work Product, as well as all common law, statutory, and other reserved rights of Landowner in and to the Work Product, including any and all copyrights in the Work Product and extensions and renewals thereof under United States law and throughout the world, and all publication rights and all subsidiary rights and other rights in and to the Work Product in all forms, mediums, and media, now known or hereinafter devised if owned by Landowner. To the extent determined necessary by the District, the Landowner shall use good faith efforts to obtain all releases from any professional providing services in connection with the Work Product acquired with the proceeds of the Series 2020 Bonds to enable the District to use and rely upon the Work Product. Such releases may include, but are not limited to, any architectural, engineering, or other professional services.
- C. Notwithstanding anything to the contrary contained herein: (i) Landowner's conveyance or assignment of the Work Product is made without representation or warranty whatsoever, and Landowner shall not be held liable for the Work Product or any defect therein and (ii) Landowner reserves a license to use the Work Product as set forth below, including reliance upon and enforcement thereof. The District agrees to seek recovery for any loss with respect to the Work Product from any person or entity who created the Work Product or who has provided an applicable warranty that has been assigned to the District pursuant to Section 3.D. of this Agreement.

- D. The Landowner agrees to provide or cause to be provided to the District, either by assignment or directly from such third parties as may be necessary and desirable to the mutual satisfaction of the Parties hereto, any transferable warranty for the person or entity who created the Work Product which is in favor of Landowner that the Work Product is fit for the purposes to which it will be put by the District, as contemplated by the Engineer's Report.
- E. The District hereby grants to Landowner, and Landowner hereby reserves, access to and the right to use the Work Product, without the payment of any fee by the Landowner. However, to the extent the Landowner's access to and use of the Work Product causes the District to incur any de minimus cost, such as copying costs, the Landowner agrees to pay such cost or expense.

4. ACQUISITION OF DISTRICT IMPROVEMENTS. Subject to any applicable legal requirements (e.g., but not limited to, those laws governing the use of proceeds from tax exempt bonds), the availability of proceeds from the Series 2020 Bonds, and the requirements of this Agreement, the District agrees to acquire completed District Improvements. When a portion of the District Improvements are completed and ready for conveyance by the Landowner to the District, the Landowner shall notify the District in writing, describing the nature of the improvement, its general location, and its estimated cost. Landowner agrees to provide, at or prior to each Acquisition Date, the following: (i) documentation of actual costs paid, (ii) instruments of conveyance such as special warranty bills of sale or such other instruments necessary to convey such portion of the District Improvements as may be reasonably requested by the District in accordance (but not in conflict) with this Agreement, and (iii) any other reasonable releases or documentation as may be reasonably requested by the District or Landowner in accordance (but not in conflict) with this Agreement. Any real property interests necessary for the functioning of the District Improvements to be acquired under this paragraph shall be reviewed and conveyed in accordance with the provisions of Section 5. The District Engineer in consultation with Counsel shall determine in writing whether or not the infrastructure to be conveyed is a part of the District Improvements contemplated by the Engineer's Report, and if so, shall provide Landowner with a list of items necessary to complete the acquisition. Each such acquisition shall also be subject to the Review Process described in Section 3 above. The District's Manager (the "**District Manager**") shall determine, in writing, whether the District has, based on the Landowner's estimate of cost, sufficient unencumbered funds to acquire the improvement.

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

- B. The District Engineer shall certify as to the actual cost of any District Improvement. Subject to any applicable legal requirements (e.g., but not limited to, those laws governing the use of proceeds from tax exempt bonds), the availability of proceeds from the Series 2020 Bonds, and the requirements of this Agreement, the District shall pay no more than the actual cost incurred, as determined by the District Engineer.
- C. The Landowner agrees to cooperate fully in the transfer of any permits to the District or any governmental entity with maintenance obligations for any District Improvements conveyed pursuant to this Agreement.

5. CONVEYANCE OF REAL PROPERTY.

- A. Conveyance. The Landowner agrees that it will convey, or cause to be conveyed, to the District, at or prior to each Acquisition Date as reasonably determined by the District and Landowner, by a special warranty deed (or, if less than a fee estate, by easement or other instrument) reasonably acceptable to the Board together with a metes and bounds or other description, the lands (or less interest therein) upon which the District Improvements are constructed or which are necessary for the operation and maintenance of, and access to the District Improvements. The parties agree that all Real Property shall be provided to the District at no cost unless the costs for the Real Property are expressly included as part of the Series 2020 Project Costs. The District may determine in its reasonable discretion that fee title is not necessary and in such cases shall accept such other interest in the lands upon which the District Improvements are constructed as the District deems acceptable. Such special warranty deed (or, if less than fee estate, other instrument) shall be subject to a reservation by Landowner of its right and privilege to use the area conveyed and/or grant to third parties the right to construct the District Improvements and any future improvements to such area for any related purposes (including, but not limited to, construction traffic relating to the construction of the Development) not inconsistent with the District's use, occupation or enjoyment thereof. The Landowner shall pay all required closing costs (i.e., documentary stamps) if any, for the conveyance of the lands upon which the District Improvements are constructed. The Landowner shall be responsible for all taxes and assessments levied on the lands upon which the District Improvements are constructed until such time as the Landowner conveys all said lands to the District. At the time of conveyance, and if desired by the District, the Landowner shall provide, at its expense, an owner's title insurance policy or obtain an opinion of title in a form satisfactory to the District.
- B. Boundary or Other Adjustments. Landowner and the District agree that reasonable future boundary adjustments may be made as deemed necessary by both Parties in order to accurately describe lands conveyed to

the District and lands which remain in Landowner's ownership. The Parties agree that any land transfers made to accommodate such adjustments shall be accomplished by donation. However, the Party requesting such adjustment shall pay any third-party transaction costs resulting from the adjustment, including but not limited to taxes, title insurance, recording fees or other third-party transfer costs.

6. TAXES, ASSESSMENTS, AND COSTS.

- A. Taxes, assessments and costs resulting from Agreement. The Landowner agrees to indemnify the District from and make payment for any and all taxes (ad valorem, personal property, intangibles, or otherwise), non-ad valorem assessments, which may be imposed upon the District, or which the District is legally obligated to pay, as a result of the Parties entering into this Agreement, if any, whether such taxes or assessments are imposed upon the District's property or property interest, or the Landowner's property or property interest. As to any parcel of Real Property conveyed by Landowner pursuant to this Agreement, the potential obligations of the Landowner to pay such taxes and assessments that may be incurred as a result of the Parties entering into this Agreement shall terminate one (1) year after conveyance of such parcel of Real Property. Notwithstanding the foregoing, the Parties represent to each other that they are not aware of any such taxes or assessments imposed upon the District as of the Effective Date of this Agreement
- B. Taxes and assessments on property being acquired. The District is an exempt governmental unit acquiring property pursuant to this Agreement for use exclusively for public purposes. Accordingly, in accordance with Florida law, the Landowner agrees to reserve an amount equal to the current ad valorem taxes and non-ad valorem assessments (with the exception of those ad valorem taxes and non-ad valorem assessments levied by the District) prorated to the date of transfer of title, based upon the expected assessment and millage rates giving effect to the greatest discount available for early payment.
1. If and only to the extent the property acquired by the District is subject to ad valorem taxes or non-ad valorem assessments, the Landowner agrees to reimburse the District for payment, or pay on its behalf, the prorated portion of any and all ad valorem taxes and non-ad valorem assessments imposed during the calendar year in which each parcel of property is conveyed. For example, if the District acquires property in October 2020, the Landowner shall escrow the pro rata amount of taxes due for the tax bill payable in November 2020. If any additional taxes are imposed on the District's property in 2020 for a period which property was owned by Landowner, then the Landowner agrees to reimburse the

District for that additional amount.

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

C. Notice. The Parties agree to provide notice to the other within ten (10) calendar days of receipt of any notice of potential or actual taxes, assessments, or costs, as a result of any transaction pursuant to this Agreement, or notice of any other taxes assessments or costs imposed on the property acquired by the District as described in subsection B above. The Landowner covenants to make any payments due hereunder in a timely manner in accordance with Florida law. In the event that the Landowner fails to make timely payment of any such taxes or costs, the Landowner acknowledges the District's right to make such payment. If the District makes such payment, the Landowner agrees to reimburse the District within thirty (30) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties, or other expenses which accrued to the District as a result of making such a payment, including interest at the maximum rate allowed by law from the date of the payment made by the District.

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

7. ACQUISITION IN ADVANCE OF RECEIPT OF PROCEEDS. The District and Landowner hereby agree that an acquisition pursuant to this Agreement ("**Acquisition**") by the District may be completed prior to the District obtaining proceeds from the Series 2020 Bonds. The District agrees to pursue the issuance of the Series 2020 Bonds in good faith; provided however, nothing herein shall cause or be construed to require the District to issue additional bonds or indebtedness to provide funds for any unfunded Acquisition. In the event that the District issues the Series 2020 Bonds and has bond proceeds available to pay for any portion of the Acquisitions acquired by the District, and subject to the terms of the applicable documents relating to the Series 2020 Bonds, then the District shall promptly make payment for any such acquired Work Product, District Improvements or Real Property pursuant to the terms of this Agreement; provided, however, that no such obligation shall exist where the Landowner is in default on the payment of any debt service assessments due on any property owned by the Landowner, or, further, in the event the District's bond counsel determines that any such Acquisitions are not properly compensable for any reason, including, but not limited to federal tax restrictions imposed on tax-exempt financing, the District shall not be obligated to make payment for such Acquisitions. Interest shall not accrue on the amounts owed for any prior Acquisitions. In the event the District does not or cannot issue the sufficient bonds within six (6)

years from the date of this Agreement to pay for all Acquisitions hereunder, and, thus does not make payment to the Landowner for any unfunded Acquisitions, then the Parties agree that the District shall have no reimbursement obligation whatsoever for those unfunded Acquisitions. The Landowner acknowledges that the District intends to convey some or all of the District Improvements in the Engineer's Report to Osceola County, Florida, the City of St. Cloud, and/or Orlando Utilities Commission and consents to the District's conveyance of such improvements prior to payment for any Prior Acquisitions.

8. DEFAULT. A default by either Party under this Agreement, which continues for a period of thirty (30) days after notice of such default, shall entitle the other Party to all remedies available at law or in equity, which may include, but not be limited to, the right of actual damages and/or, if applicable, specific performance.

9. ENFORCEMENT OF AGREEMENT. In the event that either of the Parties is required to enforce this Agreement by court proceedings or otherwise, then the Parties agree that the prevailing Party shall be entitled to recover from the other Party, in addition to all other relief granted or awarded, all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, appellate proceedings and post-judgment collection proceedings.

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

11. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by all Parties hereto.

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

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

A. If to the Landowner: Hanover Lakes, LLC
605 Commonwealth Avenue
Orlando, Florida 32803
Attn: Andrew J. Orosz

B. If to District: Osceola Chain of Lakes Community Development
District
313 Campus Street
Celebration, Florida 34747

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: Sarah R. Sandy

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 Parties or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth in this Agreement.

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

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

16. ASSIGNMENT. This Agreement may be assigned, in whole or in part, by either Parties only upon the written consent of the other, which consent shall not be unreasonably withheld.

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

18. EFFECTIVE DATE. This Agreement shall be effective upon the later of the execution by the District and the Landowner.

19. TERMINATION. This Agreement may be terminated by the District or the Landowner without penalty in the event that the District does not issue its proposed Series 2020 Bonds.

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

21. 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.

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

23. 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.

24. 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.


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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first written above.

