

**IN THE FIFTEENTH JUDICIAL CIRCUIT COURT IN AND
FOR MARTIN COUNTY, FLORIDA**

**LAKE POINT PHASE I, LLC, and
LAKE POINT PHASE II, LLC,
Florida limited liability companies,**

Plaintiffs,

Case No.: 2013-001321-CA

v.

**SOUTH FLORIDA WATER
MANAGEMENT DISTRICT, a
public corporation of the State of
Florida, MARTIN COUNTY, a
political subdivision of the State of
Florida, and MAGGY
HURCHALLA,**

JURY TRIAL DEMANDED

Defendants.

_____ /

THIRD AMENDED COMPLAINT

Plaintiffs, Lake Point Phase I, LLC, and Lake Point Phase II, LLC (collectively, “Lake Point”), through their undersigned counsel, sue Defendants, South Florida Water Management District (“SFWMD”), Martin County (the “County”), and Maggy Hurchalla (“Hurchalla”), and allege as follows:

The Parties, Jurisdiction, and Venue

1. Lake Point Phase I, LLC, and Lake Point Phase II, LLC are Florida limited liability companies authorized to conduct business in the State of Florida.
2. SFWMD is a public corporation of the State of Florida with its principal office in Palm Beach County.
3. The County is a political subdivision of the State of Florida.
4. Hurchalla is a natural person and a Florida resident.

5. This Court has jurisdiction under section 26.012, Florida Statutes (2013).

6. Venue is appropriate in this Court because the subject property is located in Martin County, Florida.

The Property

7. Lake Point is the owner of land located in Martin County, which is more particularly described in the attached legal description as **Exhibit A** (the “Property”). The Property is approximately 2266 MOL acres in size. A smaller segment of the Property, more commonly known as Lake Point Ranches, is 1000 acres MOL in size (the “Lake Point Ranches Parcel”).

8. The Property is zoned for Agricultural use under the County’s Land Development Code and is classified as “Agricultural” under the County Comprehensive Plan Future Land Use Element. Under the zoning and land use classifications, the uses described below are allowed as permitted uses.

9. On May 22, 2007, the County approved a final site plan for an agricultural subdivision on the Lake Point Ranches Parcel, which was amended and approved by the County on December 18, 2007 (the “2007 Development Order”). As part of the 2007 Development Order, the County authorized Lake Point to excavate and haul approximately 2,000,000 cubic yards of limerock from the Lake Point Ranches Parcel.

The Negotiations and County Resolutions

10. Beginning in 2008, Lake Point, the SFWMD, and the County began negotiating contracts for the development of the Property as a stormwater management and water treatment project (the “Public Works Project”).

11. The Public Works Project, as proposed and described herein, was, in part, implemented to further the goals of the Northern Everglades and Estuaries Protection Program (the “Everglades Plan”), as codified in section 373.4595 of the Florida Statutes (2013). The Public Works Project is an integral part of the Everglades Plan—a statewide restoration program that is legislatively designed to benefit the Florida Everglades. Through the legislative mandate outlined in the Everglades Plan, SFWMD has been directed to create public private partnerships with private landowners, like Lake Point, in order to allow them to earn revenue as an incentive to further the State’s goals of storing, treating, supplying, and improving water quality in South Florida.

12. In 2008, Lake Point and the SFWMD entered into a letter of intent to develop the Property as the Public Works Project.

13. In response to the letter of intent, and to induce Lake Point to enter into a contract to build the Public Works Project, the County passed resolutions in April and August of 2008, wherein the County concluded that: (i) the mining operations and creation of the Public Works Project would be valuable to the environment and public as a water quality treatment and transfer area; and (ii) the Public Works Project qualified as an exempt “public stormwater management project” as defined in the County’s Land Development Regulations. From the beginning of this project, the County made it clear that the Lake Point mining and water treatment operations were environmentally sound ideas that should be pursued for the general benefit of the public. The County’s own resolutions additionally establish that Lake Point was to be exempt from County land development regulations, because Lake Point would be regulated by other governmental entities.

14. Commissioner Sarah Heard (now the chair of the Martin County Board of County Commissioners) voted in favor of the Lake Point project through the resolutions described above. The resolutions approving the Lake Point project were unanimously approved by the Martin County Board of County Commissioners in 2008.

15. Officials from the SFWMD also publicly concluded that the Public Works Project would have environmental benefits, including, but not limited to, the ability to improve the quality of water flowing through the St. Lucie/C-44 Canal.

16. As part of its due diligence before entering into a contract with Lake Point, the SFWMD commissioned several consultants to determine whether the Public Works Project would confer benefits on the public. Through self-performed financial feasibility studies, internal staff review and modeling, outside peer review, and third party studies, the SFWMD concluded that Lake Point would: (i) qualify as an effective water treatment and transfer hub between Lake Okeechobee, the St. Lucie Canal, and the L-8 Canal right of way; (ii) help reduce several tons of phosphorous on an annual basis that was otherwise being discharged into Lake Okeechobee (from sources other than Lake Point); and (iii) allow clean water to be transferred to South Florida for environmental and utility purposes.

17. The SFWMD concurrently shared the results of its due diligence with various County staff members so that the County could provide advice, comments, or criticism about the benefits of the Public Works Project.

18. The SFWMD's due diligence efforts were also publicly available for any citizen to review, criticize, or comment upon.

19. Based on this due diligence, the SFWMD concluded that it was in the public interest to partner with Lake Point to create the Public Works Project.

20. Lake Point agreed to create the Public Works Project through mining activities, which would occur in phases. Lake Point would excavate the land for limerock or other materials (the “Excavation Activities”) in order to create lakes to store, treat, and transfer the water by reclaiming the “mined” Property (the “Reclamation Activities”). Both the Excavation Activities and Reclamation Activities are activities related to mining of the Property.

21. During negotiations, Lake Point agreed to donate the Property to the SFWMD so long as any agreement clearly specified that Lake Point would be entitled to receive all revenues for any activities contemplated under the Development Agreement.

The Agreements

22. On November 21, 2008, Lake Point and the SFWMD entered into an Acquisition and Development Agreement for Public Works Project (the “Development Agreement”) (**Exhibit “B”**). Lake Point and the SFWMD expressly described the purpose and intent of the Development Agreement to create a project that would:

- a. Cleanse and convey water between Lake Okeechobee, the C-44/St. Lucie Canal, and the L-8 Canal Right of Way, via existing permitted intake/discharge pumps;
- b. Create approximately 1,800 acres of water management, quality treatment and transfer areas;
- c. Create approximately 150 acres of conservation areas to be donated for passive recreational uses by Martin County residents;
- d. Create a local source for limestone, aggregates, sand, and related materials from lake excavation activities for potential use in other public or private projects, such as the Herbert Hoover Dike remediation; and

- e. Play an integral part in phosphorus reduction and water storage possibilities for the Northern Everglades and Estuaries Protection Program.

23. The Development Agreement contemplated that the Property would eventually be donated to the SFWMD, and the SFWMD agreed to partner with Lake Point to obtain all necessary regulatory permits and approvals to carry out the purposes of the Development Agreement.

24. In exchange for the donation of the Property to the SFWMD, the parties specifically agreed in the Development Agreement that Lake Point would be entitled to (i) use the Property for any purpose consistent with the Development Agreement and (ii) all revenues of any kind for activities contemplated under the Development Agreement would belong to Lake Point. (Development Agreement at § 3.4(b), Ex. “H”, Ex. C, § 1.A.(1) and (4)).

25. The parties further agreed in section 6.2 of the Development Agreement that in exchange for Lake Point’s donation of land to the SFWMD, that the SFWMD would manage and operate the Public Works Project; in particular, the SFWMD agreed to

- (i) attenuate flows in the C-44 Canal; (ii) improve water quality flows discharging from the Stormwater Treatment Cells and Stormwater Management Lakes into the St. Lucie River Estuary System and the L-8 Canal; (iii) meet the other water-related needs of the region in accordance with District policies; and (iv) provide compatible recreation uses on the County Recreation Area.

As part of the agreement to allow the Public Works Project to be managed by the SFWMD, the parties agreed that the SFWMD had the right to enter into agreements with other government entities, like local government utilities, to meet water related needs of the region so long as Lake Point’s rights to earn revenue for activities contemplated in the Agreement were not disturbed. (*Id.*) Lake Point was also free to enter into contracts with local government utilities to meet the water related needs of the region and retain any revenues related to such contractual agreements.

26. On May 28, 2009, the County entered into an Interlocal Agreement with the SFWMD for the Public Works Project. The Interlocal Agreement is attached hereto as **Exhibit C**. The County and the SFWMD entered into the Interlocal Agreement to further the goals of the Development Agreement, and to make clear that the Project was an exempt stormwater management facility under County regulations. Lake Point joined and consented to certain paragraphs of the Interlocal Agreement, and also agreed that 150 acres of the Property would be donated to the County for use as a County Recreation Area.

27. The Interlocal Agreement stipulated, without any conditions or further approvals, that “the Public Works [Project] qualifies as an exempt ‘public stormwater management project’ [under the County’s land development regulations].” (Interlocal Agreement at §11.3.) In furtherance of this stipulation, the County agreed that Lake Point would not be required to make a separate application for a “land clearing or excavation and mining permit” to the County. (*Id.*) The County also agreed that Lake Point would be exempt from local regulations, including mining regulations, other than as expressly stated in the Interlocal Agreement. (*Id.*) The County agreed that, regardless of the regulations that Lake Point was otherwise required to comply with under the Interlocal Agreement, Lake Point would not be required to obtain any permits or authorizations from the County because Lake Point was an exempt public stormwater management project. (*Id.*) The Interlocal Agreement further confers upon Lake Point the right to engage in all activities necessary for the processing and transport of limerock and other minerals. (Interlocal Agreement, Ex. D, § 1.A.(1).) This same provision expressly anticipates that Lake Point will be able to connect its mining and rock processing capability to a railway for transportation to customers. (*Id.*)

28. The Interlocal Agreement further contemplated that Lake Point was not required to operate under the 2007 Development Order after it obtained all mining permits from the State of Florida Department of Environmental Protection (the “FDEP”) and United States Army Corps of Engineers (the “USACOE”) for construction of the Public Works Project. (Interlocal Agreement at § 12.) Consistent with its earlier resolutions in 2008, the County agreed to terminate the 2007 Development Order after Lake Point obtained its state and federal mining permits. (*Id.*) Further, the County also expressly agreed in the Interlocal Agreement that it would take no “actions to frustrate or interfere with the Mining Reservation ... on the Lake Point Property.” (*Id.* at § 10.7.)

Lake Point Implements the Development and Interlocal Agreements

29. After executing the Development and Interlocal Agreements, Lake Point undertook efforts to create a water storage, treatment, and transfer hub that would be used to transport and supply water for environmental enhancement and utility consumption purposes.

30. In 2009, Lake Point began to prepare applications to the FDEP and the USACOE to create the stormwater management lakes or “SMLs”.

31. Lake Point also began the process of preparing the conceptual designs for the storm water treatment areas or “STAs.”

32. The STAs help to remove phosphorus from surface waters discharged onto the Property. Water from the SMLs and STAs would be delivered to various off-site locations through the L-8 Canal, C-44 Canal, or C-11 Culvert into Lake Okeechobee.

33. Under Section 3.A (Exhibit “B”) of the Development Agreement, Lake Point was to prepare and submit an earthwork design of the STAs to the SFWMD, which Lake Point did.

Thereafter, the SFWMD was obligated to prepare a final design for the STAs and provide it to Lake Point.

34. The SFWMD informed Lake Point that it was not ready to begin the process of preparing the final designs as required by the Development Agreement.

The Water Transportation

35. Lake Point met with high-ranking officials at the SFWMD to continue implementing the parties' intent as set out in the Development Agreement to store and transfer water off-site for environmental enhancement and utility consumptive uses.

36. As a result of these meetings to further implement the Development Agreement, Lake Point (i) prepared designs for the STAs (as described above); (ii) entered into a joint venture with a well-recognized water resource business to help provide oversight, expertise, and assistance with the water transport and supply program; (iii) filed applications with the SFWMD (at the direction of the SFWMD's then-executive director, Melissa Meeker), to complete a connection between Lake Point's Property and an existing SFWMD canal (the L-8 Canal) to transfer water into Palm Beach County; and (iv) met with employees and officials from various government entities in order to further the water transport and supply program.

37. Lake Point has spent in excess of \$1.5 million dollars to promote and develop the water transport and supply program described above.

38. The SFWMD also acted in furtherance of the water transport and supply program contemplated in the Development Agreement by: (i) modeling the Public Works Project for water utility supply uses to the south; (ii) attending meetings with third parties and Lake Point to further the water supply program; and (iii) directing Lake Point to file various applications for approvals related to the water supply program.

39. The SFWMD's governing board recognized the Lake Point water transport and supply program in internal directives stating that Lake Point be considered as part of the water supply for south Florida, including Palm Beach County, the City of West Palm Beach, the City of Ft. Lauderdale, and Broward County.

40. The SFWMD has even publicly proclaimed its belief that Lake Point (along with its joint venture partner) should be used to serve drought-related needs of the South Florida region, including the needs for the City of West Palm Beach.

The Permits

41. Lake Point obtained all necessary mining permits for the construction of the stormwater management facility from the FDEP and the USACOE on January 14, 2011 and January 19, 2012, respectively. Lake Point began to excavate the Property consistent with approvals by the State and Federal government.

42. The County received copies of these permits on or about the dates that they were granted. The County did not object to the permits, nor did it seek to challenge the issuance of the permits.

43. In February 2012, after receipt of the permits referenced above, Lake Point met with the County to proceed with vacating the Development Order and Unity of Title for the Lake Point Ranches Parcel.

44. County personnel have visited the Property from time to time to inspect the ongoing activities as part of the creation of the Public Works Project. At no time during these inspections did the County object or issue a notice of violation informing Lake Point that it should stop mining consistent with the permits from the FDEP and the ACOE, until after Hurchalla began to make the false statements about the Public Works Project discussed below.

45. In August 2012, Lake Point met with several of the SFWMD officials to update them about the receipt of the permits from the FDEP and USACOE and to collaborate about the next steps in order to implement the Public Works Project.

46. Lake Point and SFWMD collaborated about the best way for Lake Point to transport and discharge water south to the L-8 Canal for consumptive use purposes, as set out in the Development Agreement. In furtherance of that goal, the SFWMD acknowledged that Lake Point would need to complete the connection by filing a right of way application to discharge waters from Lake Point into the L-8 right of way.

47. On November 30, 2012, Lake Point again requested that the County provide direction as to the paperwork needed to formalize the termination of the 2007 Development Order and Unity of Title.

48. On January 2, 2013, Lake Point sent a follow-up letter to the County requesting that the County terminate the 2007 Development Order, pursuant to the parties' contracts, because the project was no longer going to be developed as an agricultural subdivision.

Hurchalla's Interference and False Statements

49. In January of 2013, the composition of the Martin County Commission Board ("BOCC") changed, and a new County Commission was seated. The new County Commissioners described themselves as "slow growth."