Attest:

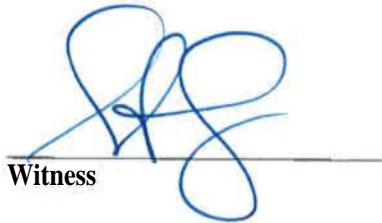
**OSCEOLA CHAIN OF LAKES
COMMUNITY DEVELOPMENT
DISTRICT**


Secretary/Assistant Secretary

By: 
Name: Anthony J. Iorio
Its: Chairman

HANOVER LAKES, LLC,
a Florida limited liability company

By: Hanover Land Company, LLC, a
Florida limited liability company, Its
Manager


Witness

By: 
Name: Andrew Orosz
Title: Vice President

Exhibit A: [2020 Supplemental Engineer's Report]

Exhibit A:
2020 Supplemental Engineer's Report

Subsection 5e

Completion Agreement

**AGREEMENT BY AND BETWEEN THE
OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT
AND HANOVER LAKES, LLC, REGARDING THE COMPLETION OF CERTAIN
IMPROVEMENTS RELATING TO THE SERIES 2020 PROJECT AND
ACKNOWLEDGEMENT OF CONTRIBUTION REQUIREMENT
("AGREEMENT")**

THIS AGREEMENT is made and entered into this 31st day of January, 2020, by and between:

Osceola Chain of Lakes Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located entirely within Osceola County, Florida (the "**District**"); and

Hanover Lakes, LLC, a Florida limited liability company, the owner of certain lands within the boundaries of the District, whose address is 605 Commonwealth Avenue, Orlando, Florida 32803 (the "**Landowner**," and together with the District, each a "**Party**" and collectively the "**Parties**").

RECITALS

WHEREAS, the District was established by ordinance adopted by the Board of County Commissioners in and for Osceola County, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the "**Act**"), and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, constructing, operating and/or maintaining certain infrastructure, including roadways, stormwater management systems, potable and reclaimed water and sewer systems and other infrastructure within or without the boundaries of the District; and

WHEREAS, the Landowner is the owner of certain lands in Osceola County, Florida, located within the boundaries of the District (the "**Development**"); and

WHEREAS, the District has adopted an improvement plan to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services (the "**Master Project**") as detailed in the *Master Engineer's Report* dated January 3, 2018 (the "**Master Engineer's Report**"), attached hereto as part of **Composite Exhibit A**; and

WHEREAS, the District has imposed special assessments on the property within the District to secure financing for the construction of the infrastructure improvements described in the Master Engineer's Report, and has validated \$21,000,000 in capital improvement revenue bonds to fund the planning, design, permitting, construction and/or acquisition of improvements in the Master Project; and

WHEREAS, the District intends to finance a portion of the Master Project through the use of proceeds from its proposed issuance of Osceola Chain of Lakes Community Development

District (Osceola County, Florida) Capital Improvement Revenue Bonds, which may be issued in one or more series (the “**Bonds**”); and

WHEREAS, the District previously issued its \$2,200,000 Capital Improvement Revenue Bonds, Series 2018 (the “**Series 2018 Bonds**”), which Series 2018 Bonds remain outstanding; and

WHEREAS, the District presently intends to issue \$5,980,000 Capital Improvement Revenue Bonds, Series 2020 (the “**Series 2020 Bonds**”) to fund a portion of the Master Project (the “**Series 2020 Project**”) as further described in the *2020 Supplemental Engineer’s Report* dated January 8, 2020 (the “**2020 Engineer’s Report**” and together with the Master Engineer’s Report, the “**Engineer’s Report**”) attached to this Agreement as **Composite Exhibit A**, which the anticipated costs of such Series 2020 Project are identified in Exhibit F of the 2020 Engineer’s Report, and levy special assessments for the repayment of the Series 2020 Bonds (the “**Series 2020 Assessments**”), as further detailed in that certain *Master Assessment Report* dated January 3, 2018 (the “**Master Assessment Report**”), as supplemented by the *Second Supplemental Assessment Report* dated January 30, 2020 (the “**2020 Assessment Report**,” and together with the Master Assessment Report, the “**Assessment Report**”); and

WHEREAS, in order to ensure that the Series 2020 Project is completed and funding is available in a timely manner to provide for its completion, the Landowner and the District hereby agree that the District will be obligated to issue no more than \$5,980,000 in bonds, of which approximately \$5,404,161.42 will be used to fund a portion of the Series 2020 Project and the Landowner will make provision for any additional funds that may be needed in the future for the completion of the Series 2020 Project over and above that amount including, but not limited to, all reasonable and customary administrative, legal, warranty, engineering, permitting or other related soft costs; and

WHEREAS, as reflected in the 2020 Assessment Report, the Series 2020 Assessment levels have been determined based on targeted annual assessment installments provided by the Landowner in order to achieve certain market-level, end user assessments; and

WHEREAS, in order to achieve the targeted Series 2020 Assessment levels under the methodology provided in the Assessment Report, the 2020 Assessment Report contemplates, and the Parties hereby agree, that the Landowner shall contribute Master Project infrastructure to satisfy the difference in costs of the Master Project attributable to residential units subject to Series 2020 Assessments and the costs of the Master Project funded by the Series 2020 Assessments allocated to such residential units.

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 IMPROVEMENTS. The Landowner and District agree and acknowledge that the District intends to issue the Series 2020 Bonds that will provide only a portion of the funds necessary to complete the Series 2020 Project. Therefore, as more particularly set forth in paragraphs 2(a) and 2(b) below, the Landowner hereby agrees to complete, cause to be completed, provide funds or cause funds to be provided to the District in an amount sufficient to allow the District to complete or cause to be completed, those portions of the Series 2020 Project which remain unfunded including, but not limited to, all reasonable and customary administrative, legal, warranty, engineering, permitting or other related soft costs (the “**Remaining Improvements**”) whether pursuant to existing contracts, including change orders thereto, or future contracts. Nothing herein shall cause or be construed to require the District to issue additional bonds or indebtedness to provide funds for any portion of the Remaining Improvements. The 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 Improvements not funded by District bonds or other indebtedness.

(a) When all or any portion of the Remaining Improvements are the subject of a District contract, the Landowner shall provide funds or cause funds to be provided directly to the District in an amount sufficient to complete the Remaining Improvements pursuant to such contract, including change orders thereto, upon written notice from the District.

(b) When any portion of the Remaining Improvements is not the subject of a District contract, the Landowner may choose to: (a) complete, cause to be completed, provide funds or cause funds to be provided to the District in an amount sufficient to allow the District to complete or cause to be completed, those Remaining Improvements; or (b) have the District enter into a contract and proceed under Section 2(a) above, subject, in each case to a formal determination by the District’s Board of Supervisors 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 RELATING TO THE COMPLETION OF IMPROVEMENTS

(a) The District and the Landowner agree and acknowledge that the exact location, size, configuration and composition of the Series 2020 Project may change from that described in the Engineer’s Report, depending upon final design of the Development, permitting or other regulatory requirements over time, or other factors. Material changes to the Series 2020 Project shall be made by a written amendment to the Engineer’s Report, which shall include an estimate of the cost of the changes and shall be subject to Landowner’s review and consent, which shall not be unreasonably withheld.

(b) The District and Landowner agree and acknowledge that any and all portions of the Remaining Improvements which are constructed, or caused to be constructed, by the Landowner shall be conveyed to the District or such other appropriate unit of local government as is designated in the Engineer’s Report 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.

(c) Notwithstanding anything to the contrary contained in this Agreement, the payment or performance by Landowner of its obligations hereunder is expressly subject to, dependent and conditioned upon (a) the issuance of the Series 2020 Bonds and use of the proceeds thereof to fund a portion of the Series 2020 Project, and (b) the scope, configuration, size and/or composition of the Series 2020 Project not materially changing without the consent of the Landowner. In the event of a material change to the scope, configuration, size and/or composition of the Series 2020 Project in response to a requirement imposed by a regulatory agency, the Landowner shall not consent to same without prior written consent of the District.

(d) The Development will involve the construction of water, sewer and stormwater systems and ongoing operation maintenance of these respective systems. Portions of the storm water system are comprised of an integrated canal system (“**Canal System**”) that not only provides for stormwater drainage and maintenance to be owned and maintained by the District, but also forms an interconnected navigable waterway providing access to Alligator Lake via a community boat lift system (the “**Lift System**”). Such Lift System, as well as a boat ramp (“**Ramp**”) providing access to the Canal System are to be constructed by Landowner and owned and maintained by the master homeowners' association (the “**HOA**”) and are not part of the District’s Master Project. Developer covenants herein that upon completion of the Lift System and Ramp, the Lift System and Ramp shall be dedicated to the HOA within the Development for ownership, operation, and maintenance, and for use by all residents located in the District.

4. CONTRIBUTIONS REQUIRED BY 2020 ASSESSMENT REPORT.

(a) The District and Landowner acknowledge and agree that the Assessment Report contemplates that Landowner shall be responsible for contributions of Series 2020 Project infrastructure to the District (the “**Contribution**”) to satisfy the difference in costs of the Master Project attributable to residential units subject to Series 2020 Assessments and the costs of the Master Project funded by the Series 2020 Assessments allocated to such residential units. Landowner agrees to make the Contribution in one or more installments of (i) funds or (ii) District Improvements, Work Product or Real Property (as each term is defined in the Acquisition Agreement) to the District or such other appropriate unit of government as is designated in the Engineer’s Report, or required by governmental regulation or development approval, in the total amount set forth in Section 3.2 and Table 5 of the 2020 Assessment Report, under the column entitled “Anticipated Developer-Funded CIP Total.”

Based on current absorption estimates, such Contribution is anticipated to be equal to the total amount set forth in Section 3.2 and Table 5 of the 2020 Assessment Report under the column entitled “Anticipated Developer-Funded CIP Total.” Notwithstanding the prior sentence, the Parties agree to recalculate the Contribution amount on or prior to the Due Date (hereinafter defined) pursuant to the methodology described in the 2020

Assessment Report in the following manner: (i) if the Series 2020 Assessments are fully absorbed by platted residential lots on or prior to the Due Date, such recalculation shall be based on the actual number and type of residential lots that fully absorbed the Series 2020 Assessments; or (ii) if the Series 2020 Assessments are not fully absorbed by platted residential lots on or prior to the Due Date, such recalculation shall be based on the number and type of residential lots anticipated to fully absorb the Series 2020 Assessments at the time of the Due Date. Landowner's Contribution under this Section 4 shall be tendered to the District no later than eight (8) years following the issuance of the Series 2020 Bonds (the "**Due Date**").

(b) Each Contribution installment shall be valued and processed in the same manner as acquisitions under that certain *Agreement by and between the District and Landowner Regarding the Acquisition of Certain Work Product, Infrastructure, and Real Property* dated November 6, 2019 (the "**Acquisition Agreement**"). Contributions may be treated as a set off to acquisition prices for District Improvements, Work Product and Real Property. Because the District's Series 2020 Project involves District Improvements, Work Product and Real Property which may be incapable of dividing into components which exactly match the contribution requirements herein or which exactly match available bond proceeds, Landowner shall be permitted to allocate the monetary amount to be treated as an acquisition cost and the monetary amount to be considered a Contribution installment for any one component of the District's Series 2020 Project. For illustration purposes only, if Landowner seeks to transfer to the District a roadway with a value (as determined by the Acquisition Agreement) of \$10 million and there is only \$5 million in available bond proceeds, Landowner may designate \$5 million as an acquisition cost and \$5 million as a Contribution installment.

(c) If any Contribution installment of District Improvements, Work Product and Real Property is to be conveyed to a third party governmental body, then Landowner agrees to cooperate and provide such certifications or documents as may be required by that governmental body, if any, as well as provide the District documentation of such Contribution installment to the reasonable satisfaction of the District.

5. DEFAULT AND PROTECTION AGAINST THIRD PARTY INTERFERENCE. A default by either Party under this Agreement, which continues for a period of thirty (30) days after notice of such default, shall entitle the other Party to all remedies available at law or in equity, which may include, but not be limited to, the right of actual damages injunctive relief, and/or, if applicable, specific performance, but excluding punitive and consequential damages and subject to the recourse limitations in the documents applicable to the District and the Series 2020 Bonds. 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.

6. ENFORCEMENT OF AGREEMENT. In the event that either of the Parties is required to enforce this Agreement by court proceedings or otherwise, then the Parties agree that the prevailing Party shall be entitled to recover from the other Party all fees and costs incurred,

including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

7. 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.

8. 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.

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

A. If to the District: Osceola Chain of Lakes Community
Development District
313 Campus Street
Celebration, Florida 34747
Attn: District Manager

With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attn: Sarah R. Sandy

B. If to the Landowner: Hanover Lakes, LLC
605 Commonwealth Avenue
Orlando, Florida 32803
Attn: Andrew J. Orosz

With a copy to: _____

Attn: _____

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.

10. 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.

11. 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. Notwithstanding anything in this Agreement to the contrary, the trustee for the Series 2020 Bonds ("**Trustee**"), on behalf of the Series 2020 Bond holders, shall be a direct third party beneficiary of the terms and conditions of this Agreement and acting at the direction of and on behalf of the bondholders owning a majority of the aggregate principal amount of Series 2020 Bonds then outstanding, shall be entitled to enforce the Landowner's obligations hereunder. The Trustee shall not be deemed to have assumed any obligations under this Agreement.

12. ASSIGNMENT. Neither the District nor the Landowner may assign this Agreement or any monies to become due hereunder without the prior written approval of the other.

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

14. EFFECTIVE DATE. This Agreement shall be effective upon the later of the execution by the District and the Landowner.

15. 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 treated as such in accordance with Florida law.

16. 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.

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

18. FORCE MAJEURE. If any Party hereto shall be delayed in, hindered in or prevented from performing any of its obligations under this Agreement by reason of labor disputes, inability to obtain any necessary materials or services, acts of God, weather conditions that are unusually severe or exceed average conditions for that time of year, persistent inclement weather, war, terrorist acts, insurrection, delays caused by governmental permitting or regulations, the time for performance of such obligation shall be automatically extended (on a day for day basis) for a period equal to the period of such delay.

19. 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.

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

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.]

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

Attest:

**OSCEOLA CHAIN OF LAKES
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

By: _____
Its: _____

HANOVER LAKES, LLC,
a Florida limited liability company

By: Hanover Land Company, LLC, a Florida
limited liability company, Its Manager

Witness

By: _____
Print Name: Andrew Orosz
Title: Vice President

Composite Exhibit A: Master Engineer's Report (dated January 3, 2018)
2020 Engineer's Report (dated January 8, 2020)

Subsection 5f

True-Up Agreement

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

Sarah R. Sandy
HOPPING GREEN & SAMS P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

(This space reserved for Clerk)

**AGREEMENT BETWEEN THE OSCEOLA CHAIN OF LAKES COMMUNITY
DEVELOPMENT DISTRICT AND HANOVER LAKES, LLC, REGARDING THE TRUE-
UP AND PAYMENT OF SERIES 2020 ASSESSMENTS**

THIS AGREEMENT is made and entered into this 31st day of January, 2020, by and between:

OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in Osceola County, Florida, whose address is c/o Moyer Management Group, 313 Campus Street, Celebration, Florida 34747 (“**District**”); and

HANOVER LAKES, LLC, a Florida limited liability company and the primary landowner within the District, whose address is 605 Commonwealth Avenue, Orlando, Florida 32803 (together with its successors and assigns, the “**Landowner**”).

RECITALS

WHEREAS, the District was established by Ordinance No. 2017-78, as amended by Ordinance 2017-93, changing the name of the District, each adopted by the Board of County Commissioners in and for Osceola County, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (“**Act**”), and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, constructing, operating and/or maintaining certain infrastructure, including roadways, stormwater management systems, potable and reclaimed water and sewer systems and other infrastructure within or without the boundaries of the District; and

WHEREAS, the Landowner is currently the owner of certain lands in unincorporated Osceola County, Florida (the “**County**”), located within the boundaries of the District, which lands are described in **Exhibit A** attached hereto (the “**2020 Assessment Area**”); and

WHEREAS, the District has adopted an improvement plan to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services (the “**2020 Project**”) as detailed in the *Master Engineer’s Report* dated January 3, 2018

(the “**Master Engineer’s Report**”), as supplemented by the *2020 Supplemental Engineer’s Report* dated January 8, 2020 (the “**Supplemental Engineer’s Report**,” and together with the Master Engineer’s Report, the “**Engineer’s Report**”), and the anticipated costs of the 2020 Project described in the Engineer’s Report are identified in Exhibit F of the Supplemental Engineer’s Report; and

WHEREAS, the District intends to finance a portion of the 2020 Project through the anticipated issuance of its \$5,980,000 Osceola Chain of Lakes Community Development District (Osceola County, Florida) Capital Improvement Revenue Bonds, Series 2020 (the “**Series 2020 Bonds**”); and

WHEREAS, pursuant to Resolution Nos. 2018-26, 2018-27, 2018-33 and 2020-06 (the “**Assessment Resolutions**”), the District has imposed special assessments (the “**Series 2020 Assessments**”) on the 2020 Assessment Area within the District pursuant to Chapters 170, 190 and 197, *Florida Statutes*, to secure the repayment of the Series 2020 Bonds; and

WHEREAS, Landowner acknowledges and agrees that all of the Landowner’s land within the 2020 Assessment Area benefits from the timely, design, construction or acquisition of the improvements that make up the 2020 Project; and

WHEREAS, Landowner agrees that the Series 2020 Assessments which were imposed on the 2020 Assessment Area within the District have been validly imposed and constitute valid, legal and binding liens upon the Landowner’s lands within the District as to which Series 2020 Assessments remain unsatisfied; and

WHEREAS, to the extent permitted by law, Landowner waives any defect in notice or publication or in the proceedings to levy, impose and collect the Series 2020 Assessments on the Landowner’s lands within the District; and

WHEREAS, the *Master Assessment Report*, dated January 3, 2018, as supplemented by the *Second Supplemental Assessment Report*, dated January 30, 2020, (collectively the “**Series 2020 Assessment Report**”), provides that as the lands within the District are platted, the allocation of the amounts assessed to and constituting a lien upon the lands within the District would be calculated based upon certain density assumptions relating to the number of each type of single-family units to be constructed on the developable acres within the 2020 Assessment Area anticipated to absorb the allocation of Series 2020 Assessments, which assumptions were provided by Landowner; and

WHEREAS, Landowner intends that the Landowner’s lands within the 2020 Assessment Area within the District will be platted and developed based on then-existing market conditions, and the actual densities developed may be at some density less than the densities anticipated in the Series 2020 Assessment Report to absorb the allocation of the Series 2020 Assessments; and

WHEREAS, the District's Series 2020 Assessment Report anticipates a mechanism by which Landowner shall, if required, make certain payments to the District in order to satisfy, in whole or in part, the assessments allocated and the liens imposed pursuant to the Assessment

Resolutions, the amount of such payments being determined generally by a calculation of the remaining unallocated debt prior to the District approving the final plat or site plan for a parcel or tract, as described in the Series 2020 Assessment Report (which payments shall collectively be referenced as the “**True-Up Payment**”); and

WHEREAS, Landowner and the District desire to enter into an agreement to confirm Landowner’s intentions and obligations to make True-Up Payments related to the Series 2020 Assessments, subject to the terms and conditions contained herein.

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

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

SECTION 2. VALIDITY OF ASSESSMENTS. Landowner agrees that the Assessment Resolutions have been duly adopted by the District. Landowner further agrees that the Series 2020 Assessments imposed as a lien on the Landowner’s lands by the District are legal, valid and binding liens on the Landowner’s lands against which assessed until paid, coequal with the lien of all state, county, district, and municipal taxes, and superior in dignity to all other liens, titles, and claims pursuant to Section 170.09, *Florida Statutes*. Landowner hereby waives and relinquishes any rights it may have to challenge, object to or otherwise fail to pay such Series 2020 Assessments.

SECTION 3. COVENANT TO PAY. Landowner agrees and covenants to timely pay all such Series 2020 Assessments levied and imposed by the District pursuant to the Assessment Resolutions on assessable acres owned by Landowner, whether the Series 2020 Assessments are collected by the Tax Collector pursuant to Section 197.3632, *Florida Statutes*, by the District, or by any other method allowable by law. Landowner further agrees that to the extent Landowner fails to timely pay all Series 2020 Assessments on assessable acres owned by Landowner collected by mailed notice of the District, said unpaid Series 2020 Assessments (including True-Up Payments) may be placed on the tax roll by the District for collection by the Tax Collector pursuant to Section 197.3632, *Florida Statutes*, in any subsequent year or may be foreclosed on as provided for in Florida law. Landowner agrees that the provisions of this Agreement shall constitute a covenant running with the Landowner’s lands within the 2020 Assessment Area and shall remain in full force and effect and be binding upon Landowner, its legal representatives, estates, successors, grantees, and assigns until released pursuant to the terms herein.

SECTION 4. SPECIAL ASSESSMENT REALLOCATION.

A. *Assumptions as to Series 2020 Assessments.* As of the date of the execution of this Agreement, Landowner has informed the District that it plans to construct or provide for the construction of a total of four hundred one and 6/10th (401.6) equivalent residential units on the property Landowner owns within the 2020 Assessment Area to absorb the Series 2020 Assessments as further described in the Series 2020 Assessment Report.

B. Process for Reallocation of Assessments. The Series 2020 Assessments will be reallocated within the 2020 Assessment Area as lands are platted (hereinafter referred to as “plat” or “platted”). In connection with such platting of acreage, the Series 2020 Assessments imposed on the acreage being platted will be allocated based upon the precise number of units of each product type within the area being platted. In furtherance thereof, at such time as acreage is to be platted, Landowner covenants that such plat shall be presented to the District. The District shall allocate the Series 2020 Assessments to the product types being platted and the remaining property in accordance with the Series 2020 Assessment Report and cause such reallocation to be recorded in the District’s Improvement Lien Book.

(i) It is an express condition of the lien established by the Assessment Resolutions that any and all plats containing any portion of the lands within the District, as the District’s boundaries may be amended from time to time, shall be presented to the District for review, approval and allocation of the Series 2020 Assessments to the product types being platted and the remaining property within 2020 Assessment Area in accordance with the Series 2020 Assessment Report (“**Reallocation**”). Landowner covenants to comply with this requirement for the Reallocation. The District agrees that no further action by the District’s Board of Supervisors shall be required. The District’s review of the plats shall be limited solely to the Reallocation of Series 2020 Assessments and enforcement of the District’s assessment lien. Nothing herein shall in any way operate to or be construed as providing any other plat and plan approval or disapproval powers to the District.

(ii) As the acreage within the District is developed, it will be platted. At such time as a plat is presented to the District that involves the platting of acreage representing 25%, 50%, 75% and 100% of the acres within the 2020 Assessment Area (each such date being a “**True-Up Date**”), the District shall determine if the debt per gross acre remaining on the unplatted land is greater than the debt per gross acre of such land at the initial time of imposition of the Series 2020 Assessment, and if it is, a True-Up Payment in the amount of such excess shall become due and payable by Landowner or its successors or assigns, as applicable, in that tax year in accordance with the Series 2020 Assessment Report, in addition to the regular assessment installment payable for lands owned by the Landowner. The District will ensure collection of such amounts in a timely manner in order to meet its debt service obligations, and in all cases, Landowner agrees that to the extent such payments are the obligation of the Landowners such payments shall be made in order to ensure the District’s timely payments of the debt service obligations on the Series 2020 Bonds. The District shall record all True-Up Payments in its Improvement Lien Book.