50. Leading up to and in conjunction with this change in the BOCC's composition, Hurchalla started to engage in surreptitious activities targeted to interfere with Lake Point's interests. Among other activities, Hurchalla scheduled and attended private meetings with various government officials to discuss Lake Point and ways to create obstacles to the continued operation of the Public Works Project as contemplated by the contracts attached hereto.

51. Once she established a plan to interfere with the contracts described above, Hurchalla began making numerous material false and misleading statements verbally and in writing to the BOCC, the SFWMD, and others, outside of normal public meetings. Her purpose, as she expressly described it, was to encourage the County to “void” the Interlocal Agreement with the SFWMD and Lake Point, and to encourage the SFWMD to breach its Development Agreement with Lake Point.

52. Examples of Hurchalla’s false January 2013 statements, together with Lake Point’s explanation of why each statement is false, include the following:

a. *The project has been “fast tracked and allowed to violate the rules”.* **False.** Lake Point has acted pursuant to duly executed contracts and permits from, between, and with state and federal agencies. Over the course of several years, Hurchalla, along with the rest of the public, has been properly noticed and given the opportunity to voice objections or support for the project. There has been no “fast tracking” or violation of the rules.

b. *“The new plan for the ‘Public Works Project’ destroys 60 acres of wetlands.”* **False.** No existing wetlands are being destroyed. The ongoing activities at the Property are properly permitted by the state and federal government. Nicki Van Vonno, Martin’s County’s Growth Management Director, has concluded that no wetlands are being impacted.

c. *“The reason for calling it a Public Works Project appeared to be that the owner no longer wanted to keep his promise about preserving wetlands. There were wetlands on top of some valuable limerock.”* **False.** No existing wetlands are being destroyed. Lake Point, SFWMD, and the County all agreed to declare the Property as a Public Works Project because the Lake Point project will create the ability to cleanse and convey water, and the mining activities will create public benefits for public works local projects and put people to work in the County.

d. *“There was no public knowledge of any plan, concept or idea that required purchase of the Lake Point property.”* **False.** The contracts, along with the necessary approvals, were the subject of normal public notice requirements. Many public hearings occurred in which the “plans, concepts, and ideas” were discussed.

e. *“A study was to follow that documented the benefits” but was not provided.* **False.** A study was indeed presented to both the SFWMD and the

County. Additionally, the Lake Point Restoration project is part of the Northern Everglades Restoration Plan.

f. “There does not appear to be any peer review ... to verify benefits from the rockpit.” **False.** The SFWMD engaged in an internal peer review process. Additionally, there were several layers of review as to the benefits of the project that occurred at the federal government level.

g. “There is no discussion of the fact that mining seems to be taking place immediately adjacent to wetlands.” **False.** The SFWMD, FDEP, and ACOE permits contemplate and discuss mining adjacent to wetlands.

53. Hurchalla communicated false statements to the SFWMD to encourage the SFWMD to breach the Development Agreement. At a meeting on December 10, 2012, Hurchalla falsely told representatives of the SFWMD that Lake Point had destroyed “all wetlands” on the Property.

54. As a result of and in direct response to Hurchalla’s efforts and false statements, the County and SFWMD began to breach various obligations under the Interlocal Agreement and Development Agreement with Lake Point, including the prior contractual commitment that this Public Works Project is an exempt stormwater management project under the County’s local land development regulations. Further, notwithstanding issuance of the required permits for Lake Point from state and federal authorities, the County is now refusing to terminate the 2007 Development Order and Unity of Title, as contractually promised, and instead is claiming that Lake Point must comply with local land development regulations beyond those expressly incorporated into the Interlocal Agreement and Development Agreement. The County’s refusal to honor its promises and previous contractual commitments is likewise a repudiation and breach of its obligations under the Interlocal Agreement. Additionally, as a result of Hurchalla’s false statements, the SFWMD has likewise begun breaching its obligations under the Development Agreement as set out more particularly below.

55. On January 5, 2013, Hurchalla communicated with each member of the County's BOCC, encouraging the County to renege on its contractual obligations under the Interlocal Agreement, and contending that Lake Point was not in compliance with the County's code. On January 8, 2013, the County held a duly noticed BOCC meeting to discuss the Lake Point Project. At the meeting, staff from the County adopted Ms. Hurchalla's position, contending that the Lake Point Project now was somehow not an exempt stormwater management system, and, therefore, was subject to and in violation of Martin County rules and regulations.

56. At the hearing on January 8, 2013, Anne Scott, one of the County's commissioners, made the following statement and motion in furtherance of the County's efforts to repudiate the Interlocal Agreement:

As far as I can see, we are in a position to shut this down. And I would move that we commence procedures to do so. I move that we undertake all remedies available to us, to shut this thing down.

57. During the discussion period in response to Commissioner Scott's motion, the County staff sought direction from the BOCC about Lake Point's outstanding requests to terminate the 2007 Development Order pursuant to the Interlocal Agreement and Development Agreement. The BOCC instructed staff to stop any further efforts to process Lake Point's requests.

58. On January 12, 2013, Hurchalla, using the code name "DEEP ROCKPIT," wrote to Commissioner Fielding at his private email account (the "Fielding Private Email") about an upcoming hearing before the County Commission involving Lake Point. Hurchalla directed Commissioner Fielding to initiate a Commission vote to terminate the Interlocal Agreement.

59. On January 13, 2013, one day after sending the Fielding Private Email, Hurchalla communicated with each member of the County's BOCC using their public email addresses,

reiterating the above false statements, and arguing that Lake Point was subject to and in violation of the County's code, and encouraging the County to "void" the Interlocal Agreement.

60. On January 14, 2013, Commissioner Fielding parroted the instructions from Hurchalla contained in the Fielding Private Email by asking that staff bring back a draft resolution so that the County could void Interlocal Agreement and cancel it, such that the County would no longer allow Lake Point the opportunity to construct the Public Works Facility.

61. The County has in turn directed communications to SFWMD in Palm Beach County to encourage the SFWMD to modify or rescind the Development Agreement, including those aspects of the Development Agreement pertaining to any transport or supply of water by Lake Point.

62. Members of the BOCC, on information and belief, have also urged the SFWMD to "dismantle" its contract with Lake Point. By way of example, and without limitation, in response to communications from County Commissioner Sarah Heard, the SFWMD's then executive director, Melissa Meeker, indicated that the SFWMD did not consider the Development Agreement to entitle Lake Point to enjoy any rights to revenue for the storage and transportation of water to off-site consumers, including the City of West Palm Beach.

63. Prior to bringing this lawsuit, Lake Point provided Hurchalla with the opportunity to retract the above false statements through two written communications and attempted telephone calls. To date, Hurchalla has not done so.

The January 23, 2013 Meeting with the SFWMD

64. On January 23, 2013, Lake Point met with representatives from the SFWMD to discuss the status of the Lake Point Project.

65. At this meeting, as it had done at earlier meetings, Lake Point sought to discuss with the SFWMD various issues, including the furtherance of Lake Point as a water transport and supply program and the completion of the STAs.

66. At the January 23, 2013 meeting, and despite the above-described actions of the parties to further the water transport and supply program more specifically identified in the Development Agreement, the SFWMD abruptly told Lake Point that it was not willing to further discuss the water transport and supply program or Lake Point's proposed designs for the STAs.

67. Thus, after initially directing Lake Point to proceed with the L-8 right of way connection in furtherance of the water transport and supply program, and providing Lake Point with specific guidance as to how to proceed with its application, the SFWMD now has refused to fully cooperate with Lake Point under the Development Agreement and although acknowledging the L-8 right of way application has failed to issue the necessary permits. The SFWMD also has failed to provide Lake Point with final STA designs. These actions have interfered with Lake Point's ability to fulfill the purposes of the Public Works Project.

68. The SFWMD's actions, repudiations and breaches were in response to the above-described actions of Martin County, its Commissioners (including the communications from Commissioner Sarah Heard described above), and Hurchalla.

Additional Actions of the County

69. On December 17, 2012, the County informed Lake Point that it was in violation of County excavation, filling and mining requirements by mining in Lake Point Phase II. This position by the County directly contradicts the County's promise in the Interlocal Agreement that Lake Point would not need a permit for such activities, and constitutes a breach by the County of the Interlocal Agreement.

70. On February 4, 2013, the County again told Lake Point that it was engaging in mining activities without a County permit. The County's claim that Lake Point is required to obtain a County permit, let alone that Lake Point is somehow in violation of County regulations for operating without one, is completely inconsistent with the County's promises and commitments under the Interlocal Agreement and constitutes a breach of the Interlocal Agreement.

71. Further, the County's actions are a breach of the Interlocal Agreement as to the requirement that the County not frustrate or interfere with the Mining Reservation on the Lake Point Property.

72. On February 5, 2013, the County BOCC conducted yet another meeting on the Lake Point Public Works Project.

73. Commissioner Fielding publicly stated at the meeting that the prior County Resolution declaring Lake Point as a Public Works Project was a worthless piece of paper that, in his mind, meant nothing.

74. Commissioner Sarah Heard proceeded to parrot from her notes the false statements made by Hurchalla, then concluded that she "couldn't see any benefit to the County" in abiding by its obligations under the Interlocal Agreement.

75. In addition to the actions described above, the County also has refused to allow Lake Point to proceed with its permitted concrete batch plant as part of Lake Point's operation of the Public Works Facility, has refused to issue a building permit to allow Lake Point to make the necessary renovations for a new office building, has refused to process and terminate the Development Order and Unity of Title in a timely fashion, and has failed to continue to support Lake Point's qualification as an exempt public stormwater management project. Further, the

County now explicitly contends in this lawsuit that the Interlocal Agreement should be rescinded.

76. The above conduct by the County constitutes a repudiation and breach of the Interlocal Agreement.

The County Continues to Benefit from the Lake Point Project Today

77. Portions of the proceeds from the limerock being hauled off of the Lake Point Ranches Parcel are being paid to the County pursuant to the Interlocal Agreement. To date, the County already has received and accepted over \$450,000 in proceeds from the limerock mining activities.

78. In addition, from 2009 to as recently as February 2014, the County has purchased over 11,600 tons of limerock mined from the Property for use in County construction and improvement projects. Indeed, the County continues to purchase limerock today from Lake Point, even as it claims that Lake Point does not have the right to mine it.

79. At all times material and relevant hereto, Lake Point has considered the County to be an ally in the promotion of the Public Works Project and has given a substantial discount to the County for any and all of the materials that it purchases from Lake Point.

**The Use of Private Email Accounts and Other Non-Disclosed
Public Records to Discuss Lake Point**

80. During the periods of time described herein, Hurchalla and various county commissioners have communicated through alternative means that would decrease the likelihood of being detected by the general public, including Lake Point.

81. By way of example, and without limitation, Commissioner Fielding did not disclose the Fielding Private Email at the public board meeting on January 14, 2013, and did not post the email on the County's public records website.

82. Commissioner Heard has likewise used her private email account to communicate about Lake Point. Commissioner Heard refused Lake Point's request for her emails pursuant to Florida's public records law, claiming that her computer was "hacked" and that she was unable to recover such emails.

83. Finding such an explanation incredible, Lake Point investigated and discovered that even if Commissioner Heard's email account was "hacked," as she put it, her emails were recoverable because her private email account was a web-based account.

84. However, once Lake Point offered to recover the emails that were "hacked," Commissioner Heard hired a lawyer and refused to reach any compromise, so as not to reveal her private email communications concerning Lake Point.

85. All conditions precedent to bringing this action have occurred or have been waived. At all relevant times Lake Point was ready, willing, and able to perform its obligations under the Development Agreement and the Interlocal Agreement.

COUNT I
BREACH OF CONTRACT (Anticipatory Repudiation)
(SFWMD-Damages)

86. Lake Point incorporates the allegations of paragraphs 1-85 as if fully set forth herein.

87. This is an action for damages in excess of \$15,000.

88. Under the terms of the Development Agreement, Lake Point is entitled to enjoy all revenues for activities contemplated by the Development Agreement on the Property (Development Agreement at § 3.4(b), Ex. "H", Ex. C, § 1.A.(4)) .

89. Lake Point has the right to engage in the water transport and supply project described above, and to receive revenue for allowing water to enter onto the Property,

storing/cleaning/treating said water, and transporting it off the Property for other uses consistent with the terms of the Development Agreement. (Development Agreement at § I.1, Ex. “H”, Ex. C, § 1.A.(1) and (4); and § 3.4(b).)

90. The SFWMD, through the words and conduct described in detail above (see, e.g., paragraphs 62, and 64-68), has clearly and positively indicated that it will not move forward with the water transport and supply program, constituting an anticipatory repudiation of the Development Agreement by the SFWMD in the following ways, among others, and without limitation:

- a. Failing to allow Lake Point the opportunity to create a system to cleanse and convey water (Development Agreement at § I.1);
- b. Prohibiting Lake Point from creating a water management, quality treatment and transfer area (*id.*);
- c. Prohibiting Lake Point from implementing the Public Works Project (*id.*);
- d. Impairing Lake Point’s rights to engage in Mining Activities on the Property, including, but not limited to, Lake Point’s exercise of its utility rights and water reclamation (*id.*, § 3.4(b));
- e. Refusing to recognize all of Lake Point’s rights in the Stormwater Treatment Cells and Stormwater Management Lakes (*id.*);
- f. Impairing, frustrating, and taking actions to interfere with Lake Point’s Reservation (*id.*, § 3.4(f));
- g. Interfering with Lake Point’s ability to carry out all on site and off site activities necessary to fulfill the purposes of the Reservation and the Public Works Project (*id.*, Ex. “H”, Ex. C, § 1.A.(1));
- h. Interfering with Lake Point’s use of the Property (*id.*, Ex. “H”, Ex. C, § 1.A.(4)).

91. As a result of the SFWMD’s anticipatory repudiation of the Development Agreement, Lake Point has suffered damages through, among other things, and without limitation, lost profits.

92. At the time of SFWMD's anticipatory repudiation of the Development Agreement, Lake Point was willing and able to perform its obligations under the Development Agreement.

WHEREFORE, Lake Point requests that the Court enter judgment awarding damages, interest, costs, and any further relief just and appropriate under the circumstances.