(iii) The foregoing is based on the District's understanding with Landowner that it may plat at least four hundred one and 6/10th (401.6) equivalent residential units on the developable acres it owns within the 2020 Assessment Area to absorb the allocation of the Series 2020 Assessments. However, the

District agrees that nothing herein prohibits more or less than four hundred one and 6/10th (401.6) equivalent residential units from being platted. In no event shall the District collect Series 2020 Assessments pursuant to the Assessment Resolutions in excess of the total debt service related to the 2020 Project, including all costs of financing and interest. The District, however, may collect Series 2020 Assessments in excess of the annual debt service related to the 2020 Project, including all costs of financing and interest, which shall be applied to prepay the Series 2020 Bonds. If the strict application of the true-up methodology to any Reallocation for any plat pursuant to this paragraph would result in Series 2020 Assessments collected in excess of the District's total debt service obligation for the 2020 Project, the District agrees to take appropriate action by resolution to equitably reallocate the Series 2020 Assessments.

SECTION 5. ENFORCEMENT. This Agreement is intended to be an additional method of enforcement of Landowner's obligation to pay the Series 2020 Assessments on assessable acres owned by Landowner and to abide by the requirements of the Reallocation of Series 2020 Assessments, including the making of the True-Up Payment, as set forth in the Assessment Resolutions. A default by any party under this Agreement shall entitle any other party to all remedies available at law or in equity, excluding consequential and punitive damages and subject to recourse limitations in documents applicable to the District and the Series 2020 Bonds.

SECTION 6. ASSIGNMENT.

- a. ***Agreement Runs with Land*** – This Agreement shall constitute a covenant running with title to the lands comprising the 2020 Assessment Area, binding upon Landowner and its successors and assigns as to lands comprising the 2020 Assessment Area or portions thereof, and any transferee of any portion of lands comprising the 2020 Assessment Area as set forth in this Section, except as permitted by subsection b., below, or subject to the conditions set forth in subsection c., below.
- b. ***Exceptions*** – Landowner shall not transfer any portion of the Landowner's lands comprising the 2020 Assessment Area to any third party without complying with the terms of subsection c. below, other than:
 - (i) Platted and fully developed lots to homebuilders restricted from replatting;
 - (ii) Platted and fully developed lots to end users; and
 - (iii) Portions of lands comprising the 2020 Assessment Area which are exempt from assessments to the County, the District, a homeowners' association, or other governmental agencies.

Any transfer of any portion of lands comprising the 2020 Assessment Area pursuant to subsections (i), (ii) or (iii) listed above shall constitute an automatic release of such portion of lands comprising the 2020 Assessment Area from the

scope and effect of this Agreement, provided however that any True-Up Payment owing is paid prior to such transfer.

- c. **Transfer Conditions** – Landowner shall not transfer any portion of lands comprising the 2020 Assessment Area to any third party, except as permitted by subsection b. above, without satisfying the following condition (“**Transfer Condition**”): satisfying any True-Up Payment that results from any true-up determinations made by the District incident to such transfer or, if transferee is a homebuilder receiving platted and fully developed lots not restricted from replatting, such homebuilder enters into a separate true up agreement with the District to the District’s satisfaction. Any transfer that is consummated pursuant to this Section shall operate as a release of Landowner from its obligations under this Agreement as to such portion of lands comprising the 2020 Assessment Area only arising from and after the date of such transfer and satisfaction of all of the Transfer Condition including payment of any True-Up Payments due, and the transferee, which by recording or causing to be recorded in the Official Records of the County, the deed transferring such portion to the transferee shall be deemed to assume Landowner’s obligations in accordance herewith and shall be deemed the “Landowner” from and after such transfer for all purposes as to such portion of lands comprising the 2020 Assessment Area so transferred. Regardless of whether the conditions of this subsection are met, any transferee, other than those specified in subsection b., above, shall take title subject to the terms of this Agreement.
- d. **General** – Except as provided in this Section 6, 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 the other party, whose consent shall not be unreasonably withheld. Except as provided in this Section 6, any purported assignment by either party absent the prior written consent of the other party as required by this section shall be void and unenforceable.

SECTION 7. RECOVERY OF COSTS AND FEES. In the event any party is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party, as determined by the applicable court or other dispute resolution provider, shall be entitled to recover from the non-prevailing party all fees and costs incurred, including reasonable attorneys' fees and costs incurred prior to or during any litigation or other dispute resolution and including all fees and costs incurred in appellate proceedings.

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

- A. If to the District:

Osceola Chain of Lakes Community
Development District
313 Campus Street
Celebration, Florida 34747

Attn: District Manager

With a copy to:

Hopping Green & Sams P.A.
119 South Monroe Street, Suite 300
Post Office Box 6526 (32314)
Tallahassee, Florida 32301
Attn: Sarah R. Sandy

B. If to the Landowner:

Hanover Lakes, LLC
605 Commonwealth Avenue
Orlando, Florida 32803
Attn: Andrew J. Orosz

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, respectively. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

SECTION 9. AMENDMENT. This Agreement shall constitute the entire agreement between the parties and may be modified in writing only by the mutual agreement of all parties.

SECTION 10. TERMINATION. This Agreement shall terminate automatically upon the full allocation of Series 2020 Assessments to platted units and the payment in full of all True-Up Payment having been determined to be due hereunder.

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

SECTION 12. BENEFICIARIES. This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their

respective representatives, successors and assigns. Notwithstanding the foregoing or anything else herein to the contrary, this Agreement is not intended to be and shall not be binding upon an end user purchaser of a platted lot. Notwithstanding anything in this Agreement to the contrary, the trustee for the Series 2020 Bonds (“**Trustee**”), on behalf of the Series 2020 Bond holders, shall be a direct third party beneficiary of the terms and conditions of this Agreement and acting at the direction of and on behalf of the bondholders owning a majority of the aggregate principal amount of Series 2020 Bonds then outstanding, shall be entitled to enforce the Landowner’s obligations hereunder. The Trustee shall not be deemed to have assumed any obligations under this Agreement.

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

SECTION 14. APPLICABLE LAW. This Agreement shall be governed by the laws of the State of Florida.

SECTION 15. 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 require treatment as such in accordance with Florida law.

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

SECTION 17. EFFECTIVE DATE. This Agreement shall become effective after execution by the parties hereto on the date reflected above.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, the parties execute this agreement the day and year first written above.

WITNESS

**OSCEOLA CHAIN OF LAKES COMMUNITY
DEVELOPMENT DISTRICT**

By: _____

Name: _____

Title: _____

By: _____

Name: Anthony Iorio

Title: Chairman

By: _____

Name: _____

Title: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by Anthony Iorio, Chairman of Osceola Chain of Lakes Community Development District, who is either personally known to me, or produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: _____

(Name of Notary Public, Printed, Stamped
or Typed as Commissioned)

WITNESS

HANOVER LAKES, LLC,
a Florida limited liability company

By: _____
Name: _____
Title: _____

By: Hanover Land Company, LLC, a
Florida Limited Liability Company, Its
Manager

By: _____
Name: Andrew Orosz
Title: Vice President

By: _____
Name: _____
Title: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by Andrew Orosz as Vice President of Hanover Land Company, LLC, a Florida limited liability company, on behalf of the company, which serves as the Manager of Hanover Lakes, LLC, a Florida limited liability company. He/she is personally known to me or has produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: _____
(Name of Notary Public, Printed, Stamped
or Typed as Commissioned)

Exhibit A: Description of 2020 Assessment Area

EXHIBIT A

TRACT N (FUTURE DEVELOPMENT), AS SHOWN ON THE PLAT KNOWN AS HANOVER LAKES PHASE 1, A REPLAT, RECORDED IN THE OFFICIAL RECORDS OF OSCEOLA COUNTY, FLORIDA AT PLAT BOOK 27, PAGES 18 THROUGH 23.

Subsection 5g

Collateral Assumption and Assignment

Prepared by and return to:
Sarah R. Sandy, Esq.
Hopping Green & Sams, P.A.
119 S. Monroe Street, Suite 300
Tallahassee, Florida 32301

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

**COLLATERAL ASSIGNMENT AND ASSUMPTION OF
DEVELOPMENT AND CONTRACT RIGHTS**

This COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AND CONTRACT RIGHTS (herein, the “**Assignment**”) is made this 31st day of January, 2020, by HANOVER LAKES, LLC, a Florida limited liability company, together with its successors and assigns (the “**Landowner**”), HANOVER CAPITAL PARTNERS, LLC, a Florida limited liability company (“**HCP**”), and HANOVER LAND COMPANY, LLC, a Florida limited liability company (“**HLC**,” and together with Landowner and HCP, the “**Assignor**”) in favor of the OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located in Osceola County, Florida (together with its successors and assigns, the “**District**” or “**Assignee**”).

RECITALS

WHEREAS, the District proposes to issue its Capital Improvement Revenue Bonds, Series 2020 (the “**Bonds**”) to finance certain public infrastructure which will provide special benefit to the developable lands (the “**Lands**”), as described in **Exhibit A** attached hereto, in the residential project commonly referred to as Osceola Chain of Lakes (the “**Project**”), which is located within the geographical boundaries of the District; and

WHEREAS, the security for the repayment of the Bonds are the special assessments levied against a certain portion of Lands within the District (the “**Special Assessments**”); and

WHEREAS, the purchasers of the Bonds anticipate that the Lands will be developed in accordance with the *Master Engineer's Report* dated January 3, 2018, as supplemented by the *2020 Supplemental Engineer's Report* dated January 8, 2020 (together, the “**Engineer's Report**”) and the *Master Assessment Report* dated January 3, 2018, as supplemented by the *Second Supplemental Assessment Report* dated January 30, 2020 (together, the “**Assessment Report**”), which Lands are intended to ultimately be sold to third-party end-users within the District (the “**Development Completion**”); and

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

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

WHEREAS, in the event of default in the payment of the Special Assessments securing the Bonds, the District has certain remedies with respect to the lien of the Special Assessments as more particularly set forth herein; and

WHEREAS, if the Special Assessments are directly billed, the sole remedy available to the District would be an action in foreclosure; if the Special Assessments are collected pursuant to Florida's uniform method of collection, the sole remedy for non-payment of the Special Assessments is the sale of tax certificates (collectively, the "**Remedial Rights**"); and

WHEREAS, in the event the District exercises its Remedial Rights, the District will require the assignment of certain Development and Contract Rights (defined below), to complete development of the Lands to the extent that such Development and Contract Rights have not been previously assigned, transferred, or otherwise conveyed to a homebuilder resulting from the sale of certain Lands in the ordinary course of business, Osceola County, the District, any applicable homeowner's association or other governing entity or association for the benefit of the Project (a "**Prior Transfer**"); and

WHEREAS, this Assignment is not intended to impair or interfere with the development of the Project and shall only be inchoate until becoming an effective and absolute assignment and assumption of the Development and Contract Rights, as defined below, upon failure of the Landowner to pay the Special Assessments levied against the Lands owned by the Landowner; provided, however, that such assignment shall only be effective and absolute to the extent that this Assignment has not been terminated earlier pursuant to the terms of this Assignment or to the extent that a Prior Transfer has not already occurred with respect to the Development and Contract Rights; and

WHEREAS, in the event of a transfer, conveyance or sale of any portion of the Lands (excluding the conveyance of any portion of the Lands to a homebuilder or end-user), any and all affiliated entities or successors-in-interest to the Lands owned by the Landowner shall be subject to this Assignment, which shall be recorded in the Official Records of Osceola County, Florida; and

WHEREAS, the rights assigned to the District hereunder shall be exercised in a manner which will not materially affect the intended development of the Project; and

WHEREAS, absent this Assignment becoming effective and absolute, it shall automatically terminate upon the earliest to occur of the following: (i) payment of the Bonds in full; (ii) Development Completion; or (iii) upon occurrence of a Prior Transfer, but only to the extent that such Development and Contract Rights are subject to the Prior Transfer (herein, the "**Term**").