COUNT II
BREACH OF CONTRACT
(SFWMD-Damages)

93. Lake Point incorporates the allegations of paragraphs 1-85 as if fully set forth herein.

94. This is an action for damages in excess of \$15,000.

95. After initially directing Lake Point to proceed with the L-8 right of way connection in furtherance of the water transport and supply program, and providing Lake Point with specific guidance as to how to proceed with its application, the SFWMD now has refused to fully cooperate with Lake Point under the Development Agreement and has failed to issue the necessary permits. The SFWMD also has failed to provide Lake Point with final STA designs as required by the Development Agreement. These actions, together with those identified above (see, e.g., paragraphs 62, and 64-68), have interfered with Lake Point's ability to fulfill the purposes of the Public Works Project, and carry out the water supply/transfer program set forth in the Development Agreement § I.1, Ex. "H", Ex. C, § 1.A.(1) and (4); and § 3.4(b), and further constitute breaches of the Development Agreement in the following ways, among others, and without limitation:

- a. Failing to fully cooperate with Lake Point, to obtain all approvals necessary to construct and complete the Public Works Project (§9.1 (b));

- b. Failing to cooperate with Lake Point to have all designs and construction plans approved in a timely manner so as not to delay the progress of the Public Works Project (§9.1 (b));
- c. Failing to grant such approvals as may be reasonably necessary to permit Lake Point to conduct Mining Activities and construct such other improvements as are contemplated by the Development Agreement (§9.1 (b));
- d. Failing to fully cooperate with Lake Point in connection with the timing and sequencing of land donations and sequencing of approvals (*id.*);

96. As a result of the SFWMD's breach of the Development Agreement, Lake Point has suffered damages through, among other things, and without limitation, lost profits.

WHEREFORE, Lake Point requests that the Court enter judgment awarding damages, interest, costs, and any further relief just and appropriate under the circumstances.

COUNT III
BREACH OF INTERLOCAL AGREEMENT (Anticipatory Repudiation)
(Martin County--Damages)

97. Lake Point incorporates the allegations of paragraphs 1-85 as if fully set forth herein.

98. This is an action for damages in excess of \$15,000.

99. The Interlocal Agreement expressly contemplates that, as of the effective date of said agreement, the Lake Point Project qualifies as an exempt stormwater management project pursuant to Section 10.1.E.2.e of the County's Land Development Regulations. The County's representations as to the status of the Lake Point project, as reflected at the January and February 2013 BOCC meetings, and in its other statements and conduct described in detail above, is a clear and positive indication that the County does not intend to fulfill its obligations under the Interlocal Agreement, including but not limited to its obligation to treat Lake Point as an exempt stormwater management project (§ 11.3.1).

100. The County's actions described above also constitute a clear and positive repudiation of section 10.7 of the Interlocal Agreement, which requires that the County take no actions to frustrate Lake Point's Reservation. The Interlocal Agreement expressly confers upon Lake Point the right, through its Reservation, among other things, to engage in all activities necessary for the processing of limerock and other minerals and reclamation, including but not limited to mining in Lake Point Phase II, transportation and supply of water, and connecting up its mining and rock processing capabilities to a railway for transportation to customers. (Interlocal Agreement, Ex. D, § 1.A.(1).) The repudiation of the Interlocal Agreement as described above has prevented Lake Point from moving forward with this water transfer/supply project, development of the mining, and the railway connection as originally contemplated by the Parties.

101. As a result of the County's anticipatory repudiation of the Interlocal Agreement, Lake Point has suffered damages through, among other things, and without limitation, lost profits.

102. At the time of the County's anticipatory repudiation of the Interlocal Agreement, Lake Point was willing and able to perform its obligations under the Interlocal Agreement.

WHEREFORE, Lake Point demands entry of judgment for damages, interest, costs, and such other and further relief as this Court deems appropriate.

COUNT IV
BREACH OF INTERLOCAL AGREEMENT
(Martin County--Damages)

103. Lake Point incorporates the allegations of paragraphs 1-85 as if fully set forth herein.

104. This is an action for damages in excess of \$15,000.

105. The Interlocal Agreement requires that the County process and terminate the 2007 Approval and Unity of Title upon request by Lake Point (Interlocal Agreement, §§ 1, 12). The County has breached this obligation by refusing to process and terminate the 2007 Approval and Unity of Title.

106. Section 11.3.1 of the Interlocal Agreement provides that it will not be necessary for Lake Point to obtain separate mining permits or approvals from the County. The Interlocal Agreement further confers upon Lake Point the right to engage in all activities necessary for the processing and transport of limerock and other minerals. (Interlocal Agreement, Ex. D, § 1.A.(1).) Additionally, section 10.7 of the Interlocal Agreement requires that the County take no actions to frustrate Lake Point's Reservation.

107. The County has likewise breached these sections of the Interlocal Agreement; in addition to the actions described above, the County has refused its consent to allow Lake Point to construct a concrete batch plant on the Property, even though Lake Point has obtained the required permits from the Florida Department of Environmental Protection. A batch plant, which makes concrete, is a typical processing activity that is a normal part of limerock mining operations. The County also has refused to allow Lake Point to replace an old unsafe trailer at the Property currently used as an office with a new and safe replacement structure.

108. As a result of the County's breaches of the Interlocal Agreement, Lake Point has suffered damages through, among other things, and without limitation, lost profits.

WHEREFORE, Lake Point demands entry of judgment for damages, interest, costs, and such other and further relief as this Court deems appropriate.

COUNT V
TORTIOUS INTERFERENCE WITH THE DEVELOPMENT AND
INTERLOCAL AGREEMENTS
(Hurchalla--Damages)

109. Lake Point incorporates the allegations of paragraphs 1-85 as if fully set forth herein.

110. This is an action for damages in excess of \$15,000.

111. At all relevant times Hurchalla has known of the existence of and specific terms of the Development Agreement and the Interlocal Agreement.

112. Hurchalla, using secretive, wrongful, and illegal means and methods, has actively encouraged the County to repudiate and “void” the Interlocal Agreement with the SFWMD and Lake Point, and the SFWMD to repudiate its Agreement with Lake Point. As part of these deliberate and intentional efforts, Hurchalla has knowingly made numerous false statements of material fact in writing (as set forth above).

113. With even basic investigation, Hurchalla would have known that her statements above were false and materially misleading. Hurchalla, however, made the above false statements for the sole purpose of interfering with the Interlocal Agreement and the Development Agreement.

114. Hurchalla, through actively encouraging the County and the SFWMD to “void” their contracts, and by knowingly making the false statements above, has engaged in an improper mode, method, and manner of attempting to influence the County and the SFWMD.

115. Hurchalla is singling out Lake Point, and is attempting to put Lake Point out of business. Hurchalla, further, through her conduct, is not attempting to protect an economic interest of her own.

116. The statements and conduct of Hurchalla have induced the County to breach the Interlocal Agreement, and the SFWMD to breach the Development Agreement.

117. Lake Point has been damaged as a result of Hurchalla's tortious interference with the Development Agreement and Interlocal Agreement.

WHEREFORE, Lake Point demands entry of judgment for damages, interest, costs, and such other and further relief as this Court deems appropriate.

COUNT VI
TORTIOUS INTERFERENCE WITH THE DEVELOPMENT AGREEMENT
(Martin County--Damages)

118. Lake Point incorporates the allegations of paragraphs 1-85 as if fully set forth herein.

119. This is an action for damages in excess of \$15,000.

120. At all relevant times the County has known of the existence of and specific terms of the Development Agreement.

121. As set forth above, the County, through its conduct, has deliberately and intentionally induced the SFWMD to repudiate and breach the Development Agreement with Lake Point, for the purpose of interfering with Lake Point's rights under the Development Agreement.

122. Lake Point has been damaged as a result of the County's tortious interference with the Development Agreement as described above.

123. Lake Point has sent the required notice to the County under the Florida Statutes prior to filing this action, and the County has not responded.

WHEREFORE, Lake Point demands entry of judgment for damages, interest, costs, and such other and further relief as this Court deems appropriate.

COUNT VII
PUBLIC RECORDS ACT VIOLATION
(Martin County-Injunction)

124. Lake Point incorporates the allegations of paragraphs 1-85 as if fully set forth herein.

125. This is an action for injunctive relief under the Florida Public Records Act, chapter 119, Florida Statutes (2013).

126. Lake Point has made several public records requests to Martin County Commissioners for documents related to Lake Point, including to Ed Fielding, Sarah Heard, and Anne Scott. (See detailed requests set forth in **Composite Exhibit D.**) However, the County has failed to produce the requested public records.

127. In particular, Lake Point has requested that Commissioner Heard produce the notes that she prepared related to Lake Point. Commissioner Heard has refused to produce such notes.

128. Lake Point has also discovered that public records concerning Lake Point have been altered or manipulated by Commissioner Heard and Fielding. Attached hereto as **Exhibit E** (the “Fielding Private Email”) and **Exhibit F** (the “Commissioner Heard Altered Email”) are the public records that appear to have been manipulated or altered with the explanation as to how such documents have been manipulated.

129. Based on the acts of Commissioners Fielding and Heard, it is reasonable to conclude that they will continue to make efforts to alter or manipulate public records.

130. It is in the public interest that this Court enter an injunction requiring that the County provide all public records requested by Lake Point, including but not limited to the original version of all parts of the Fielding Private Email, and the Commissioner Heard Altered

Email, in order to promote the proper preservation of public records and to protect the taxpayers for Martin County from improper management of public documents.

131. Lake Point has no adequate remedy at law for, among other reasons, the Public Records Act does not allow claims for money damages to be brought by litigants like Lake Point. For the same reason, money damages are not sufficient to compensate Lake Point for the improper conduct of Commissioners Fielding and Heard.

WHEREFORE, Lake Point demands entry of judgment requiring that the County produce the Fielding Private Email and Commissioner Heard Altered Email in their original format (together with all associated e-mails), all other public records from County Commissioners in their original format that relate to Lake Point (from both their public and private email accounts), and award attorney's fees, costs, and any other relief appropriate under the circumstances.

COUNT VIII
PUBLIC RECORDS ACT VIOLATION
(Martin County-Mandamus)

132. Lake Point incorporates the allegations of paragraphs 1-85, and 126-128 as if fully set forth herein.

133. This is action for a writ of mandamus under the Florida Public Records Act, chapter 119, Florida Statutes (2013).

134. Lake Point has a clear and certain legal right to the requested public records set forth in **Composite Exhibit D**.

135. It is Martin County's duty to produce the requested public records. Martin County's duty to produce the requested public records is ministerial and not discretionary.

136. Nevertheless, Martin County has refused to produce the requested public records despite repeated adequate requests.

137. Lake Point will be left without a remedy unless this Court issues a writ of mandamus.

WHEREFORE, Lake Point demands issuance of a writ of mandamus requiring that the County produce the Fielding Private Email and the Commissioner Heard Altered Email in their original format (together with all associated e-mails), all other public records from County Commissioners in their original format that relate to Lake Point (from both their public and private email accounts), and award attorney's fees, costs, and any other relief appropriate under the circumstances.

Lake Point Hereby Demands a Jury Trial On All Counts So Triable

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and foregoing copy has been served via electronic mail to Martin County Attorney's Office, Michael Durham, Esq., mdurham@martin.fl.us, tanyaf@martin.fl.us, LegalEsvc@martin.fl.us, 2401 SE Monterey Road, Stuart, Florida; and Kirk L. Burns, Esq. kburns@sfwmd.gov, Ruth A. Holmes, Esq. rholfes@sfwmd.gov, South Florida Water Management District, litigation@sfwmd.gov, jurussel@sfwmd.gov, rosorio@sfwmd.gov, ewoods@sfwmd.gov, 3301 Gun Club Road, West Palm Beach, Florida 33406-3007; Howard Heims, Esq. and Virginia P. Sherlock, Esq., Littman, Sherlock & Heims, P.A., LSHLawfirm@gmail.com, Post Office Box 1197, Stuart, Florida 34995; John Fumero, Esq., jfumero@nasonyeager.com, mwashtington@nasonyeager.com, Thomas F. Mullin, Esq., tmullin@nasonyeager.com, Michael H. Nullman, Esq., mnullman@nasonyeager.com, sjanowitz@nasonyeager.com, Nason, Yeager, Gerson, White & Lioce, P.A., 7700 Congress

Avenue, Suite 2201, Boca Raton, Florida 33487; Scott Zappolo, Esq.,
szappolo@zappolofarwell.com, Zappolo & Farwell, P.A., 7108 Fairway Drive, Suite 150, Palm
Beach Gardens, Florida 33418 this 6th day of November, 2014.

/s/ Ethan J. Loeb

ETHAN J. LOEB

Florida Bar Number 0668338

ethanl@smolkerbartlett.com

heatherw@smolkerbartlett.com

JON P. TASSO

Florida Bar Number 0120510

jont@smolkerbartlett.com

cynthiam@smolkerbartlett.com

SMOLKER, BARTLETT, SCHLOSSER,
LOEB & HINDS, P.A.

500 East Kennedy Blvd, Suite 200

Tampa, Florida 33602

(813) 223-3888; Fax: (813) 228-6422

and

DAN BISHOP

Texas Bar Number 02348500

Florida Pro Hac Vice: 63645

dbishop@bishoplondon.com

laniz@bishoplondon.com

CHRISTINA CARLSON DODDS

Texas Bar Number 03813520

Florida Pro Hac Vice: 63641

cdodds@bishoplondon.com

mprice@bishoplondon.com

BISHOP LONDON & DODDS

3701 Bee Cave Road

Suite 200

Austin, TX 78746

(512)479-5900; Fax (512)479-5934

Attorneys for Plaintiffs

Legal Description of Phase I Property

PARCEL 1:

ALL THAT PART OF SECTION 13, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, LYING SOUTH OF THE ST. LUCIE CANAL RIGHT-OF-WAY, LESS THE FOLLOWING DESCRIBED PARCELS:

A. PARCEL CONVEYED TO THE TOWN OF PAHOKEE BY MAYACA COMPANY BY DEED DATED SEPTEMBER 9, 1931, FILED OCTOBER 30, 1931 RECORDED IN DEED BOOK 25, PAGE 247, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA, DESCRIBED AS:

THE EAST HALF (E1/2) OF THE SOUTHEAST QUARTER (SE1/4) OF THE SOUTHEAST QUARTER (SE1/4) OF THE NORTHEAST (NE1/4) CONTAINING FIVE ACRES MORE OR LESS; EXCEPT THE RIGHT-OF-WAY OF MAYACA INDIAN TOWN HIGHWAY, AS THE SAME IS NOW LAID OUT AND IN USE ACROSS THE ABOVE DESCRIBED PROPERTY.