NOW, THEREFORE, in consideration of the above recitals which the parties hereby agree are true and correct and are hereby incorporated by reference and other good and valuable consideration, the sufficiency of which is acknowledged, Assignor and Assignee agree as follows:

1. **Collateral Assignment.** Assignor hereby collaterally assigns to Assignee, to the extent assignable and to the extent that they are solely owned or controlled by Assignor at execution of this Agreement or acquired in the future, all of Assignor's development rights and contract rights relating to the Project (herein the "**Development and Contract Rights**") as security for Landowner's payment and performance and discharge of its obligation to pay the Special Assessments levied against the Lands. This assignment shall become effective and absolute upon failure of the Landowner to pay the Special Assessments levied against the Lands owned by the Landowner. The Development and Contract Rights

shall include the following as they pertain to the Project, but shall specifically exclude any such portion of the Development and Contract Rights which are subject to a Prior Transfer:

(a) Any declaration of covenants of a homeowner's association governing the Lands, as recorded in the Official Records of Osceola County, Florida, and as the same may be amended and restated from time to time, including, without limitation, all of the right, title, interest, powers, privileges, benefits and options of the "Developer" or "Declarant" thereunder.

(b) Engineering and construction plans and specifications for grading, roadways, site drainage, stormwater drainage, signage, water distribution, wastewater collection, and other improvements.

(c) Preliminary and final site plans.

(d) Architectural plans and specifications for buildings and other improvements to the Lands within the District, but solely to the extent construction of such buildings and improvements has commenced.

(e) Permits, approvals, resolutions, variances, licenses, impact fees and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the Project and construction of improvements thereon including, but not limited to, the following:

(i) Any and all approvals, extensions, amendments, rezoning and development orders rendered by governmental authorities, including Osceola County and the City of St. Cloud, relating to the Project.

(ii) Any and all service agreements relating to utilities, water and/or wastewater, together with all warranties, guaranties and indemnities of any kind or nature associated therewith.

(iii) Permits, more particularly described in the Engineer's Report.

(iv) Any and all of Landowner's development rights and contract rights relating to the Land under that certain *Settlement Agreement* by and between the Landowner and Osceola County dated July 10, 2017.

(f) Permit fees, impact fees, deposits and other assessments and impositions paid by Assignor to any governmental authority or utility and capacity reservations, impact fee credits and other credits due to Assignor from any governmental authority or utility provider, including credit for any dedication or contribution of Lands by Assignor in connection with the development of the Lands or the construction of improvements thereon.

(g) Contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the Project or the construction of improvements thereon, together with all warranties, guaranties and indemnities of any kind or nature associated therewith.

(h) Notwithstanding anything contained herein to the contrary, contracts and agreements with private utility providers to provide utility services to the Project, including the lots.

(i) All future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing and any guarantees of performance of obligations to Assignor arising thereunder by any means, including, but not limited to, pursuant to governmental requirements, administrative or formal action by third parties, or written agreement with governmental authorities or third parties.

2. **Warranties by Assignor.** Assignor represents and warrants to Assignee that:

(a) Other than in connection with Prior Transfers, Assignor has made no assignment of the Development and Contract Rights to any person other than Assignee and Regions Bank, a banking corporation duly organized and existing under the laws of the State of Alabama, as a subordinate lender, owner and holder of a Mortgage and Security Agreement recorded in Official Records Book 5299, Page 1095, of the Public Records of Osceola County, Florida, as modified and renewed by that certain Note and Mortgage Modification and Renewal Agreement recorded in Official Records Book 5507, Page 430, of the Public Records of Osceola County, Florida.

(b) To the actual knowledge of Assignor, Assignor has not done any act or omitted to do any act which will prevent Assignee from, or limit Assignee in, acting under any of the provisions hereof.

(c) To the actual knowledge of Assignor, there is no material default under the terms of the existing contracts, agreements, and other documents relating to the Development and Contract Rights, which now or hereafter affect the Lands and the Project (collectively, the “**Contract Documents**”), subject to any notice and cure periods, and all such Contract Documents remain in full force and effect.

(d) Any transfer, conveyance or sale of the Lands (excluding conveyance of a portion of the Lands to a homebuilder), shall subject any and all affiliated entities or successors-in-interest of the Landowners to this Assignment.

(e) Assignor is not prohibited under agreement with any other person or under any judgment or decree from the execution and delivery of this Assignment.

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

3. **Covenants.** Assignor covenants with Assignee that during the Term (as defined above):

(a) Assignor will use reasonable, good faith efforts to fulfill, perform, and observe each and every material condition and covenant of Assignor relating to the Development and Contract Rights. Upon an Event of Default by Assignor, Assignor will use reasonable, good faith efforts to give notice to Assignee of any claim of default relating to the Development and Contract Rights given to or by Assignor, together with a complete copy of any such claim.

(b) The Development and Contract Rights include all of Assignor's right to modify the Development and Contract Rights, to terminate the Development and Contract Rights, and to waive or release the performance or observance of any obligation or condition of the Development and Contract Rights; provided that no such modification, termination, waiver or release affects any of the Development and Contract Rights which pertain to lands outside of the District not relating to development of the Lands. Upon an Event of Default, the rights as outlined within this Section 3(b) shall be included as part of the Development and Contract Rights assigned to Assignee.

(c) In the event of the institution of any involuntary bankruptcy, reorganization or insolvency proceedings against the Assignor or the appointment of a receiver or a similar official with respect to all or a substantial part of the properties of the Assignor, Assignor shall endeavor in good faith to have such proceedings dismissed or such appointment vacated within a period of one hundred twenty (120) days.

4. **Assignee Obligations.** Nothing herein shall be construed as an obligation on the part of the Assignee to accept any liability for all or any portion of the Development and Contract Rights unless it chooses to do so in its sole discretion. Nor shall any provision hereunder be construed to place any liability or obligation on Assignee for compliance with the terms and provisions of all or any portion of the Development and Contract Rights.

5. **Events of Default.** Any breach of the Assignor's warranties contained in Section 2 hereof or breach of covenants contained in Section 3 hereof will, after the giving of notice and an opportunity to cure (which cure period shall be at least sixty (60) days) shall constitute an Event of Default under this Assignment.

6. **Remedies Upon Event of Default.** Upon an Event of Default, Assignee may, as Assignee's sole and exclusive remedies, take any or all of the following actions, at Assignee's option:

(a) Perform any and all obligations of Assignor relating to the Development and Contract Rights and exercise any and all rights of Assignor therein as fully as Assignor could.

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

7. **Authorization.** Upon the occurrence and during the continuation of an Event of Default, Assignor does hereby authorize and shall direct any party to any agreement relating to the Development and Contract Rights to tender performance thereunder to Assignee upon written notice and request from Assignee. Any such performance in favor of Assignee shall constitute a full release and discharge to the extent of such performance as fully as though made directly to Assignor.

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

9. **Third-Party Beneficiaries.** The Trustee for the Bonds, on behalf of the bondholders, shall be a direct third-party beneficiary of the terms and conditions of this Assignment and shall be entitled to cause the District to enforce the Assignor's obligations hereunder. In the event that the District does not promptly take Trustee's written direction under this Agreement, or the District is otherwise in default under the Indenture, the Trustee shall have the right to enforce the District's rights hereunder directly. This Assignment is solely for the benefit of the parties set forth in this Section, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any other third party. The Trustee shall not be deemed to have assumed any obligations hereunder.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

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

ATTEST:

ASSIGNOR:

HANOVER LAKES, LLC,
a Florida limited liability company

By: Hanover Land Company, LLC, its Manager

Witness

By: _____
Name: Andrew Orosz
Title: Vice President

Witness

STATE OF FLORIDA)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by Andrew Orosz as Vice President of Hanover Land Company, LLC, a Florida limited liability company, on behalf of the limited liability company, which serves as manager of Hanover Lakes, LLC, a Florida limited liability company, on behalf of the limited liability company. He/she is personally known to me or has produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

ATTEST:

ASSIGNOR:

HANOVER CAPITAL PARTNERS, LLC,
a Florida limited liability company

Witness

By: _____
Name: Andrew Orosz
Title: Vice President

Witness

STATE OF FLORIDA)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by Andrew Orosz as Vice President of Hanover Capital Partners, LLC, a Florida limited liability company, on behalf of the limited liability company. He/she is personally known to me or has produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

ATTEST:

ASSIGNOR:

HANOVER LAND COMPANY, LLC,
a Florida limited liability company

Witness

By: _____
Name: Andrew Orosz
Title: Vice President

Witness

STATE OF FLORIDA)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by Andrew Orosz as Vice President of Hanover Land Company, LLC, a Florida limited liability company, on behalf of the limited liability company. He/she is personally known to me or has produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

ATTEST:

ASSIGNEE:

**OSCEOLA CHAIN OF LAKES COMMUNITY
DEVELOPMENT DISTRICT**

Witness

Anthony Iorio, Chairman

Witness

STATE OF FLORIDA)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by Anthony Iorio, Chairman of Osceola Chain of Lakes Community Development District, who is either personally known to me, or produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

EXHIBIT A

TRACT N (FUTURE DEVELOPMENT), AS SHOWN ON THE PLAT KNOWN AS HANOVER LAKES PHASE 1, A REPLAT, RECORDED IN THE OFFICIAL RECORDS OF OSCEOLA COUNTY, FLORIDA AT PLAT BOOK 27, PAGES 18 THROUGH 23.

Subsection 5h

Contribution Agreement

CONTRIBUTION AGREEMENT BETWEEN THE OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT AND HANOVER LAKES, LLC

THIS AGREEMENT (“**Contribution Agreement**”) is made and entered into this 31st day of January, 2020, by and between:

OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in Osceola County, Florida, whose address is c/o Moyer Management Group, 313 Campus Street, Celebration, Florida 34747 (“**District**”); and

HANOVER LAKES, LLC, a Florida limited liability company, whose address is 605 Commonwealth Avenue, Orlando, Florida 32803 (together with its successors and assigns, the “**Developer**,” and together with the District, each a “**Party**” and collectively the “**Parties**”).