B: PARCEL CONVEYED TO THE TOWN OF PAHOKEE BY THE MAYACA CORPORATION BY DEED DATED JULY 25, 1932, FILED SEPTEMBER 23, 1933, RECORDED IN DEED BOOK 26, PAGE 123, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA, DESCRIBED AS:

A TRIANGULAR PIECE OF LAND IN SECTION 13, BOUNDED ON THE NORTHWESTERLY SIDE BY STATE ROAD NO. 109, ON THE NORTHEASTERLY SIDE BY UNITED STATES GOVERNMENT SPILLWAY "A" AND ON THE SOUTHERLY SIDE BY A TRACT HERETOFORE CONVEYED BY THE MAYACA CORPORATION TO THE TOWN OF PAHOKEE FOR CEMETERY PURPOSES; THE TRACT HEREBY CONVEYED BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 13, TOWNSHIP 40 SOUTH, RANGE 37 EAST; THENCE RUN NORTH 0° 9' 54" EAST ABOUT 3091.9 FEET ALONG THE

EASTERLY LINE OF SAID SECTION TO THE DIVISION LINE BETWEEN SPILLWAY "A" OF THE UNITED STATES GOVERNMENT AND CEMETERY PROPERTY OF THE TOWN OF PAHOKEE; THENCE SOUTH $89^{\circ}53' 54''$ WEST ABOUT 287.97 FEET ALONG SAID DIVISION LINE TO THE POINT BEGINNING OF THIS CONVEYANCE AT THE SOUTHEAST CORNER OF THE PREMISES; THENCE SAME COURSE BY SAID OTHER LAND OF THE TOWN OF PAHOKEE, ABOUT 91.03 FEET TO THE SOUTHERLY SIDE LINE OF STATE ROAD NO. 109; THENCE NORTH $60^{\circ} 50' 54''$ EAST BY THE SIDE LINE OF SAID STATE ROAD ABOUT 79.58 FEET TO THE WESTERLY LINE OF SAID SPILLWAY "A"; THENCE SOUTH $29^{\circ} 10' 06''$ EAST BY SAID SPILLWAY ABOUT 44.24 FEET TO THE POINT OF BEGINNING, CONTAINING ABOUT $\frac{4}{100}$ TH ACRES, THE BEARINGS ARE TRUE MERIDIAN ACCORDING TO THE SURVEY OF THE UNITED STATES ARMY ENGINEERS IN 1932.

C: RIGHT-OF-WAY OF STATE ROAD 76 (FORMERLY STATE ROAD 109).

D: INTENTIONALLY DELETED

E: ANY PORTION OF THE EAST HALF OF SAID SECTION 13 LYING SOUTH OF STATE ROAD 76 AND NORTH AND EAST OF A DRAINAGE AND IRRIGATION CANAL; SAID CANAL BEING DESCRIBED AS:

A 150 FOOT WIDE TRACT DESCRIBED AS: BEGIN AT A CONCRETE MONUMENT LOCATED ON THE SOUTHEAST CORNER OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 13, RUN THENCE SOUTH $89^{\circ} 49' 21''$ WEST 452.85 FEET TO A CONCRETE MONUMENT; THENCE NORTH $00^{\circ} 05' 21''$ EAST FOR 374.97 FEET TO THE SOUTH RIGHT OF WAY LINE OF STATE ROAD 76; THENCE SOUTH $60^{\circ} 59' 21''$ WEST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE 485.04 FEET TO THE POINT OF BEGINNING (BEING THE WESTERLY CORNER OF THE TRACT DESCRIBED IN OFFICIAL RECORD BOOK 242, PAGE 49, IDENTIFIED ABOVE); RUN THENCE SOUTH $49^{\circ} 32' 14''$ EAST 553.50 FEET TO A CONCRETE MONUMENT (BEING THE SOUTHERLY CORNER OF THE TRACT DESCRIBED IN OFFICIAL RECORD BOOK 242, PAGE 49, IDENTIFIED ABOVE), CONTINUE THENCE SOUTH $45^{\circ} 32' 14''$ EAST 632.85 FEET, MORE OR LESS, TO THE EAST BOUNDARY OF SAID SECTION 13; THENCE SOUTH ALONG SAID EAST

BOUNDARY TO A POINT LYING 150 FEET NORTH OF THE SOUTH BOUNDARY OF SAID SECTION 13 (THE LINE FROM THE POINT OF BEGINNING TO THIS POINT BEING HEREAFTER REFERRED TO AS "LINE NO. 1"), THENCE WEST AND PARALLEL WITH SAID SOUTH BOUNDARY 150 FEET; THENCE NORTH AND NORTHWESTERLY (THIS LINE BEING HEREAFTER REFERRED TO AS "LINE NO. 2"), PARALLEL TO AND 150 FEET FROM LINE NO. 1. TO THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 76; THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING.

F: THAT PORTION OF SAID SECTION 13 BETWEEN STATE ROAD 76 AND THE ST. LUCIE CANAL RIGHT-OF-WAY LYING EAST OF SPILLWAY "A" OF THE ST. LUCIE CANAL.

G: FIVE ACRES, MORE OR LESS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST ONE QUARTER OF SAID SECTION 13 (THE EAST LINE OF SAID SECTION 13 IS ASSUMED TO BEAR NORTH 00° 06' 35" EAST, AND ALL OTHER BEARINGS ARE RELATED THERETO); THENCE SOUTH 89° 50' 06" WEST, ALONG THE SOUTH LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 13 A DISTANCE OF 815.72 FEET TO THE NORTHWEST CORNER OF THE EAST 150.00 FEET OF THE WEST ONE-HALF OF EAST ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 13, THENCE SOUTH 0° 00' 24" WEST ALONG THE WEST LINE OF THE EAST 150.00 FEET OF THE WEST ONE-HALF OF THE EAST ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 13 A DISTANCE OF 588.50 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 58° 12' 48" WEST A DISTANCE OF 330.00 FEET; THENCE NORTH 31° 47' 12" WEST A DISTANCE OF 660.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 76, AS NOW LAID OUT AND IN USE; THENCE NORTH 58° 12' 48" EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 292.63 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 5679.58 FEET A PARTIAL CENTRAL ANGLE OF 0° 22' 37", THENCE EASTERLY ALONG THE ARC OF THE SAID CURVE, A DISTANCE OF 37.37 FEET; THENCE SOUTH 31° 47' 12" EAST A DISTANCE

OF 659.88 FEET TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT ALL THAT PART OF SAID SECTION 13 LYING SOUTH OF THE ST. LUCIE CANAL SOUTH RIGHT OF WAY LINE AND NORTH OF THE NORTH RIGHT OF WAY LINE OF STATE ROAD 76.

PARCEL 2:

ALL THAT PART OF SAID SECTION 14, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, LYING SOUTH OF THE ST. LUCIE CANAL RIGHT-OF-WAY, LESS RIGHT-OF-WAY FOR STATE ROAD 76.

LESS AND EXCEPT ALL THAT PART OF SAID SECTION 14 LYING SOUTH OF THE ST. LUCIE CANAL SOUTH RIGHT OF WAY LINE AND NORTH OF THE NORTH RIGHT OF WAY LINE FOR STATE ROAD 76.

PARCEL 3:

ALL THAT PART OF THE EAST 1,318 FEET OF SECTION 23, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, THAT LIES SOUTH OF ST. LUCIE CANAL, LESS RIGHT OF WAY FOR STATE ROAD 76.

PARCEL 4:

ALL OF SECTION 24, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA.

PARCEL 5:

NON-EXCLUSIVE EASEMENT RIGHTS FOR DRAINAGE AND IRRIGATION PURPOSES AS SET FORTH IN RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2005, PAGE 1044, AS AMENDED IN OFFICIAL RECORDS BOOK 2196, PAGE 1868, AS FURTHER AMENDED IN THE SECOND AMENDMENT TO RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2301, PAGE 1193, AS FURTHER AMENDED BY THAT THIRD AMENDMENT TO RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2301, PAGE 1201, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR ACCESS FOR INGRESS AND EGRESS, AND FOR ACCESS, INSTALLATION AND MAINTENANCE OF DRAINAGE FOR ACCESS ROADWAY, AND UNDERGROUND UTILITIES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 115, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR EQUESTRIAN, PEDESTRIAN AND BICYCLE INGRESS AND EGRESS PURPOSES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 133, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

Legal Description of Phase II Property

ALL OF SECTION 25, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

THAT PORTION OF SECTION 26, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, LYING EASTERLY OF THE EAST RIGHT-OF-WAY LINE OF THE FLORIDA EAST COAST RAILROAD.

TOGETHER WITH:

THAT PORTION OF SECTION 23, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, LYING EASTERLY OF THE EAST RIGHT-OF-WAY LINE OF THE FLORIDA EAST COAST RAILROAD, AND SOUTH OF THE ST. LUCIE CANAL. LESS THE EAST 1318.00 FEET THEREOF AND LESS RIGHT-OF-WAY FOR STATE ROAD 76.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR ACCESS FOR INGRESS AND EGRESS, AND FOR ACCESS, INSTALLATION AND MAINTENANCE OF DRAINAGE FOR ACCESS ROADWAY, AND UNDERGROUND UTILITIES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 115, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR EQUESTRIAN, PEDESTRIAN AND BICYCLE INGRESS AND EGRESS PURPOSES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 133, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH

RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORD BOOK 2005, PAGE 1044 AND AS AMENDED IN OFFICIAL RECORD BOOK 2196, PAGE 1868; OFFICIAL RECORD BOOK 2301, PAGE 1193 AND OFFICIAL RECORD BOOK 2301, PAGE 1201.

**ACQUISITION AND DEVELOPMENT AGREEMENT
for
PUBLIC WORKS PROJECT**

This Acquisition and Development Agreement for Public Works Project (the "Agreement") is made and entered into as of the 21st day of November, 2008 (the "Effective Date"), by and between the South Florida Water Management District, a public corporation of the State of Florida (the "District"), and Lake Point Phase I LLC, a Florida limited liability company, and Lake Point Phase II LLC, a Florida limited liability company (together, "Lake Point").

I. BACKGROUND AND OBJECTIVES

WHEREAS, the District is an independent taxing authority created by the Florida Legislature and given those powers and responsibilities enumerated in Chapter 373, Florida Statutes; and

WHEREAS, the District is empowered to enter into contractual arrangements with public agencies, private corporations, or other persons, pursuant to Section 373.083, Florida Statutes, and the Florida Interlocal Cooperation Act of 1969, as amended (Section 163.01 et. seq., Florida Statutes); and

WHEREAS, the District is developing water resource projects for the restoration of the South Florida ecosystem while providing for the other water-related needs of the region, including water supply and flood protection; and

WHEREAS, the District's projects include water resource projects within the Northern Everglades and Estuaries Protection Program (hereinafter referred to as the "District Projects"); and

WHEREAS, by the District's Resolution No. 2008-430, the Governing Board of the District has approved execution of a non-binding letter of intent with Lake Point for the acquisition of approximately 2,200 acres of land located in Martin County, Florida (as more particularly defined below, the "Lake Point Property") for use in connection with the Northern Everglades and Estuaries Protection Program, among other projects, including the creation of the Stormwater Treatment Cells, the Stormwater Management Lakes and the County Recreation Area (all as defined below) (collectively, the "Public Works Project"); and

WHEREAS, by the District's Resolution No. 2008-811, the Governing Board of the District has approved execution of this Agreement between the District and Lake Point for acquisition of the Lake Point Property and the creation of the Public Works Project; and

WHEREAS, among other water related benefits, the Public Works Project will create (i) the ability to cleanse and convey water between Lake Okeechobee, the C-44/St. Lucie Canal, and

the L-8 Canal Right of Way, via existing permitted intake/discharge pumps; (ii) create approximately 1,800 acres of water management, quality treatment and transfer areas; (iii) create approximately 150 acres of conservation areas to be donated for passive recreational uses by Martin County residents; and (iv) create a local source for limestone, aggregates, sand, and related materials from lake excavation activities for potential use in other public or private projects, such as the Herbert Hoover Dike remediation; and

WHEREAS, the District has determined that the Public Works Project is an integral component of the Northern Everglades and Estuaries Protection Program; and

WHEREAS, the District has determined that the location of the Lake Point Property, adjacent to the C-44/St. Lucie Canal, with a permitted discharge easement to Lake Okeechobee and the L-8 Right of Way Extension on its southwestern boundary, will play an integral part in phosphorous reduction and water storage possibilities for the Northern Everglades and Estuaries Protection Program.

WHEREAS, pursuant to the terms and conditions contained in this Agreement, Lake Point is willing to donate the Lake Point Property to the District and Martin County, Florida subject to (1) Lake Point obtaining all Mining Approvals (as defined below) from the Florida Department of Environmental Protection and other applicable authorities, and reserving all rights to conduct the Mining Activities (as defined below) and Farming Activities (as defined below) to Lake Point and its designees or assigns, including those ongoing activities that are already approved or permitted and which will continue as contemplated in this Agreement, and (2) Lake Point implementing those portions of the Public Works Project specified in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual promises and covenants contained in this Agreement, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Recitals. The above recitals in the "Background and Objectives" section of this Agreement are true and correct, and incorporated herein.

2. Definitions. As used in this Agreement, the following defined terms shall have the meanings set forth below:

Access Easement Agreement shall mean that certain Easement Agreement by and among Trucane Sugar Corporation, Lake Point Phase I LLC, and Lake Point Phase II LLC, dated as of September 16, 2008, and recorded in O.R. Book 2352, Page 115, Official Records of Martin County, Florida

City of Pahokee Easement shall mean the access easement to be created pursuant to Section 10 of this Agreement.

Conditions Precedent shall mean, collectively, the District Conditions Precedent and the Lake Point Conditions Precedent described in Section 4 below.

Conservation Easement shall mean a conservation easement to be granted by Lake Point, at Lake Point's option, to the District over the County Recreation Area prior to donation of the County Recreation Area to the County, substantially in the form of Exhibit "J" attached hereto and made a part hereof. If granted, the Conservation Easement shall (i) permit passive recreation use of the County Recreation Area by residents of the County, (ii) be in form and content suitable for Lake Point to qualify for an appropriate income tax deduction based on the fair market value of the land at the time of the donation, and (iii) otherwise comply with standard requirements of the District for similar easements.

Corps shall mean the United States Army Corps of Engineers. Notwithstanding the foregoing definition, the Corps is not a party or third party beneficiary of this Agreement and shall not have the right to enforce this Agreement against any party.

Construction Approvals shall mean those permits and approvals from the County (if any), or other applicable governmental authority, or their equivalent, which are necessary for construction of the Public Works Project and the conduct of Lake Point's Mining Activities.

County shall mean Martin County, a political subdivision of the State of Florida.

County Environmental Contribution shall mean the environmental enhancement contribution to be paid by Lake Point to the County from time to time during the conduct of the Mining Activities, as more particularly described in Section 7 below.

County Hauling Fee shall mean the hauling fee for excavated materials hauled from the Lake Point Property by truck, payable to the County as more particularly set forth in Section 7.3 below.

County Recreation Area shall mean the portion of the Lake Point Property designated as "County Recreation Area" on Exhibit "A" attached to this Agreement, containing approximately 150 acres of forested uplands to be used as a passive recreational site for residents of the County, subject to the Conservation Easement, the FDOT Easements and other Permitted Title Exceptions.

District shall mean the South Florida Water Management District, a public corporation of the State of Florida.

Department of Environmental Protection ("DEP") Approvals shall mean any and all permits, drainage permits, dewatering permits, and other permits or approvals from the Florida DEP which are necessary for construction of the Public Works Project and the conduct of Lake Point's Mining Activities.

District Conditions Precedent shall mean those conditions precedent to the obligations of the District under this Agreement, as more particularly set forth in Section 4.1 below.

Engineering Specifications shall mean the preliminary engineering and design specifications for construction and excavation of the Stormwater Treatment Cells and the Stormwater Management Lakes as more particularly set forth on Exhibit "B" attached to this Agreement and made a part hereof.