RECITALS

WHEREAS, the District was established by Ordinance No. 2017-78, as amended by Ordinance 2017-93, changing the name of the District, each adopted by the Board of County Commissioners in and for Osceola County, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (“**Act**”), and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, constructing, operating and/or maintaining certain infrastructure, including roadways, stormwater management systems, potable and reclaimed water and sewer systems and other infrastructure within or without the boundaries of the District; and

WHEREAS, the Developer is the owner of certain lands in Osceola County, Florida, located within the boundaries of the District (the “**Development**”); and

WHEREAS, the District has adopted an improvement plan to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services (“**Master Project**”) as detailed in the *Master Engineer’s Report* dated January 3, 2018 (the “**Master Engineer’s Report**”); and

WHEREAS, the District has imposed special assessments on the property within the District to secure financing for the construction of the infrastructure improvements described in Exhibit A, and has validated \$21,000,000 in capital improvement revenue bonds to fund the planning, design, permitting, construction and/or acquisition of improvements in the Master Project; and

WHEREAS, the District previously issued its \$2,200,000 Capital Improvement Revenue Bonds, Series 2018 (the “**Series 2018 Bonds**”) , which Series 2018 Bonds remain outstanding, to

fund a portion of the Master Project (the “**Series 2018 Project**”) as further described in the 2018 Supplemental Engineer’s Report dated February 14, 2018 (the “**2018 Engineer’s Report**”) and levied special assessments for the repayment of the Series 2018 Bonds (the “**Series 2018 Assessments**”), as further detailed in that certain Master Assessment Report dated January 3, 2018 (the “**Master Assessment Report**”), as supplemented by the First Supplemental Assessment Report dated March 7, 2018 (the “**2018 Assessment Report**”); and

WHEREAS, the District presently intends to issue its \$5,980,000 Capital Improvement Revenue Bonds, Series 2020 (the “**Series 2020 Bonds**”), to fund a portion of the Master Project (the “**Series 2020 Project**”) as further described in the *2020 Supplemental Engineer’s Report* dated January 8, 2020 (the “**2020 Engineer’s Report**” and together with the Master Engineer’s Report, the “**Engineer’s Report**”), which the anticipated costs of such Series 2020 Project are identified in Exhibit F of the 2020 Engineer’s Report, and levy special assessments for the repayment of the Series 2020 Bonds (the “**Series 2020 Assessments**,” and together with the Series 2018 Assessments, the “**Debt Assessments**”), as further detailed in that certain *Master Assessment Report* dated January 3, 2018 (the “**Master Assessment Report**”), as supplemented by the *Second Supplemental Assessment Report* dated January 30, 2020 (the “**2020 Assessment Report**,” and together with the Master Assessment Report and 2018 Assessment Report, the “**Assessment Reports**”), both attached hereto as **Composite Exhibit A**; and

WHEREAS, as reflected in the Assessment Reports, the Series 2018 Assessments and Series 2020 Assessments are determined based on targeted annual assessment installments provided by the Developer in order to achieve certain market-level, end user assessments; and

WHEREAS, in order to achieve the targeted Series 2018 Assessment levels, the methodology provided in the 2018 Assessment Report contemplated the Developer contribute Series 2018 Project infrastructure to satisfy the difference in costs of the Master Project attributable to residential units subject to the Series 2018 Assessments and the costs of the Master Project funded by the Series 2018 Assessments allocated to such residential units; and

WHEREAS, pursuant to Resolution 2020-05, the District recognized and acknowledged the Developer satisfied, in full, its contribution obligation relating to the Series 2018 Assessments, as calculated pursuant to the 2018 Assessment Report and that certain *Contribution Agreement* dated March 9, 2018 between the District and Developer; and

WHEREAS, in order to achieve the targeted Series 2020 Assessment levels under the methodology provided in the Assessment Report, the 2020 Assessment Report contemplates, and the Parties hereby agree, that the Developer shall contribute Master Project infrastructure to satisfy the difference in costs of the Master Project attributable to residential units subject to Series 2020 Assessments and the costs of the Master Project funded by the Series 2020 Assessments allocated to such residential units.

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 Parties agree as follows:

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

2. **CONTRIBUTIONS REQUIRED BY 2020 ASSESSMENT REPORT.** Developer, its successors and assigns, agrees to contribute funds or Infrastructure Contributions (as hereinafter defined), in a manner as provided herein, to the District in an amount equal to the differential amount of Total CIP Per Unit and the 2020 Assessment Funded CIP Per Unit (as both terms are defined in the 2020 Assessment Report) attributable to the residential units that absorb the Series 2020 Assessments (the “**Developer Contribution**”), which Developer Contribution is described in more detail in Section 3.2 and Table 5 of the 2020 Assessment Report. At the time of issuance of the Series 2020 Bonds, the Developer Contribution is anticipated to total [Five Million Nine Hundred Twenty-Eight Thousand Seven Hundred Seventy-Four Dollars and 78/100 Cents (\$5,928,774.78)], based on the 373 residential units anticipated to absorb the Series 2020 Assessments, as further described in Table 5 of the 2020 Assessment Report; however, such amount may be recalculated on or prior to the Due Date (hereinafter defined) as provided in Section 3 herein.

The balance of the Developer Contribution is given to the District as satisfaction for the recognized contributions to achieve the Series 2020 Assessment levels identified in the 2020 Assessment Report. The Developer, its successors and assigns may, at their option, elect to contribute Infrastructure Contributions to the District in excess of the Developer Contribution. All sums owing under this Contribution Agreement are payable in District Improvements, Work Product and Real Property (collectively “**Infrastructure Contributions**”), each as defined in that certain Agreement by and between the District and Developer Regarding the Acquisition of Certain Work Product, Infrastructure, and Real Property dated March 9, 2018, or that certain Agreement by and between the District and Developer Regarding the Acquisition of Certain Work Product, Infrastructure, and Real Property dated November 6, 2019 (collectively, the “**Acquisition Agreements**”) to be financed by Developer and independently appraised (in an aggregate amount equal to or exceeding the Developer Contribution) and donated to the District or such other appropriate unit of government as is designated in the Master Engineer’s Report, or required by governmental regulation or development approval. Such District Improvements, Work Product and Real Property shall be valued in an amount equal to or exceeding the Developer Contribution using the valuation procedures as described in the Acquisition Agreement. Should the sums owing under this Contribution Agreement not be fully satisfied with Infrastructure Contributions by the Due Date provided for in Section 3 of this Contribution Agreement, any balance owing under this Contribution Agreement shall be immediately payable in lawful money of the United States of America.

3. **DUE DATE; RECALCULATION OF DEVELOPER CONTRIBUTION.** The entire balance of the Developer Contribution shall be due and payable in cash if Infrastructure Contributions equal to the Developer Contribution have not been contributed to the District on or before eight (8) years following the issuance of the Series 2020 Bonds (the “**Due Date**”). On or prior to the Due Date, the Parties agree to recalculate the Developer Contribution based on the methodology described in the 2020 Assessment Report and Section 4(a) of that certain Agreement by and between the District and Developer regarding the Completion of Certain Improvements Relating to the Series 2020 Project and Acknowledgement of Contribution

Requirement, dated January 31, 2020, and entered into in connection with the issuance of the Series 2020 Bonds.

4. PRIOR RECOGNITION OF INFRASTRUCTURE CONTRIBUTION.

Pursuant to Resolution 2020-05, adopted prior to the issuance of the Series 2020 Bonds, the completed Series 2018 Project improvements funded by Developer in excess of the Developer's 2018 Contribution Obligation was recognized and acknowledged as a credit against the Developer Obligation described herein in the amount as described in Resolution 2020-05, as may be amended from time to time.

5. RELEASE UPON SATISFACTION. At the time the Developer's Contribution has been fully satisfied as provided in this Contribution Agreement, a resolution shall be presented to the District's Board of Supervisors for formal recognition that the Developer's Contribution has been satisfied and release of Developer from this Contribution Agreement.

6. ENFORCEMENT. A default by either Party under this Contribution Agreement shall entitle any non-defaulting Party to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance.

7. RECOVERY OF COSTS AND FEES. In the event either Party is required to enforce this Contribution Agreement by court proceedings or otherwise, then the prevailing Party, as determined by the applicable court or other dispute resolution provider, shall be entitled to recover from the non-prevailing Party or Parties all fees and costs incurred, including reasonable attorneys' fees and costs incurred prior to or during any litigation or other dispute resolution and including all fees and costs incurred in appellate proceedings.

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

A.	If to the District:	Osceola Chain of Lakes Community Development District 313 Campus Street Celebration, Florida 34747 Attn: District Manager
----	---------------------	---

With a copy to:	Hopping Green & Sams, P.A. 119 South Monroe Street, Suite 300 Tallahassee, Florida 32301 Attn: Sarah R. Sandy
-----------------	--

B.	If to the Developer:	Hanover Lakes, LLC 605 Commonwealth Avenue Orlando, Florida 32803
----	----------------------	---

Attn: Andrew J. Orosz

With a copy to:

Attn: _____

Except as otherwise provided in this Contribution 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 Contribution 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 Developer may deliver Notice on behalf of the District and the Developer. Any Party or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth herein.

9. AMENDMENT. This Contribution Agreement shall constitute the entire agreement between the Parties and may be modified in writing only by the mutual agreement of all Parties.

10. NO PARTNERSHIP OR JOINT VENTURE; TRANSFERABILITY. Nothing contained in this Contribution Agreement or elsewhere shall be construed as creating a partnership or joint venture between the District and Developer or between Developer and any other person or as causing the Developer to be responsible in any way for the debts or obligations of the District or any other person. This Contribution Agreement shall not be transferred, sold, devised, assigned or otherwise conveyed to any third party absent the express written consent of the District which shall not be unreasonably withheld. However, upon such assignment the District shall have the right in its sole discretion to require 1) securitization of this Contribution Agreement through a bond, letter of credit or other security or 2) accelerate the Due Date of this Contribution Agreement to a date no earlier than the date of assignment.

11. HEADINGS. Headings at the beginning of each numbered paragraph of this Contribution Agreement are intended solely for convenience of reference and are not to be construed as being a part of this Contribution Agreement.

12. GOVERNING LAW. This Contribution Agreement shall be construed and enforced in accordance with the laws of the State of Florida.

13. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Contribution Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other statute, and nothing in this Contribution Agreement shall inure to the benefit of any third party for the

purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

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

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

[Remainder left blank, signature pages follow]

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

Attest:

**OSCEOLA CHAIN OF LAKES
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

By: Anthony Iorio
Its: Chairman

HANOVER LAKES, LLC,
a Florida limited liability company

By: Hanover Land Company, LLC, a
Florida limited liability company, Its
Manager

Witness

By: _____
Print Name: Andrew Orosz
Title: Vice President

Composite Exhibit A: Master Assessment Report dated January 3, 2018, as supplemented
by the Second Supplemental Assessment Report dated January 30,
2020

Subsection 5i

Tri-Party Agreement

This instrument prepared by:
Sarah R. Sandy, Esq.
Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

TRI-PARTY AGREEMENT RELATING TO CONSENT TO JURISDICTION, IMPOSITION OF SPECIAL ASSESSMENTS, AND SUBORDINATION OF INTERESTS

THIS AGREEMENT is made and entered into this 31st day of January, 2020 by and between:

Osceola Chain of Lakes Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, as amended (the “District”);

Hanover Lakes, LLC, a Florida limited liability company and owner of lands described in **Exhibit “A”** attached hereto (together with its successors and assigns, the “Landowner”); and

Regions Bank, a banking corporation duly organized and existing under the laws of the State of Alabama, its successors and/or assigns (the “Subordinate Lender” and together with the District and the Landowner, each a “Party” and collectively, the “Parties”).