Farming Activities shall mean the right of Lake Point, until commencement of Mining Activities on any particular portion of the Lake Point Property (excluding the County Recreation Area), to conduct farming or other agricultural activities on the various portions of the land on which farming and other agricultural activities have been historically conducted, subject to compliance with all applicable governmental regulations including, without limitation, the Best Management Practices required by the District (which Best Management Practices must be approved by the District prior to commencement of any Farming Activities pursuant to the Farming Reservation).

Farming Reservation shall have the meaning set forth in Section 3.4(c) below.

FDOT Easements shall mean those easements, covenants and restrictions in favor of the State of Florida Department of Transportation recorded in Official Record Book 2230, at pages 2658, 2667 and 2682, of the Public Records of Martin County, Florida.

Force Majeur shall mean the occurrence of an event, or the discovery of a condition, beyond the reasonable control of a party which prevents or delays performance of that party's obligations under this Agreement, including, without limitation, weather conditions, subsurface conditions, labor strike or shortage, Acts of God, injunctions, acts of utility authorities or governmental authorities or agencies (other than acts of the District with respect to the District's performance obligations under this Agreement), or similar events. Except as provided in Section 12 below, lack of funds by any party shall not be deemed a Force Majeur under this Agreement.

Lake Point shall mean (a) with respect to the Phase I Property, Lake Point Phase I LLC, a Florida limited liability company; and (b) with respect to the Phase II Property, Lake Point Phase II LLC, a Florida limited liability company. Notwithstanding the foregoing definition, or anything else to the contrary contained in this Agreement, and subject to the consent of the District, which consent shall not be unreasonably delayed, conditioned or withheld by the District, Lake Point shall have the right, at any time prior to donation of the applicable portion of the Lake Point Property, to sell, transfer or assign any or all of its right, title, or interest in and to any and all portions of the Lake Point Property to its designees, affiliates, purchasers or assigns, who shall be bound by the terms of this Agreement.

Lake Point Conditions Precedent shall mean those conditions precedent to Lake Point's obligations under this Agreement, as more particularly set forth in Section 4.2 below.

Lake Point Property shall mean the Phase I Property and the Phase II Property, collectively, as defined below.

Mining Activities shall mean the excavation and mining of the Stormwater Treatment Cells, the Stormwater Management Lakes, and any related canals, ditches, swales or other improvements, all in substantial accordance with the approved design and construction plans, and the sale of all excavated materials by Lake Point, including without limitation (a) the removal and processing of all limestone, rock, aggregates, sand, and other materials excavated from the site; (b) the staging and conduct of all sorting, crushing, washing, stockpiling, loading and weighing of all excavated materials; (c) the hauling, shipping, transportation, and removal of all excavated materials from the site, whether by truck, railroad, or otherwise; (d) all pumping

and dewatering activities during excavation; and (e) all other on-site or off-site activities as may be necessary to carry out the purposes and intent of this Agreement.

Mining Approvals shall mean any and all federal, state, county, local, or other governmental permits, variances, consents, or approvals of any kind which are necessary or desirable for Lake Point to conduct the Mining Activities on the Lake Point Property, including, without limitation, the Construction Approvals (or equivalent), the DEP Approvals, and the necessary clearing, dredging, dewatering, mining and other permits from the Corps and other applicable governmental authorities.

Mining Reservation shall mean the mineral, access and mining reservations and related uses to be retained by Lake Point in the lands donated under this Agreement, as more particularly described in Section 3.4(b) below.

Permitted Title Exceptions shall mean those encumbrances on title to the Lake Point Property as more particularly set forth on Exhibit "C" attached to this Agreement and made a part hereof, as well as the Conservation Easement, the City of Pahokee Easement, the Right of Reverter, the Mining Reservation and the Farming Reservation to be created pursuant to this Agreement.

Phase I Property shall mean that portion of the Lake Point Property owned by Lake Point Phase I LLC, as more particularly described on Exhibit "D" attached to this Agreement and made a part hereof.

Phase II Property shall mean that portion of the Lake Point Property owned by Lake Point Phase II LLC, a Florida limited liability company, which is more particularly described on Exhibit "E" attached to this Agreement and made a part hereof.

Public Works Project shall mean the creation of the Stormwater Treatment Cells, the Stormwater Management Lakes, and the County Recreation Area (including, without limitation, the conduct of the Mining Activities and Farming Activities by Lake Point), and donation of such land and improvements to the District and/or its designees pursuant to the terms of this Agreement.

Reciprocal Drainage and Irrigation Easement shall mean that certain Reciprocal Drainage and Irrigation Easement recorded in Official Record Book 2005, Page 1044, the Public Records of Martin County, Florida, as amended from time to time.

Right of Reverter shall mean Lake Point's reversionary interest in the Lake Point Property described in Section 3.4(e) below.

Servient Estate shall mean that certain property described on Exhibit "K" attached hereto and made a part hereof, which land is the servient estate under the Reciprocal Drainage and Irrigation Easement.

Stormwater Management Lakes shall mean the portion of the Lake Point Property designated as the Stormwater Management Lakes on Exhibit "A" attached to this Agreement, containing approximately 1,000 acres of land, to be utilized as a water management, quality

treatment and transfer facility. The Stormwater Management Lakes shall be mined at Lake Point's expense to a maximum depth of twenty (20) feet (measured from the control water level, which level will not exceed a five (5) foot average below natural grade).

Stormwater Treatment Cells shall mean the portion of the Lake Point Property designated as the Stormwater Treatment Cells on Exhibit "A" attached to this Agreement, containing approximately 800 acres of land, to be utilized as a stormwater treatment area for water quality treatment purposes, including, without limitation, filter marshes and littoral areas, as determined by the District.

3. Land Donation

3.1 **Phased Donation.** Upon fulfillment or waiver of all Conditions Precedent under this Agreement, Lake Point agrees to donate the Lake Point Property to the District and/or its designee, in phases, as follows:

3.1.1 **County Recreation Area.** The County Recreation Area shall be donated and conveyed to the District (or, at the District's option, to the County and/or District) within ninety (90) days after (i) the issuance of all Construction Approvals and Mining Approvals and the fulfillment or waiver of all applicable Conditions Precedent, (ii) the expiration of all applicable appeal periods, and (iii) the favorable resolution of any and all litigation, proceedings or other challenges to the Construction Approvals or Mining Approvals by any party, public or private, concerning this Agreement or any activities contemplated hereby, including, without limitation, the Mining Activities. At Lake Point's option, the County Recreation Area may be conveyed in phases at an earlier date to facilitate obtaining the Construction Approvals or Mining Approvals, or as portions of the project are completed, provided the proposed phases are approved in advance in writing by the District (which approval shall not be unreasonably withheld) based on its determination that the phases constitute manageable and functional portions for District project purposes (excluding any improvements to be completed by the District.)

3.1.2 **Stormwater Treatment Cells.** No later than Two (2) years after the Construction Approvals and Mining Approvals are issued, and subject to the District's due diligence inspection as set forth in Section 4.1.4 below, the Stormwater Treatment Cells shall be donated and conveyed solely to the District (and/or its designee) within ninety (90) days after Lake Point sends written notice to close to the District that includes: (i) that all Conditions Precedent to the conveyance of the County Recreation Area have been fulfilled or waived, (ii) that Lake Point has completed, at Lake Point's expense, the Stormwater Treatment Cell improvements described in the Engineering Specifications (or, alternatively, Lake Point's undertaking that such improvements will be completed within a reasonable time after such conveyance), (iii) if the improvements are completed prior to conveyance, a written certification of completion issued to the District signed by a Florida licensed engineer as set forth in the Engineering Specifications satisfactory to the District, and (iv) if any improvements are to be completed by Lake Point after the conveyance, then Lake Point agrees to deliver, upon completion, a written certification of completion issued to the District signed by a Florida licensed engineer as set forth in the Engineering Specifications satisfactory to the District. Subparagraphs (ii), (iii), and (iv) constitute obligations of Lake Point enforceable by the District.

At Lake Point's option, the Stormwater Treatment Cells may be conveyed in phases at an earlier date to facilitate obtaining Construction Approvals or the Mining Approvals, or as portions of the project are completed, provided the proposed phases are approved in advance in writing by the District (which approval shall not be unreasonably withheld) based on its determination that the phases constitute manageable and functional portions for District project purposes (excluding any improvements to be completed by the District.)

3.1.3 Stormwater Management Lakes. No later than Two (2) years after the Construction Approvals and Mining Approvals are issued, and subject to the District's due diligence inspection as set forth in Section 4.1.4 below, the Stormwater Management Lakes shall be donated and conveyed solely to the District (and/or its designee) in phases within ninety (90) days after Lake Point sends written notice to close to the District that includes: that (i) Lake Point has completed, at Lake Point's expense, the phase of construction of the Stormwater Management Lakes improvements described in the Engineering Specifications (or, alternatively, Lake Point's undertaking that such improvements will be completed within a reasonable time after such conveyance), (ii) if the improvements are completed prior to the conveyance, a written certification of completion issued to the District signed by a Florida licensed engineer (as set forth in the Engineering Specifications) satisfactory to the District, and (iii) if any improvements are to be completed by Lake Point after the conveyance, then Lake Point agrees to deliver, upon completion, a written certification of completion issued to the District signed by a Florida licensed engineer as set forth in the Engineering Specifications satisfactory to the District. Subparagraphs (i), (ii) and (iii) constitute obligations of Lake Point enforceable by the District. At Lake Point's option, the Stormwater Management Lakes may be conveyed in phases at an earlier date to facilitate obtaining the Construction Approvals or the Mining Approvals, or as portions of the project are completed by Lake Point, provided the proposed phases are approved in advance in writing by the District (which approval shall not be unreasonably withheld) based on its determination that the phases constitute manageable and functional portions for District project purposes (excluding any improvements to be completed by the District.) Notwithstanding the conveyance of the Stormwater Management Lakes (or portion thereof) to the District, in accordance with the Mining Reservation, Lake Point shall reserve use of the Stormwater Management Lakes for all purposes of completing the remaining Stormwater Management Lakes, including, without limitation, for use as a dewatering area during lake excavation activities.

3.2 Mining Reservation. The parties contemplate that the excavation and mining of the Stormwater Management Lakes will occur over a period of up to Twenty (20) years after all Construction Approvals and Mining Approvals are obtained (subject to extensions of time as provided in this Agreement), so as to give Lake Point sufficient time to conduct all Mining Activities. The parties acknowledge that the progress of constructing the Stormwater Management Lakes will be dependent on several factors, including issuance of permits, subsurface conditions, market conditions and other factors beyond Lake Point's control.

3.3 Mining Approvals. In order to facilitate the timely and expeditious issuance of all Mining Approvals, Lake Point, at its option, will have the right to donate portions of the Lake Point Property at earlier dates than required under this Agreement, upon at least Ninety (90) days prior written notice to the District. All conveyances must otherwise be in compliance with the requirements of this Agreement. By way of illustration and not limitation, Lake Point, at its

option, will have the right, but not the obligation, to donate all or any portion of the Phase II Property to the District in advance of fulfillment of all applicable Conditions Precedent in order to begin the application process for the Mining Approvals at an earlier stage. Notwithstanding the conveyance of the Phase II Property to the District, Lake Point may retain ownership of the Phase I Property during the application process for the Mining Approvals on the Phase II Property, in order to (i) preserve the existing development approvals for the Lake Point Ranches project presently being constructed on the Phase I Property, and (ii) continue, without interruption, Lake Point's current excavation activities conducted on the Phase I Property in accordance with its existing approvals. The District agrees to fully cooperate with Lake Point in connection with the timing and sequencing of the land donations and applications for the Mining Approvals contemplated by this Agreement in order to facilitate the issuance of all Mining Approvals and the preservation of Lake Point's existing approvals on the Phase I Property so as not to interrupt or interfere with the progress of existing excavation activities.

3.4 Conveyance of Donated Lands. All lands donated by Lake Point under this Agreement, shall be conveyed on the following terms:

(a) All conveyances shall be made by Lake Point pursuant to a special warranty deed, substantially in the form attached to this Agreement as Exhibit "H". The special warranty deed shall be subject to the Permitted Title Exceptions.

(b) All conveyances shall reserve and be subject to a Twenty (20) year reservation (the "Mining Reservation"), in favor of Lake Point (and its successors, tenants, licensees and assigns) for all mineral rights, exploration rights, mining rights, extraction rights, excavation rights, and other rights and uses necessary to conduct the Mining Activities and to own, extract, explore, excavate, mine, stockpile, process on site, transport and sell all surface and subsurface materials (including all fill, rock, sand and other earthen material), on or under the Lake Point Property, including, without limitation, (i) ingress and egress access to and from State Road 76 (Kanner Highway) through the existing access entryway for the Lake Point Property approved by the Florida Department of Transportation under Permit No. 06-A-490-0022, as shown on attached Exhibit "G", made a part hereof, and use of such other ingress and egress access rights as may be necessary or desirable to carry out the Mining Activities, including, without limitation, those access rights created by the Access Easement Agreement; (ii) all drainage and utility rights and uses necessary to conduct the Mining Activities, including, without limitation, use of those rights and easements created by the Reciprocal Drainage and Irrigation Easement; and (iii) such other uses as may be necessary to conduct dewatering activities and other construction related activities for the creation of the Stormwater Treatment Cells and the Stormwater Management Lakes. The District agrees to fully cooperate with Lake Point in order to allow Lake Point to obtain a railroad spur connection to the FEC railroad tracks adjacent to the western boundary of the Phase II Property for use in connection with the Mining Activities during the term of this Agreement. The District shall cooperate with Lake Point to execute and deliver all easements, licenses and other agreements as may be reasonably required by the railroad company (or its licensees) in order to create the spur rail connection, and all such easements and agreements shall be deemed Permitted Title Exceptions under this Agreement. All revenues of any kind from Mining Activities on the Lake Point Property shall belong solely to Lake Point during the term of the Mining Reservation. The Mining Reservation and related easements shall be reserved and created in the deed of conveyance for the applicable portion of

the Lake Point Property, the form and terms of which are contained in the Special Warranty Deed attached hereto as Exhibit "H" and made a part hereof.

(c) All conveyances shall reserve and be subject to a twenty (20) year reservation (the "Farming Reservation") in favor of Lake Point (and its successors, tenants, licensees and assigns) to conduct the Farming Activities, including all necessary access, drainage, irrigation and other easements. All revenues of any kind from Farming Activities on the Lake Point Property shall belong solely to Lake Point during the term of the Farming Reservation. The Farming Reservation and related easements shall be reserved and created in the deed of conveyance, the form and terms of which are contained in the Special Warranty Deed attached hereto as Exhibit "H" and made a part hereof.