RECITALS

WHEREAS, the District is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, as amended (the “Act”); and

WHEREAS, the Act authorizes the District to issue bonds for the purposes of planning, financing, constructing, operating, and/or maintaining certain infrastructure; and

WHEREAS, the District has issued (or will issue) its Osceola Chain of Lakes Community Development District Capital Improvement Revenue Bonds, Series 2020 with a par value of \$5,980,000 (the “2020 Bonds”), to finance certain public infrastructure which will provide special benefit to property within the District; and

WHEREAS, the 2020 Bonds are being issued pursuant to the Act and that certain Master Trust Indenture dated as of March 1, 2018 by and between the District and U.S. Bank National Association, as trustee (the “Master Indenture”), as supplemented by that certain Second Supplemental Trust Indenture dated as of January 1, 2020 (the “Supplemental Indenture” and together with the Master Indenture, the “Indenture”); and

WHEREAS, the security for the repayment of the 2020 Bonds is the special assessments levied by the District against a portion of the lands within the District (the “Special Assessments”), specifically the land described in **Exhibit “A”** attached hereto and owned by the Landowner (the “Property”); and

WHEREAS, the Subordinate Lender is owner and holder of a Mortgage and Security Agreement recorded in Official Records Book 5299, Page 1095, of the Public Records of Osceola County, Florida, as modified and renewed by that certain Note and Mortgage Modification and Renewal Agreement recorded in Official Records Book 5507, Page 430, of the Public Records of Osceola County, Florida (the “Mortgage”); and

WHEREAS, in the event of default in the payment of Special Assessments securing the 2020 Bonds, the District has certain legal rights and remedies with respect to the lien of the Special Assessments, including, without limitation, certain foreclosure rights provided by statute; and

WHEREAS, in connection with the issuance by the District of the 2020 Bonds, the Landowner and certain affiliates of the Landowner (collectively, the “Assignor”) have executed or will shortly execute that certain Collateral Assignment and Assumption of Development and Contract Rights (the “Collateral Assignment”) in favor of the District, collaterally assigning to the District all of Assignor’s rights more particularly and completely defined in the Collateral Assignment (the “Development and Contract Rights”); and

WHEREAS, the District and the Landowner wish to reflect their respective acknowledgements and obligations with respect to the 2020 Bonds and Special Assessments; and

WHEREAS, the District and the Subordinate Lender wish to reflect their respective priorities with respect to the lien and the Development and Contract Rights associated with the Property.

NOW THEREFORE, in consideration of the benefits that will accrue to each Party arising out of the execution of this Agreement, the sufficiency whereof is hereby acknowledged, the Parties do hereby agree as follows:

1. **RECITALS.** The foregoing recitals are true and correct and are incorporated herein by this reference.

2. **LANDOWNER ACKNOWLEDGEMENT AND OBLIGATIONS.** The Landowner, intending that it and its respective successors in interest shall be legally bound by this Agreement, hereby declares, acknowledges and agrees as follows:

a. The Landowner, for itself and its heirs, successors and assigns, hereby agrees that the District is, and has been at all times on and after October 3, 2017, a legally created, duly organized, and validly existing local unit of special-purpose government established pursuant to the Act, and the members of the Board of Supervisors of the District (the “Supervisors”) and officers of the District as constituted from October 3, 2017, to and including the date of this Agreement were duly appointed or elected to their respective positions in accordance with all requirements of Federal and Florida law including the Constitution of the United States of America and of the State of Florida and had the authority and right to authorize, approve, and undertake all actions of the District approved and undertaken from October 3, 2017, to and including the date of this Agreement.

b. The Landowner, for itself and its heirs, successors and assigns, hereby confirms, acknowledges, and agrees that the Special Assessments imposed and levied upon lands in the District as provided in Resolution Nos. 2018-26, 2018-27, 2018-33 and 2020-06 of the District (together, the "Assessment Resolutions") are the valid, legal, binding obligations of the Landowner, its heirs, successors and assigns, and in consideration of the improvements for which such Special Assessments have been levied by the District, hereby covenants to pay such Special Assessments, as and when due, but recourse against the Landowner for failure to pay the assessments shall be limited to enforcement of the Special Assessments as provided by law.

c. The Landowner, for itself and its heirs, successors and assigns, hereby waives the right, if any, under Section 170.09, as amended, to prepay the Special Assessments imposed and levied pursuant to the Assessment Resolutions within thirty (30) days after the improvements financed with proceeds of the 2020 Bonds are completed, without interest, in consideration of the District's undertaking to make such improvements.

d. The Landowner acknowledges and agrees that it was present at the meetings of the Board of Supervisors of the District at which the Assessment Resolutions were adopted, and that it hereby waives any further notice which could be asserted as being applicable under provisions of Florida law in connections with such meetings. The Landowner acknowledges and agrees to modifications, if any, discussed at the District's January 3, 2018, assessment hearing, as such modifications may be memorialized in District resolutions. The Landowner acknowledges that it was present at such hearing, had the opportunity to review the modified assessment methodology report, and waives any further notice requirement or objection to the modified assessment methodology report.

e. The Landowner, for itself and its heirs, successors and assigns, hereby covenants that any portion of the Property described in Exhibit A that is conveyed or otherwise sold shall be so conveyed in a matter consistent with all applicable county, municipal and state laws, including but not limited, to any and all effective comprehensive plans, and amendments thereto, zoning conditions and development order conditions.

3. **SUBORDINATION.** The Subordinate Lender hereby agrees that the Mortgage is now and shall forever hereafter be subordinate and inferior to the lien of the Special Assessments and the rights of the District in and to the Development and Contract Rights set forth in the Collateral Assignment. The Property is being developed in phases and Subordinate Lender's consent to subordination is given only so long as the Property, or any portion thereof, is subject to the Mortgage. Once a lot or other portion of the Property has been conveyed to a homebuilder or other owner and is no longer subject to the Mortgage, this subordination shall no longer be effective as to that transferred portion. Pursuant to the Mortgage, Landowner previously collaterally assigned to Subordinate Lender all Development and Contract Rights; however, pursuant to this Agreement, such assignment is subordinate to the collateral assignment of Development and Contract Rights by the Landowner to the District pursuant to the Collateral Assignment. In the event the Landowner is in default under the Mortgage but no Event of Default exists under the Collateral Assignment (as such terms are defined in those respective agreements), Subordinate Lender does not intend hereby to relinquish any such Development and Contract Rights and the District hereby consents to Subordinate Lender, should Subordinate Lender in its sole discretion elect to do so, utilizing those Development and Contract Rights to continue with all or a portion of the development of the Property. Nothing herein shall be construed as an obligation on the

part of the Subordinate Lender to accept any responsibility or liability for all or any portion of the Special Assessments, Property or Development and Contract Rights unless it chooses to do so in its sole discretion. Further, except as expressly provided for in this Agreement, the terms of the Mortgage and all rights and remedies of the Subordinate Lender available thereunder are hereby expressly subordinated to the terms of the Collateral Assignment and the rights and remedies of the District relating to the Special Assessments under Florida Law.

4. **NOTIFICATION.** Each Party shall, within thirty (30) days, provide notice in the manner provided herein to the other Parties of any of the following which may come to the attention of a Party with respect to this Agreement:

- a. Delinquent payment of any monies owed to the District or the Special Assessments or other assessments owed to the District on property encumbered by the Mortgage;
- b. Acceleration of the Special Assessments; and
- c. Event of Default under the Indenture or the Collateral Assignment.

5. **EVENT OF DEFAULT.** The Parties acknowledge and agree that the failure to pay the Special Assessments or the occurrence of an Event of Default under the Indenture shall constitute a default of the Mortgage.

6. **OPPORTUNITY TO CURE.** The Parties agree that the Subordinate Lender shall have ninety (90) days from the receipt of notice provided per "Section 4. Notification" of this Agreement to cure any delinquent payment of the Special Assessments prior to acceleration or Event of Default under the Indenture.

7. **REPRESENTATIONS, WARRANTIES AND COVENANTS – SUBORDINATE LENDER.** Subordinate Lender represents, warrants, and covenants that:

- a. Subordinate Lender is the sole owner and holder of the Mortgage; however, nothing herein prohibits Subordinate Lender from subsequently assigning all or any portion of the Mortgage.
- b. To the best of its knowledge, as of the date hereof, there is no default or event which by notice or the passage of time would constitute an event of default under the Mortgage.

8. **REPRESENTATIONS, WARRANTIES AND COVENANTS – LANDOWNER.** Landowner represents, warrants, and covenants that:

- a. Landowner is the sole owner and holder of the Property.
- b. To the best of its knowledge, as of the date hereof, there is no other lien or encumbrance on the Property except as set forth herein.

9. **ENFORCEMENT OF AGREEMENT.** In the event that a Party is required to enforce this Agreement by court proceedings or otherwise, then the Parties agree that the prevailing Party shall be entitled to recover from the defaulting Party or Parties all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

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

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

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

A. If to the District: Osceola Chain of Lakes Community
Development District
313 Campus Street
Celebration, FL 34747
Attn: District Manager

With a copy to: Hopping Green & Sams, PA
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attn: Sarah R. Sandy

B. If to the Landowner: Hanover Lakes, LLC
605 Commonwealth Avenue
Orlando, Florida 32803
Attn: Andrew J. Orosz

C. If to the Subordinate
Lender: Regions Bank

Attn: _____

With a copy to: _____

Attn: _____

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving

Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for each Party may deliver Notice on behalf of the respective Party he/she represents. 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 at least five (5) days written notice to the Parties and addressees set forth herein.

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

14. **THIRD PARTY BENEFICIARIES.** Except as it relates to Subordinate Lender's rights to subsequent assignment as set forth above, this Agreement is solely for the benefit of the Parties hereto and no right or cause of action shall accrue upon or by reason of, 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 Parties any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; 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 Parties and their respective representatives, successors, and assigns.

15. **ASSIGNMENT.** None of the Parties may assign this Agreement or any monies to become due hereunder without the prior written approval of the others, which approval shall not be unreasonably withheld; however, nothing prohibits Subordinate Lender from assigning all or any portion of its Mortgage without need for consent.

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

17. **EFFECTIVE DATE.** This Agreement shall be effective after execution by all of the Parties hereto.

18. **PUBLIC RECORDS.** The Parties understand and agree that all documents of any kind provided to the District may be public records and treated as such in accordance with Florida law.

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

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

21. **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.

22. **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 pages and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document physically to form one document.

23. **FURTHER ASSURANCES.** So long as the Special Assessments encumber any of the Property, Subordinate Lender will execute, acknowledge and deliver, in recordable form and upon demand, any subordinations or other instruments the District reasonably requires in order to carry out the provisions of this Agreement.

24. **EFFECT OF AGREEMENT.** The declarations, acknowledgments, and agreements contained herein shall run with the land described in Exhibit "A" attached hereto and shall be binding on the Property and on all persons (including corporations, associations, trusts, and other legal entities) taking title to all or any part of the Property, and its successors in interest, whether or not the Property is platted at such time. By taking such title such persons shall be deemed to have consented and agreed to the provisions of this Agreement to the same extent as if they had executed it, and by taking such title such persons shall be estopped from contesting, in court or otherwise, the validity, legality, and enforceability of this Agreement or of any of the ordinances, resolutions, agreements, documents, and other matters dealt with herein.

[SIGNATURES ON FOLLOWING PAGES]

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

Attest:

**OSCEOLA CHAIN OF LAKES COMMUNITY
DEVELOPMENT DISTRICT,**
a local unit of special-purpose government

Witness

By: Anthony Iorio
Its: Chairman, Board of Supervisors

Witness

STATE OF FLORIDA)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by Anthony Iorio, as Chairman of the Board of Supervisors of Osceola Chain of Lakes Community Development District, for and on behalf of said entity. He [____] is personally known to me or [____] produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

HANOVER LAKES, LLC, a Florida limited liability company

By: Hanover Land Company, LLC, a Florida limited liability company, Its Manager

Witness:

Signature

Name

By: Andrew Orosz
Its: Vice President

Witness:

Signature

Name

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by Andrew Orosz as Vice President of Hanover Land Company, LLC, a Florida limited liability company, on behalf of the limited liability company, which serves as manager of Hanover Lakes, LLC, a Florida limited liability company, on behalf of the limited liability company. He/she is personally known to me or has produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

Witness:

REGIONS BANK,

a banking corporation duly organized and existing
under the laws of the State of Alabama

Signature

By: _____

Its: _____

Name

Witness:

Signature

Name

STATE OF FLORIDA)
) ss:
COUNTY OF ESCAMBIA)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by _____, as _____ of Regions Bank, a banking corporation duly organized and existing under the laws of the State of Alabama, for and on behalf of said corporation. S/He [____] is personally known to me or [____] produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

EXHIBIT A:

TRACT N (FUTURE DEVELOPMENT), AS SHOWN ON THE PLAT KNOWN AS HANOVER LAKES PHASE 1, A REPLAT, RECORDED IN THE OFFICIAL RECORDS OF OSCEOLA COUNTY, FLORIDA AT PLAT BOOK 27, PAGES 18 THROUGH 23.