(d) The conveyance of the lands under this Agreement shall include the following personal property and fixtures in "AS-IS" condition on a quit claim basis: (i) all existing intake/discharge pumps owned by Lake Point and located on the applicable portion of the Lake Point Property being conveyed (subject to the Permitted Title Exceptions), (ii) all improvements, pumps, or other fixtures constructed or installed on the land in accordance with this Agreement, (iii) all rights of Lake Point under the Reciprocal Drainage and Irrigation Easement with respect to the land conveyed, (iv) all water use permits, irrigation permits, land use approvals and other permits, approvals, or easements benefiting the land conveyed, to the extent such rights or interests can be transferred, and (v) all other rights, tenements, hereditaments and appurtenances in anywise belonging or appertaining thereto (other than the Mining Reservation, the Farming Reservation and the Right of Reverter).

(e) All conveyances shall be made subject to a right of reverter (the "Right of Reverter") reserved in favor of Lake Point, which Right of Reverter shall provide that all right, title and interest of the County and/or District in and to the Lake Point Property (and all personal property and rights conveyed under this Agreement) shall automatically revert to Lake Point upon receipt of written notice from Lake Point that (i) any and all Construction Approvals, DEP Approvals and Mining Approvals have not been received by Lake Point within Three (3) years of the Effective Date, or (ii) with respect to a particular phase of the Public Works Project, if Mining Approvals are terminated (or enjoined for more than 120 days) prior to (a) Lake Point's delivery to the District of, and the District's acceptance of, that particular phase pursuant to Section 4.1.4 of this Agreement, and (b) Lake Point's completion of any required improvements after the date of conveyance and delivery to the District of the engineer's certification of completion as required by Sections 3.1.2 or 3.1.3 of this Agreement. The Right of Reverter shall be contained and created in the deed of conveyance for the applicable portion of the Lake Point Property, the form and terms of which are contained in the Special Warranty Deed attached hereto as Exhibit "H" and made a part hereof.

(f) Neither the County nor the District shall suffer or create any encumbrances on the Lake Point Property which would impair the Mining Reservation, the Farming Reservation or the Right of Reverter, nor take any action to frustrate or interfere with the Mining Reservation, the Farming Reservation or the Right of Reverter.

3.5 Phasing Plan. During the conceptual planning phase of the Public Works Project, the parties will cooperate to prepare a phasing plan (the "Phasing Plan") for the construction of

the Public Works Project, including a timeline for construction activities and implementation of each party's work and the timing for delivery of each phase to the District. The Phasing Plan will incorporate, among other things, the following:

(a) **Conceptual Design.** Initially, the parties will apply for DEP conceptual approval for the Public Works Project. The parties agree to cooperate for conceptual design submittal within ninety (90) days of the Effective Date.

(b) **Earthwork Design and Approval.** Upon obtaining DEP conceptual approval, Lake Point, at its expense, will prepare and submit the designs for the "earthwork" portion of the project, as described in more detail in the Engineering Specifications. The parties contemplate that the earthwork design and approval phase will be completed within three (3) years of the Effective Date.

(c) **Earthwork Construction.** After all Construction Approvals are obtained for the "earthwork" portion of the project, or initial phase thereof, Lake Point shall complete the earthwork to be constructed by Lake Point (as described in the Engineering Specifications) for the first Stormwater Treatment Cell within 2.5 years after issuance of the Construction Approvals for that portion of the work. Thereafter, each subsequent Stormwater Treatment Cell shall be completed within an additional 2.5 years after Lake Point completes the earthwork portion of the preceding Stormwater Treatment Cell. Lake Point shall be entitled to such extensions of time as are necessary to accommodate delays due to obtaining necessary permits, Force Majeur, and other causes beyond Lake Point's control. In such event, the Phasing Plan and associated timeline shall be modified accordingly. The District will cooperate with Lake Point to obtain such extensions of the Construction Approvals as may be necessary to accommodate the Phasing Plan timeline as modified from time to time.

(d) **Bond.** At the time of commencement of construction on the first Stormwater Treatment Cell, Lake Point shall deliver to the District a bond or letter of credit in the amount of One Million dollars (\$1,000,000.00) to secure Lake Point's performance of its obligations to construct the earthwork portion of each of the three (3) Stormwater Treatment Cells. Upon the completion and turnover of each Stormwater Treatment Cell to the District, in the manner contemplated in this Agreement, the amount of the bond or letter of credit shall be reduced by one-third (1/3). In other words, after completion of the first Stormwater Treatment Cell, the bond or letter of credit shall be reduced to \$666,666.67, and upon completion of the second Stormwater Treatment Cell, the bond or letter of credit shall be reduced to \$333,333.33.

4. Conditions Precedent

The respective obligations of the parties under this Agreement shall be subject to fulfillment of the following Conditions Precedent:

4.1 District Conditions Precedent.

The District shall exercise its due diligence procedures for purposes of acquisition of the Lake Point Property in the manner provided below.

4.1.1 Environmental Audit.

4.1.1.1. Liability. The parties acknowledge that Lake Point has received certain environmental reports relating to the Lake Point Property as described on Exhibit "I" attached hereto (collectively, the "Lake Point Audit"), copies of which have been provided to the District, disclosing the existing environmental condition of the Lake Point Property as of the date of such audits. While this Agreement does not create any contractual liability for Lake Point regarding any existing environmental conditions on the Lake Point Property as disclosed in the Lake Point Audit, including, without limitation, the presence of any hazardous or toxic substance, material, or waste of any kind or any contaminant, pollutant, petroleum, petroleum product or petroleum by-product as defined or regulated by applicable federal, state, or local laws, statutes, ordinances, rules, regulations or other governmental restrictions (hereinafter referred to as "Contaminants"), this Agreement does not alter or diminish any statutory or common law liability of Lake Point for such environmental contamination, if any.

4.1.1.2. Environmental Audit. The District acknowledges that, prior to execution of this Agreement, Lake Point has allowed the District full and free access to the Lake Point Property in order to perform environmental audits which assess the presence of any environmental contamination and its impact on the Lake Point Property. The District has performed an audit titled Phase I and Phase II Environmental Site Assessment Report, prepared by WRScompas, Inc., dated September 29, 2008, a copy of which has been provided to Lake Point. Such environmental audit is hereinafter referred to as the "District Audit." The District is satisfied with the results of the District Audit. Lake Point, at its expense, shall integrate the recommended remediation and corrective actions identified in the Audit (or other appropriate remediation methods consistent with applicable governmental regulations) into the improvements to be undertaken by Lake Point in accordance with Section 3.1.2 (Stormwater Treatment Cells) and 3.1.3 (Stormwater Management Lakes). Lake Point shall complete such remediation and corrective action as part of construction of the Stormwater Treatment Cells and Stormwater Management Lakes and shall furnish the District with an engineer's certification (or other appropriate verification), that the remediation and corrective actions have been satisfactorily completed in accordance with the recommendations of the District Audit and in compliance with applicable laws, ordinances, regulations and other governmental restrictions. Lake Point acknowledges that the District Audit identifies the highest significant impact area as 300 acres situated within future Stormwater Treatment Cells. Lake Point will develop a soil management plan with respect to such impacted area for review and approval of the District. Petroleum constituents that exceed the Commercial/Industrial SCTLs were identified at five point source locations at former/current equipment storage area and the former/current pump stations. In addition, Lake Point shall also provide a report to the District detailing the removal of arsenic-impacted soil in proximity to the equipment staging area. Lake Point's obligations under this Section 4.1.1.2 are limited solely to performing the remediation recommended in the District Audit. Lake Point shall have the right to undertake the most economical method of remediation as may be consistent with applicable rules and regulations. The District agrees to cooperate with Lake Point to minimize any expense or delay in implementing an appropriate remediation plan consistent with the recommendations of the District Audit.

4.1.1.3. Contamination. Except as provided in Section 4.1.1.2, Lake Point shall have no contractual liability with respect to any hazardous substance or other environmental contamination (if any) on the Lake Point Property as disclosed in the District Audit or the Lake Point Audit, nor any obligation to take any actions necessary to remediate such contamination (if any).

4.1.2. Cultural, Archaeological, and Historical Assessment. The District further acknowledges that, prior to execution of this Agreement, Lake Point has allowed the District to inspect, investigate and examine at its sole expense, all cultural, archaeological, and historical aspects, matters and conditions relating to the Lake Point Property, including, but not limited to, the right to conduct physical inspections, investigations, and examinations of the Lake Point Property. The District is satisfied with the results of such investigations.

4.1.3. Disclaimer. Except as otherwise specifically set forth in this Agreement, Lake Point disclaims any representations or warranties of any kind concerning the condition of the Lake Point Property, including, without limitation, its environmental condition, physical properties, subsurface conditions, suitability for the proposed Public Works Project, archaeological or cultural significance, or other matter whatsoever concerning the proposed use of the Lake Point Property by the District or the County. The District agrees to accept the Lake Point Property in "AS-IS", "WHERE-IS" condition, without any representation or warranty of any kind by Lake Point, except as otherwise specifically set forth in this Agreement. The District acknowledges and agrees that the District has had adequate time and opportunity to investigate the condition of the Lake Point Property in accordance with the terms of this Agreement, prior to being obligated to proceed with the Public Works Project.

4.1.4. Inspection Prior to Closing. After the District receives from Lake Point a 90 day written notice to close under Section 3.1.2, 3.1.3 or 3.3, the District has the right during the ninety (90) day period (the "Inspection Period"): (i) to inspect the land or phase to be conveyed and related improvements (if any), to confirm substantial compliance with the approved design and construction plans (if applicable), and (ii) to undertake additional due diligence and inspections to confirm there has been no material and adverse change in conditions with respect to the land or phase to be conveyed since the prior inspection at the time of the execution of this Agreement.

If the District notifies Lake Point during the Inspection Period of (i) any material and adverse variance from the approved design and construction plans (if applicable) with regard to the land or phase being conveyed, or (ii) the presence of Contaminants or any other condition that the District reasonably deems unacceptable with respect to its use of the lands for Project purposes and not primarily caused by the District or its contractor, then Lake Point shall correct such item(s), at its expense, to the District's reasonable satisfaction no later than ninety (90) days after receipt of notification (or such longer period as is reasonable under the circumstances). The time period for correction may be extended by the District by written notification after request by Lake Point, if Lake Point is diligently undertaking the correction. If the matter concerns the presence of a Contaminant for which Lake Point is responsible under this Agreement, Lake Point shall also diligently provide the District with written proof, from a licensed environmental engineer or the appropriate local, state and/or federal agency with jurisdiction over the matter,

that the Contaminant has been remediated by Lake Point (or that a remediation plan has been approved and is being undertaken by Lake Point) and shall provide reasonable assurance that the land or phase is otherwise in full compliance with all applicable laws, and that no further liability exists. The date of closing for the conveyance shall be extended during the correction period.

4.1.5. Title Review.

4.1.5.1. Title Commitment. Prior to execution of this Agreement, Lake Point, at Lake Point's expense, has delivered to the District a title insurance commitment (the "Title Commitment") issued by First American Title Insurance Company (the "Title Company") agreeing to issue to the District or the County, as applicable, upon the recording of the deeds (as contemplated by this Agreement) an owner's policy of title insurance in the amount of the Lake Point Property's fair market value (to be reasonably determined by the parties) insuring the District and the County as to the status of title to the Lake Point Property. Lake Point has also delivered to the District, at Lake Point's expense, complete and legible copies of all title exceptions listed on Schedule B of the Title Commitment. At the time of conveyance of the applicable portion(s) of the Lake Point Property, Lake Point shall pay the title insurance premium due for issuance of the title insurance policy pursuant to the Title Commitment. The Title Commitment shall include a contiguity endorsement insuring that the various portions of the Lake Point Property are contiguous along their common boundaries.

4.1.5.2. Survey. Prior to execution of this Agreement, Lake Point has, at its expense, delivered to the District Five (5) copies of the existing boundary survey (the "Survey") of the Lake Point Property prepared by Betsy Lindsay Land Surveying (Project No. 04-86, last revised December 27, 2007, as to the Phase I Property; and Project No. 04-86, last revised January 10, 2007 as to the Phase II Property). Lake Point shall cause the Survey to be certified to the District. The Survey has been prepared in accordance with the minimum technical standards for land surveying as adopted by the Florida State Board of Surveyors and Mappers, and states the acreage of the Lake Point Property, and locates substantially all title exceptions shown in the Title Commitment. The District shall have the right to obtain such updates of the Survey, or such additional surveys, as the District desires, at the District's expense.

4.1.5.3. Title Examination. Subject to the other terms and conditions of this Agreement, and except as otherwise set forth in Section 4.1.5.4, the District agrees to accept title to the Lake Point Property subject to (i) the Permitted Title Exceptions as set forth in Exhibit "C" attached hereto and made a part hereof, and (ii) those conditions disclosed on the Survey. At least Forty Five (45) days prior to conveyance of any portion of the Lake Point Property under this Agreement, Lake Point, at its expense, shall deliver an endorsement to the District updating the Title Commitment to a then current effective date. The District shall have Thirty (30) days after the District receives the endorsement to the Title Commitment, in which to examine the Title Commitment, as endorsed, and Survey. If the endorsement to the Title Commitment or any update of the Survey discloses any material and adverse change in the status of title to the portion of the Lake Point Property then being conveyed, or discloses exceptions to title other than the Permitted Title Exceptions, then the District shall, within said Thirty (30) day period, notify Lake Point in writing specifying which title exceptions are objected to by the District (the "Title Objections"). Lake Point shall have Ninety (90) days after receipt of notice of the Title Objections (the "Cure Period") to cure and

remove the Title Objections. Notwithstanding anything to the contrary contained in this Agreement, Lake Point shall have no obligation to cure any Title Objections other than liens or other encumbrances created by Lake Point (or as otherwise required by this Agreement, such as payment of prorated real estate taxes). If Lake Point is obligated to cure any Title Objections within the Cure Period, and is successful in doing so, then this Condition Precedent shall be deemed satisfied. If Lake Point elects not to cure any Title Objections, or is not successful in curing any Title Objections within the Cure Period, then the District shall have the option of (i) accepting title as it then is, or (ii) terminating this Agreement for failure of this Condition Precedent. Lake Point shall have no obligation to institute any litigation, nor to pay any monies to settle or otherwise resolve any Title Objections, except for any liens or encumbrances created by Lake Point (other than the Permitted Title Exceptions).

4.1.5.4. Elimination or Modification of Certain Title Exceptions. Notwithstanding anything in this Agreement to the contrary, prior to, or simultaneously with, Lake Point's conveying to the District or the County any portion of the Phase I or Phase II Property, Lake Point shall have eliminated the following exceptions to title in Schedule B-2 of the Title Commitment: Standard Exceptions Number 1 through 6, except for any matters disclosed by the Survey or any matters created or caused by the District, and except as provided in Section 16.2 below.