Subsection 5j

Mortgagee Acknowledgement

Prepared by and after recording
return to:

Sarah R. Sandy
Hopping Green & Sams, PA
119 S. Monroe Street, Suite 300
Tallahassee, Florida 32301

MORTGAGEE SPECIAL ASSESSMENT ACKNOWLEDGMENT

This **MORTGAGEE SPECIAL ASSESSMENT ACKNOWLEDGMENT** is made as of January 31, 2020, by Regions Bank, a banking corporation duly organized and existing under the laws of the State of Alabama (the “Mortgagee”).

A. The Mortgagee is the owner and holder of a Mortgage and Security Agreement recorded in Official Records Book 5299, Page 1095, of the Public Records of Osceola County, Florida, and related security interests, as modified and renewed by that certain Note and Mortgage Modification and Renewal Agreement recorded in Official Records Book 5507, Page 430, of the Public Records of Osceola County, Florida (collectively, the “Mortgage”) with respect to the lands within the boundaries of the District owned by Hanover Lakes, LLC, a Florida limited liability company (collectively, the “Mortgagor”).

B. The Mortgagee is the owner and holder of that certain [Promissory Note], executed by the Mortgagor and secured by the Mortgage (collectively, the “Note”).

C. The Mortgage encumbers the real and personal property described therein, located in Osceola County, Florida (the “Mortgaged Property”) and described on **Exhibit A** attached hereto.

D. The Mortgaged Property is included within a local unit of special-purpose government known as Osceola Chain of Lakes Community Development District (the “District”), and the District intends to impose special assessments in an amount sufficient to repay the principal of the Series 2020 Bonds (herein defined) (the “2020 Assessments”) on the Mortgaged Property in accordance with Florida law.

E. The 2020 Assessments will be imposed and levied for the purpose of generating funds which will be used to make payments due upon the District's Capital Improvement Revenue Bonds, Series 2020 with a par value of \$5,980,000 (the “Series 2020 Bonds”) which are being issued concurrently with the execution hereof.

F. In order to induce the District to impose and levy the 2020 Assessments and issue the Series 2020 Bonds, for the benefit of the Mortgaged Property, the District has required and the Mortgagor has requested that the Mortgagee acknowledge (i) the statutory priority of the lien of the 2020 Assessments, (ii) that if the Mortgagee becomes the fee simple owner of the Mortgaged Property, whether by judicial foreclosure, private foreclosure, deed-in-lieu of foreclosure or otherwise, its title is subject to all 2020 Assessments not previously paid that encumber the Mortgaged Property, and (iii) that to the extent that the imposition of the 2020

Assessments would otherwise constitute a default under the Note or Mortgage, the Mortgagee shall waive such default.

G. The Mortgagee has agreed to provide such acknowledgments as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Mortgagee agrees as follows:

1. Recitals. The above Recitals are true and correct and are incorporated herein by reference as if set forth in full herein.

2. Covenants by the Mortgagee. The Mortgagee makes the following acknowledgments and agreements to and for the benefit of the District and its successors:

(a) The Mortgagee acknowledges that the 2020 Assessments will impose a statutory lien on the Mortgaged Property, superior to the lien of the Mortgage.

(b) The Mortgagee agrees that it will not assert against the District, the Trustee or the holders of the Series 2020 Bonds that the lien of the 2020 Assessments, or the payment of the 2020 Assessments, will violate any provision of the Mortgage, the Note or any other agreement made by the Mortgagor with or for the benefit of Mortgagee, in connection with the Mortgage or the Note.

(c) The Mortgagee further agrees that it will not in any way contest the legality or the validity of the 2020 Assessments or contest or challenge the future levy or imposition of the 2020 Assessments or any of the proceedings to be conducted in connection therewith.

(d) If the Mortgagee becomes the fee simple owner of the Mortgaged Property, whether by judicial foreclosure, private foreclosure, deed-in-lieu of foreclosure or otherwise, the Mortgagee recognizes that its title to the Mortgaged Property is subject to all unpaid 2020 Assessments that encumber the Mortgaged Property.

3. Mortgage Not Affected. This Mortgagee Special Assessment Acknowledgment is made by Mortgagee solely for the benefit of the District and the current and future holders of the Series 2020 Bonds. Nothing herein shall in any way affect the Mortgage or limit Mortgagee's rights or Mortgagor's obligations under the Mortgage or affect that certain Tri-Party Agreement Relating to Consent to Jurisdiction, Imposition of Special Assessments, and Subordination of Interests entered into by and between the Mortgagor, Mortgagee, and the District of even date herewith. Without limiting the generality of the foregoing, nothing herein shall limit Mortgagee's ability to declare a default under the Mortgage in the event of a violation of the terms of the Mortgage.

4. Mortgagee Waivers. By execution of this Mortgagee Special Assessment Acknowledgment, the Mortgagee hereby waives any default under the Note or the Mortgage arising solely from the issuance of the Series 2020 Bonds and the imposition of the 2020 Assessments. No other waiver is given or implied.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Mortgagee has caused this instrument to be executed the day and year first above written.

WITNESSES:

REGIONS BANK, a banking corporation duly organized and existing under the laws of the State of Alabama

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

Title: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by _____ as _____ of Regions Bank, a banking corporation duly organized and existing under the laws of the State of Alabama, on behalf of said corporation. Such person is personally known to me or has produced _____ as identification and did/did not take an oath or affirmation.

Printed/Typed Name: _____

Notary Public-State of _____

Commission Number: _____

EXHIBIT A

TRACT N (FUTURE DEVELOPMENT), AS SHOWN ON THE PLAT KNOWN AS HANOVER LAKES PHASE 1, A REPLAT, RECORDED IN THE OFFICIAL RECORDS OF OSCEOLA COUNTY, FLORIDA AT PLAT BOOK 27, PAGES 18 THROUGH 23.

Subsection 5k

Notice of Series 2020 Assessments

**This space reserved for use by the Clerk of
the Circuit Court**

This instrument prepared by
and return to:

Sarah R. Sandy, Esq.
HOPPING GREEN & SAMS, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

**OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT
NOTICE OF SERIES 2020 ASSESSMENTS**

PLEASE TAKE NOTICE that the Board of Supervisors of the Osceola Chain of Lakes Community Development District (the “**District**”) in accordance with Chapters 170, 190, and 197, *Florida Statutes*, adopted Resolution Nos. 2018-26, 2018-27, 2018-33 and 2020-06 (collectively, the “**Assessment Resolutions**”) providing for, levying and setting forth the terms of non-ad valorem special assessments constituting a governmental lien on certain real property within the boundaries of the District that are specially benefitted by the improvements of the Series 2020 Project as described in the District’s adopted *Master Engineer’s Report*, dated January 3, 2018, as supplemented by the *2020 Supplemental Engineer’s Report*, dated January 8, 2020 (together, the “**Engineer’s Report**”). To finance a portion of the costs of the Series 2020 Project, the District issued Osceola Chain of Lakes Community Development District (Osceola County, Florida) Capital Improvement Revenue Bonds, Series 2020, which are secured by the non-ad valorem assessments levied by the Assessment Resolutions (the “**Series 2020 Assessments**”). The legal description of the lands on which said Series 2020 Assessments are imposed is attached to this Notice as **Exhibit A**. Copies of the Engineer’s Report and the Assessment Resolutions may be obtained by contacting the District at:

Osceola Chain of Lakes Community Development District
313 Campus Street
Celebration, Florida 34747
Ph.: 321-939-4301

The Series 2020 Assessments provided for in the Assessment Resolutions were legally and validly determined and levied in accordance with all applicable requirements of Florida law, and the Series 2020 Assessments constitute and will at all relevant times in the future constitute, legal, valid and binding first liens on the land against which assessed until paid, coequal with the lien of all state, county, district and municipal taxes, and superior in dignity to all other liens, titles and claims.

The District is a special-purpose form of local government established pursuant to and governed by Chapter 190, *Florida Statutes*. Pursuant to Section 190.048, *Florida Statutes*, you are hereby notified that: **THE OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT MAY IMPOSE AND LEVY TAXES OR ASSESSMENTS, OR BOTH TAXES AND ASSESSMENTS, ON THIS PROPERTY. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES AND SERVICES OF THE DISTRICT AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF THE DISTRICT. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND OTHER LOCAL GOVERNMENTAL TAXES AND ASSESSMENTS AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW.**

IN WITNESS WHEREOF, this Notice has been executed on the ____ day of _____, 2020, and recorded in the Official Records of Osceola County, Florida.

**OSCEOLA CHAIN OF LAKES COMMUNITY
DEVELOPMENT DISTRICT**

Chairman, Board of Supervisors

Witness

Witness

Print Name

Print Name

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2020, by Anthony Iorio, Chairman of Osceola Chain of Lakes Community Development District, who is either personally known to me, or produced _____ as identification.

Print Name: _____
Notary Public, State of Florida

Commission No.: _____
My Commission Expires: _____

EXHIBIT A

TRACT N (FUTURE DEVELOPMENT), AS SHOWN ON THE PLAT KNOWN AS HANOVER LAKES PHASE 1, A REPLAT, RECORDED IN THE OFFICIAL RECORDS OF OSCEOLA COUNTY, FLORIDA AT PLAT BOOK 27, PAGES 18 THROUGH 23.

Section 6

District Improvement Matters

Subsection 6a

Acquisition of Series 2020 Project Improvements

Phase 3 Improvement for Acquisition	NTE Acquisition Amount	Improvement Description <i>(i.e., improvements being acquired)</i>	Legal Description <i>(i.e., where the improvements are located; Exhibit A to the improvement description)</i>
1. ROWs (Tracts B & G)	\$985,000.00	Roadway improvements including paving, curb, gutter, storm piping, and sidewalks constructed in and for the development of Hanover Lakes Phase 3, located in the public right-of-way known as Nottel Drive, Lotta Court and Olivia Court as described in the legal description attached hereto as Exhibit A.	TRACT B and G, HANOVER LAKES PH 3 according to the plat thereof, as recorded on PB _ PGS __
2. Stormwater (Tract A)	\$985,000.00	All pond/stormwater management facilities together with master drainage pipes, structures, inlets, manholes, mitered end sections, headwalls, water control structures catch-basins and related stormwater facilities in and for the development of Hanover Lakes Phase 3, all located on portions of the real property described in the legal description attached hereto as Exhibit A.	TRACT A, HANOVER LAKES PH 3 according to the plat thereof, as recorded on PB _ PGS __
3. Utilities (W/S/R) & Electrical	\$645,000.00 \$1,100,000.00	All water, electrical conduit, and wastewater facilities from the points of delivery or connection to the point of delivery or connection including the potable water system, fire protection lines and hydrants, wastewater manholes, sewer lines, publicly owned reclaim mains, electrical and lighting conduit for the development of Hanover Lakes Phase 3, all located on portions of the real property described in the legal description attached hereto as Exhibit A.	Legal Description from Phase 3 Plat
4. Off-Site ROW (Alligator Lake Road)	\$345,000.00	Roadway improvements including paving, curb, gutter, storm piping, and sidewalks constructed in and for the development of Hanover Lakes Subdivision – Offsite Roadway, located in the public right-of-way known as Alligator Lake Road as described in the legal description attached hereto as Exhibit A.	Alligator Lake Right-of-Way (DAVID WHITE WORKING ON SURVEY)