4.1.5.5. Modification of Reciprocal Drainage and Irrigation Easement. As a condition precedent to the District's obligations to accept conveyance of any portion of the Lake Point Property, Lake Point shall obtain and record a modification (the "Easement Modification") of the Reciprocal Drainage and Irrigation Easement to provide a 200 foot wide access, maintenance and canal easement (the "Canal Easement"), to run along, and to incorporate, the seventy (70) foot easement referred to in the Access Easement Agreement. The Canal Easement is more particularly shown on Exhibit "L" attached to this Agreement. The Canal Easement shall be for the benefit of the Lake Point Property for use by Lake Point, the District and/or the County to benefit the County Recreation Area, Stormwater Treatment Cells, and Stormwater Management Lakes. In order to facilitate Lake Point's efforts to obtain the Easement Modification:

- (a) As part of the Easement Modification, Lake Point shall be authorized to terminate any and all other drainage, irrigation or other rights or easements benefiting the Lake Point Property and burdening the Servient Estate pursuant to the Reciprocal Drainage and Irrigation Easement;
- (b) Lake Point shall have the right to modify and/or terminate the existing Access Easement; and
- (c) District agrees that it shall cooperate with Lake Point to obtain from the DEP (as the regulatory authority for the District Project)
 - (i) a modification of the existing environmental resource permits and water use permits that benefit both the Lake Point Property and the Servient Estate so that the owner of the Servient Estate will have its own separate environmental resource permits and water

use permits, independent of any such permits benefiting the Lake Point Property, and (ii) a permit for the owner of the Servient Estate to install and operate a new intake and discharge pump on the C-44 Canal in order to provide sufficient irrigation and drainage outfall benefiting the Servient Parcel and its current uses.

4.1.6. **Compliance with Laws.** At the time of each conveyance of the applicable portion of the Lake Point Property, there shall be no litigation or administrative agency or other governmental proceeding of any kind whatsoever, pending or threatened, which, after the date of the conveyance would materially and adversely affect the District's or the County's ownership of such land, and the portion of Lake Point Property then being conveyed shall then be in material compliance with all applicable federal, state, and local laws, ordinances, statutes, rules, regulations, codes, requirements, licenses, permits, and authorizations.

4.2 Lake Point Conditions Precedent

4.2.1 **Construction Approvals.** Within Three (3) years of the Effective Date, the applicable governmental authorities shall have issued and granted all Construction Approvals (or equivalent) necessary for the Public Works Project contemplated under this Agreement, including, without limitation, issuance of all applicable Mining Approvals.

4.2.2 **Florida Department of Environmental Protection Approvals.** Within Three (3) years of the Effective Date, the Florida Department of Environmental Protection (DEP), and any other applicable governmental authorities, shall have issued and granted to Lake Point and the District, as applicable, all approvals and permits necessary for construction of the Public Works Project contemplated under this Agreement, including, without limitation, (i) all water use permits or modifications, drainage permits or modifications, and dewatering permits, and (ii) all applicable permits and approvals to conduct the Mining Activities as contemplated by this Agreement, and all applicable appeals shall have expired, and all litigation, proceedings, or other challenges to the Mining Approvals by any party, public or private, concerning this Agreement or the activities contemplated hereby, shall have been resolved in Lake Point's favor to its sole satisfaction. The District shall be a co-applicant with Lake Point on the DEP conceptual Environmental Resource Permit application for the Public Works Project.

4.2.3 **Conservation Easement.** At any time prior to, or simultaneously with, the donation of the County Recreation Area to the District (and/or its designee), Lake Point shall have the option (but not the obligation) to grant to the District (or other appropriate grantee) the Conservation Easement. In the event Lake Point elects to grant the Conservation Easement to the District, Lake Point and the District shall execute and record such Conservation Easement in the Public Records of Martin County, Florida. The parties acknowledge and agree that creation of the Conservation Easement is not a condition precedent for the consummation of the transactions described in this Agreement; however, the District agrees to take title to the County Recreation Area subject to the Conservation Easement, if granted by Lake Point.

4.3 Fulfillment or Waiver

If any of the Conditions Precedent are not fulfilled within the time period specified above, unless Lake Point and the District agree to an extension of the applicable time period, the applicable party shall have the option, to be exercised within Thirty (30) days after expiration of the applicable time period, of (i) waiving the applicable Condition Precedent, in which event the parties shall proceed with performance of the other terms of this Agreement, or (ii) terminating this Agreement by written notice to the other parties, in which event the parties shall be released and relieved of any further obligations under this Agreement. A party's failure to give notice of termination within the time period required shall be deemed a waiver of the applicable Condition Precedent. Notwithstanding the foregoing, (a) the parties agree to fully cooperate and to use their best efforts to fulfill all Conditions Precedent, and (b) the termination of this Agreement due to a failure of a Condition Precedent shall not relieve any party from liability arising from a breach of this Agreement, either prior to termination or after termination (with respect to any surviving covenants).

5. Property Boundaries

The boundaries of the Stormwater Treatment Cells, Stormwater Management Lakes and County Recreation Area are subject to modification as part of the District's ongoing planning and design of the Public Works Project. Within One Hundred and Twenty (120) days of the Effective Date, the District shall provide Lake Point with final footprints, acreages, and legal descriptions for the Stormwater Treatment Cells the Stormwater Management Lakes and the County Recreation Area. Lake Point and the District shall cooperate to finalize the exact boundaries of said parcels by survey and establish accurate legal descriptions for each parcel (including the various phases of the Stormwater Management Lakes) for purposes of this Agreement. Notwithstanding the foregoing, or anything else to the contrary contained in this Agreement, (i) in no event shall the final boundaries of the Stormwater Management Lakes result in less than 1,000 acres of water treatment and transfer lakes being available for excavation by Lake Point, and (ii) the location of the lake excavations shall, to the maximum extent feasible, cover the areas with the most productive limestone deposits as indicated by Lake Point's geotechnical reports. Further, once the final boundaries of the various parcels are determined, Lake Point shall have the right, subject to the consent of the District, which consent shall not be unreasonably delayed, conditioned or withheld, to convey one or more such parcels to Lake Point's designees, affiliates, purchasers or assignees, prior to donation pursuant to the terms of this Agreement.

6. Management of Donated Property.

6.1 The District shall be the managing agency for the Public Works Project, including the County Recreation Area.

6.2 The District is responsible for operating and managing the Public Works Project, as determined by the District in its sole and absolute discretion, in order to (i) attenuate flows in the C-44 Canal, (ii) improve the water quality flows discharging from the Stormwater Treatment Cells and Stormwater Management Lakes into the St. Lucie River Estuary system and the L-8 Canal, (iii) meet the other water-related needs of the region in accordance with District policies,

and (iv) provide compatible recreational uses on the County Recreation Area. The District will have the right to enter into such other agreements and arrangements as the District shall determine in connection with the creation, operation, and management of the Stormwater Treatment Cells and Stormwater Management Lakes, including, without limitation, project cooperation agreements with the Corps and other governmental authorities.

6.3 Recreation use of the County Recreation Area by the public will be determined by the District based upon the compatibility of recreation use with the Conservation Easement (if any) and the Public Works Project's purposes and the requirements of applicable authorities.

6.4 The District shall manage, at its expense, the lands acquired for the County Recreation Area for passive public recreational purposes only, similar to its management of Dupuis Reserve. The District shall consult and cooperate with the County in developing a management plan for use of such lands for public recreational purposes that are compatible with the Conservation Easement (if any) and the Public Works Project as determined by the District. The management plan may include proposed compatible improvements to be implemented and paid for by the County.

6.5 All lands acquired for the Public Works Project (including the County Recreation Area) will be acquired subject to a reservation of use by Lake Point for the Mining Activities and Farming Activities in areas outside the County Recreation Area (and contemplated Conservation Easement, if any), as contemplated by this Agreement.

7. County Fees.

7.1 After commencement of the Mining Activities by Lake Point, Lake Point shall establish an environmental enhancement fund to be used for such conservation and environmental enhancement programs as the County shall determine from time to time. On an annual basis, Lake Point shall pay to the County an environmental enhancement contribution (the "County Environmental Contribution") equal to Five Cents (\$0.05) per every cubic yard of material hauled from the Lake Point Property in connection with the Mining Activities. On or before March 31 of each calendar year after commencement of the Mining Activities, Lake Point shall provide the County with a written report detailing the total volume of material hauled from the Lake Point Property during the prior calendar year. Lake Point shall maintain sufficient records to substantiate all material hauled during each calendar year. The County shall have the right, upon reasonable notice, to examine such records. Each annual report shall be accompanied by a check made payable to the County for the amount of the County Environmental Contribution due for the prior calendar year.

7.2 Notwithstanding anything to the contrary contained in this Agreement, the County Environmental Contribution shall be payable only with respect to Mining Activities conducted on the Lake Point Property after (i) all Conditions Precedent under this Agreement have been fulfilled or waived, and (ii) the County Recreation Area and the balance of the Phase I Property have been conveyed pursuant to the terms of this Agreement. The parties acknowledge and agree that (i) Lake Point is currently conducting excavation and related mining activities on the Phase I Property pursuant to existing development approvals, and (ii) no County Environmental Contribution shall be payable with respect to any such activities conducted on the Phase I

Property prior to fulfillment or waiver of all Conditions Precedent and the conveyance of the County Recreation Area and the balance of the Phase I Property pursuant to the terms of this Agreement.

7.3 In addition to the County Environmental Contribution, Lake Point shall pay to the County a hauling fee (the "County Hauling Fee") equal Ten Cents (\$0.10) per cubic yard of material excavated and hauled from the Lake Point Property in accordance with the County's Land Development Regulations. In addition to payment of the County Hauling Fee with respect to the Mining Activities contemplated in this Agreement, the County Hauling Fee is presently due and payable with respect to the existing excavation and related mining activities conducted by Lake Point on the Phase I Property pursuant to the existing Major Development Approval (as hereinafter defined) for the "Lake Point Ranches" project.

8. Lake Point Ranches Approvals.

Lake Point (or its predecessors in interest) has previously obtained a Major Development Approval (County Resolution Nos. 07-5.14 dated May 22, 2007 and 07-12.22 dated December 18, 2007) (the "Major Development Approval") for the Lake Point Ranches project currently being constructed on the Phase I Property. Upon fulfillment or waiver of all Conditions Precedent and as a condition precedent to the conveyance of the Phase I Property to the District (and/or its designee) pursuant to the terms of this Agreement, Lake Point agrees to have terminated or released with respect to the portion of the Phase I Property to be conveyed (i) the Major Development Approval for the Lake Point Ranches project, and (ii) the Unity of Title recorded in Official Record Book 2278, at Page 2853, of the Public Records of Martin County, Florida. Prior to the transfer of the Phase I Property to the District, and the issuance of all Mining Approvals, the Major Development Approval for the Lake Point Ranches project shall remain in full force and effect, including, without limitation, the right of Lake Point to excavate, process and remove subsurface materials in accordance with the existing development plan for the Lake Point Ranches project.

9. Approvals.

9.1 Construction Approvals. In order to facilitate creation of the Public Works Project as contemplated by this Agreement:

(a) Within Sixty (60) days of the Effective Date, the District and Lake Point shall cooperate to have the County designate (by resolution of the Board of County Commissioners (the "County Resolution")) the Public Works Project as an exempt "public stormwater management project", or such other designation as may be appropriate to permit construction of the Public Works Project as contemplated in this Agreement.

(b) As soon as reasonably possible, but no later than Three (3) years after the Effective Date, the District and Lake Point shall cooperate to have the County (or other applicable authority, as necessary or appropriate) take such actions necessary to grant the Construction Approvals (other than the County Resolution) in accordance with applicable ordinances and regulations (including any necessary resolutions of the Board of County Commissioners), in order to permit construction of the Public Works Project as contemplated by

this Agreement, including permitting of the Mining Activities by Lake Point. The District also agrees to take such further actions, and grant such additional approvals from time to time during the term of this Agreement as may be reasonably necessary in order to permit Lake Point to rough grade and improve the Stormwater Treatment Cells, excavate the lakes for the Stormwater Management Lakes, and to otherwise conduct the Mining Activities and construct such other improvements as contemplated by this Agreement. The District further agrees to otherwise fully cooperate with Lake Point to timely obtain all Constructions Approvals and Mining Approvals to construct and complete the Public Works Project, including, without limitation, the Mining Activities. The District agrees to cooperate to have all designs and construction plans approved in a timely manner so as not to delay the progress of the Public Works Project or the Mining Activities. The District agrees, within ten (10) business days of receipt, to review all submittals by Lake Point for consistency with the Engineering Specifications.

9.2 DEP Approvals. The District will fully cooperate with Lake Point, and take such actions as are reasonably necessary from time to time (including being co-applicant on a DEP conceptual Environmental Resource Permit application for the Public Works Project), in order to timely obtain the necessary DEP Approvals for the Public Works Project, including, without limitation, all Mining Activities. All applications to the DEP for applicable Mining Approvals shall be submitted by Lake Point, in cooperation with the District, and as the owner of the Mining Reservation. Lake Point shall comply with all requirements of the applicable DEP Approvals during the course of excavation of the Stormwater Management Lakes and while performing all site work in the Stormwater Treatment Cells. The District shall cooperate with Lake Point, and take such actions as are reasonably necessary from time to time, in order to fulfill all requirements of the DEP and other governmental authorities for issuance of the Mining Approvals and in order to keep such approvals in good standing throughout the full term of the Mining Reservation. The District shall not take any actions to interfere with Lake Point's ability to perform the Mining Activities pursuant to the Mining Approvals.

10. City of Pahokee Easement.

Upon fulfillment or waiver of all Conditions Precedent, and prior to donation of the County Recreation Area, Lake Point shall execute, deliver and record in the Public Records of Martin County, Florida, an access easement in favor of the City of Pahokee between the two Port Mayaca cemetery sites located on the south side of State Road 76, adjacent to the northeast corner of the Lake Point Property (the "City of Pahokee Easement"). The location and size of the City of Pahokee Easement shall be acceptable to the City of Pahokee. The form and terms of the City of Pahokee Easement shall be subject to the reasonable review and comment of the parties to this Agreement.

11. Authority of Parties to Enter into Agreement.

11.1 The District represents that (i) this Agreement has been duly authorized, executed and delivered by the Chair of the South Florida Water Management District, and (ii) the District has the required power and authority to perform this Agreement.

11.2 Lake Point represents that (i) this Agreement has been duly authorized, executed and delivered by the Managing Member(s) of Lake Point, and (ii) Lake Point has the required power and authority to perform this Agreement.

12. Availability of Funding.

To the extent any obligations of the District under this Agreement require availability of funding, such obligations of the District will be subject to future appropriations for the obligations created herein. The District will use its best efforts to obtain adequate funding to perform any obligations under this Agreement.

13. Term of Agreement.

This Agreement shall be in effect until the earlier to occur of (i) completion of the Public Works Project, completion of all Mining Activities by Lake Point, and donation of the Lake Point Property to the District and/or its designee as contemplated by this Agreement, or (ii) twenty (20) years after the date all of the Construction Approvals and Mining Approvals are obtained (but no later than twenty five (25) years after the Effective Date), subject to extensions of time as contemplated in this Agreement. This Agreement may be further extended upon the same terms and conditions by mutual written agreement of the District and Lake Point. This Agreement shall terminate automatically unless the same is extended by mutual written agreement prior to the expiration date of the term of this Agreement set forth above.

14. Dispute Resolution.

In the event a dispute arises concerning any provisions of this Agreement which the parties cannot resolve between themselves, any party shall have the option to submit the dispute to non-binding and confidential mediation. The mediator or mediators shall be impartial and shall be selected by the parties. The cost of the mediation shall be borne equally by the parties. In the event the parties are unable to resolve their dispute through mediation, they shall have the right to pursue specific performance and (without waiving any action for damages permitted under this Agreement) any other remedies available at law or in equity (subject to the limitation on remedies contained in this Agreement).

15. Proration; Taxes and Assessment. Lake Point shall pay, prior to delinquency, all real property taxes, (whether ad valorem or non-ad valorem) as well as all pending, certified, confirmed and ratified special assessment liens levied against the Lake Point Property through the expiration date of the Mining Reservation. Upon the expiration of the Mining Reservation, the District shall pay all real property taxes, (whether ad valorem or non-ad valorem) accrued with respect to the Lake Point Property and in accordance with Florida Statute 196.295, as applicable. The District will fully cooperate with Lake Point in order to afford Lake Point the benefit of any applicable exemptions or other reductions in the amount of real property taxes due, subject to Lake Point's compliance with applicable regulations, including, without limitation, agricultural exemptions and any exemptions related to ownership, dedication or use of portions of the Lake Point Property for conservation purposes, public recreational purposes or public works projects. All revenues associated with the Mining Activities, the Mining Reservation, the Farming Activities or the Farming Reservation shall belong solely to Lake

Point, including, without limitation, any such revenues paid, accrued, or received after the date of conveyance of any portion of the Lake Point Property pursuant to this Agreement, but prior to expiration of the applicable reservation.

16. Conveyance Documents. At the time of conveyance of each portion of the Lake Point Property, Lake Point shall execute and deliver the following documents:

16.1. A Special Warranty Deed contemplated pursuant to Section 3.4 above substantially in the form of Exhibit "H" attached hereto and made a part hereof;

16.2. An Owner's Affidavit swearing that there have been no improvements to the Lake Point Property for which payment in full has not been made during the Ninety (90) days immediately preceding the conveyance date in order to enable the Title Company to delete the construction lien exception from the Title Commitment, except for such construction activities which are ongoing with respect to the project and except for any other construction activities contemplated under this Agreement. With respect to any construction activities conducted by Lake Point within Ninety (90) days immediately preceding the date of conveyance, Lake Point shall deliver appropriate releases or waivers of construction liens, and such other documents as may be reasonably requested by the Title Company, in order to enable the Title Company to delete the construction lien exception from the Title Commitment. In addition, the Owner's Affidavit shall be in form acceptable to the Title Company in order to enable the Title Company to delete the unrecorded easements, parties in possession, and other standard exceptions from the Title Commitment;

16.3. A Non-Foreign Affidavit, attesting that Lake Point is not a "non-resident alien" or a "foreign person" as defined within the meaning of FIRPTA, in form acceptable to the closing agent;

16.4. A Quit Claim Bill of Sale or Assignment for all tangible or intangible personal property, rights, permits or approvals which are to be transferred pursuant to the terms of this Agreement; and

16.5. The parties agree to execute and deliver such further documents or instruments as may be reasonably necessary to consummate the conveyance in accordance with the terms of this Agreement. Further, the District shall cooperate to provide Lake Point with such certifications, resolutions and other documents as may be required by the Internal Revenue Service, or otherwise reasonably requested by Lake Point or its attorneys or accountants, to properly document the creation of the Conservation Easement (if any) and the charitable donation of the lands as contemplated by this Agreement, and in order for Lake Point to receive all available charitable and other tax deductions, including, without limitation, such certifications as to the value of the lands contributed or encumbered, as Lake Point may reasonably request.

17. Lake Point's Representations and Warranties. As a material inducement to the District entering into this Agreement, Lake Point represents and warrants to, and covenants with, the District that the following matters are true and correct as of the Effective Date and will also be true as of the date of conveyance of each applicable portion of the Lake Point Property under this Agreement:

17.1 Lake Point Phase I LLC is the fee simple title holder of the Phase I Property, and Lake Point Phase II LLC is the fee simple title holder of the Phase II Property, subject to assignments or transfers permitted by this Agreement. At the time of conveyance of each portion of the Lake Point Property under this Agreement, Lake Point (or its permitted successor) shall have good and marketable title to such property free and clear of all liens, encumbrances, mortgages, and security interests, except for the Permitted Title Exceptions and except those which will be released or discharged prior to the date of conveyance.

17.2 Lake Point is not in default, nor do any circumstances exist which would give rise to a material and adverse default under any of the Permitted Title Exceptions.

17.3 To the best of Lake Point's knowledge, except as may be otherwise disclosed in the Audit or the Lake Point Audit, the Lake Point Property and the use and operation thereof, are in substantial compliance with all applicable county and governmental laws, ordinances, regulations, license, permits and authorizations, including, without limitation, applicable zoning and environmental laws and regulations.

17.4 There is no pending, or to Lake Point's knowledge, threatened judicial, County, or administrative proceedings affecting the Lake Point Property which will materially and adversely affect the interest to be conveyed to the District or the County under this Agreement, or in which Lake Point is or will be a party by reason of Lake Point's ownership of the Lake Point Property, including, without limitation, proceedings for or involving condemnations, eminent domain, or zoning violations alleged to have occurred on the Lake Point Property by reason of the condition or use of the premises. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceeding are pending, or to the best of Lake Point's knowledge, threatened against Lake Point. In the event any proceeding of the character described in this subparagraph is initiated after the Effective Date, but prior to conveyance of any portion of the Lake Point Property, Lake Point shall promptly advise the District in writing.

17.5 The execution and delivery of this Agreement, and all the documents to be delivered by Lake Point under this Agreement, on behalf of Lake Point, and the performance of this Agreement by Lake Point, have been duly authorized by Lake Point. This Agreement is binding on Lake Point and enforceable against Lake Point in accordance with its terms, conditions, and provisions. No consent to such execution, delivery, and performance is required from any person, beneficiary, partner, limited partner, shareholder, creditor, investor, judicial or administrative body, government authority or other party other than any such consent which has already been unconditionally given, or any consent which may be required in the future with regard to the actions contemplated or required by this Agreement. Lake Point, at its expense, shall obtain any such consents or approvals which may be required in this regard.

17.6 Lake Point shall promptly notify the District of any material and adverse change in any condition with respect to the Lake Point Property, or any event or circumstance which makes any representation or warranty of Lake Point under this Agreement untrue or misleading in any material and adverse way, or any covenant of Lake Point under this Agreement incapable of being performed, it being understood that Lake Point's obligation to provide notice to the

District under this paragraph shall in no way relieve Lake Point of any liability for breach by Lake Point of any of its representations, warranties or covenants under this Agreement.

17.7. Lake Point has made no other outstanding agreement for purchase and sale applicable to the Lake Point Property, other than as contemplated by this Agreement. Notwithstanding the foregoing, or anything else to the contrary in this Agreement, nothing in this Agreement shall prevent or prohibit Lake Point from (i) selling, transferring or assigning its right, title or interest in the Lake Point Property or under this Agreement to a third party, so long as such third party agrees to be bound by the terms of this Agreement, or (ii) pledging, mortgaging or otherwise encumbering Lake Point's right, title or interest in the Lake Point Property or under this Agreement to a third party, subject to the terms of this Agreement, including, without limitations, the Mining Reservation and the Farming Reservation. Lake Point shall give the District at least Fifteen (15) days prior written notice of any such transfer or encumbrance.

17.8. All items delivered or to be delivered by Lake Point pursuant to this Agreement are and will be true, correct, and complete in all material respects and fairly represent the information set forth therein, as of the date given.

17.9. Lake Point warrants that there is legal access, ingress, and egress to and from the Lake Point Property to and from a public road.

17.10 Lake Point warrants that no person, individual, firm, association, joint venture, partnership, estate, trust, syndicate, fiduciary, corporation, or other entity or group (hereinafter referred to as an "Interested Person") is entitled to a fee, consideration, real estate commission, percentage, gift or other nonmonetary consideration in connection with this Agreement or subsequent conveyance, or as compensation contingent upon the District entering into this Agreement or subsequent closing, or to solicit or secure this Agreement (hereinafter referred to as the "Interested Party Fees"), except as accurately disclosed on the Beneficial Interest and Disclosure Affidavit delivered to the District in connection with execution of this Agreement. Except as provided in this Agreement, Lake Point shall pay all Interested Party Fees and Lake Point shall indemnify and hold the District and the County harmless from any and all claims for Interested Party Fees, whether disclosed or undisclosed. Furthermore, in the event the District becomes aware prior to the conveyance of any portion of the Lake Point Property that an Interested Party Fee is owed to an undisclosed Interested Party, then if payment of such Interested Party Fee will violate any ethical or other rules or regulations of the District, the District shall have the right to terminate this Agreement without thereby waiving any action for damages resulting from Lake Point's breach and misrepresentation, or the District may proceed with performance of this Agreement and require Lake Point to pay such Interested Party Fee in full. If any Interested Party Fee given in violation of this Agreement is a gift or other non-monetary consideration or benefit, the District may recover the fair market value of such compensation from Lake Point.

17.11. There are no parties other than Lake Point in occupancy or possession of any part of the Lake Point Property, and no person or entity has any right to lease all or any portion of the Lake Point Property (except with respect to the Mining Reservation and Farming Reservation).

17.12. To the best of Lake Point's knowledge, there are no pending applications, permits, petitions, contracts, approvals, other proceedings with any governmental or quasi governmental authority, including, but not limited to, the District, the County, municipalities, utilities, and/or federal or state agencies, concerning the use or operation of, or title to the Lake Point Property or any portion thereof, and Lake Point has not granted, nor is it obligated to grant any interest in the Lake Point Property to any of the foregoing entities, except as otherwise disclosed on Exhibit "F" attached to this Agreement.

17.13 To the best of Lake Point's knowledge, and except as may otherwise be disclosed in the Audit or the Lake Point Audit, Lake Point has obtained and is in material compliance with any and all permits (if any) regarding the disposal of Contaminants (if any) on, or their removal or disposal from, the Lake Point Property.

17.14 Except as may be disclosed in the Audit or the Lake Point Audit, Lake Point is not aware nor does it have any actual notice of any past or present conditions, activities or practices, or unrecorded instruments which: (i) may give rise to any claims or liabilities with respect to Contaminants on the Lake Point Property; or (ii) otherwise materially impair the use or operation of the Lake Point Property.

17.15 There is no civil, criminal or administrative action, suit, claim, demand, investigation, or notice of violation pending, or to the knowledge of Lake Point, threatened against Lake Point relating in any way to the disposal of Contaminants on the Lake Point Property which has not been disclosed in writing to the District.

17.16. The representations and warranties made in this Agreement by Lake Point shall be continuing and shall be deemed remade by Lake Point as of the conveyance of each portion of the Lake Point Property, with the same force and effect as if in fact made at that time. Lake Point shall be liable to the District before and after closing for any loss, damage, liability (including, but not limited to, reasonable attorneys fees and costs) that the District incurs directly, indirectly, as a result of a representation made by Lake Point in this Agreement not being materially true and correct as of the Effective Date and the date of conveyance to the District of any portion of the Lake Point Property. The District shall give Lake Point at least Thirty (30) days prior written notice, or such longer period as is reasonable under the circumstances, to cure any alleged breach of a representation, warranty or covenant under this Agreement.

18. Expenses.

18.1 Documentary Stamp Tax. The parties acknowledge and agree that the conveyance of the Lake Point Property is to be made as a donation, without separate consideration paid, other than as contemplated by this Agreement, and therefore, the parties believe that the conveyance of the Lake Point Property is exempt from documentary stamp tax under applicable sections of the Florida Statutes and the Florida Department of Revenue Rules and Regulations. In the event that any documentary stamp or surtax are required to be affixed to the instrument of conveyance, those expenses shall be paid by Lake Point.

18.2 Recording Documents. All costs of recording the deed of conveyance, any corrective instruments, and other closing documents to be recorded shall be paid by Lake Point.

18.3 Personal Property Taxes. Intangible property taxes due on personal property conveyed under this Agreement, if any, shall be paid by Lake Point.

18.4 Attorney Fees. Each party to this Agreement shall be responsible for paying its own attorney fees and costs in connection with the negotiation, execution, and consummation of this Agreement.

18.5 Title Insurance. Lake Point shall pay the cost of issuing the Title Insurance Commitment and any endorsements to the Title Commitment. Lake Point shall pay the premium for issuance of the Owners Title Insurance Policy(ies) contemplated by this Agreement.

18.6 Survey Expenses. Except as otherwise provided in this Agreement, the District shall pay all expenses associated with any survey of the Lake Point Property, including, without limitation, any survey expenses associated with establishing the boundaries of the applicable portions of the Lake Point Property to be conveyed under this Agreement.

18.7 Design and Engineering Fees. The District shall be responsible for paying any design or engineering fees or other expenses associated with its design and engineering specifications for the Public Works Project, except as otherwise specified in this Agreement with respect to the earthwork to be performed by Lake Point. Lake Point shall perform its obligations under this Agreement at its expense without reimbursement from the District, unless otherwise specified.

18.8 Permit Fees. Lake Point shall be responsible for paying any permit fees concerning the Mining Activities. The District shall be responsible for paying all permit fees or other fees (including impact fees, if any) associated with construction of the Public Works Project in applicable permit applications that the District submits to regulatory agencies not associated with the Mining Activities undertaken by Lake Point under this Agreement.

18.9 Hauling Fees. Lake Point shall be solely responsible for paying the County Hauling Fee.

18.10 Environmental Contribution. Lake Point shall be solely responsible for paying the County Environmental Contribution.

18.11 Construction Costs. Lake Point shall pay all land development costs associated with rough grading of the Stormwater Treatment Cells, but only to the extent contemplated in the Engineering Specifications. Further, Lake Point shall be responsible for paying all construction costs associated with the Mining Activities and excavation of the lakes for the Stormwater Management Lakes in accordance with the Engineering Specifications. The District shall be responsible for all other costs associated with its separate activities to complete the construction of the Stormwater Treatment Cells and the Stormwater Management Lakes, including, without limitation, the costs of all final grading, landscaping, fixtures, equipment, littoral and filter marsh plantings, and other improvements associated with the Public Works Project.

18.12 County Recreation Area. Lake Point shall not be responsible for any costs of owning, maintaining, and improving the County Recreation Area after its conveyance of said area.

19. Default.

19.1 Lake Point Default. If Lake Point fails or neglects to perform any of the terms, conditions, covenants or provisions of this Agreement, which default is not cured within Thirty (30) days of notice, or such longer period as is reasonable under the circumstances, the sole and exclusive remedies of the District shall be the right to (i) terminate this Agreement, in which case the parties shall be relieved of all obligations under this Agreement, or (ii) seek specific performance of Lake Point's obligations under this Agreement without any action for damages, except that, with respect to a breach of any representation or warranty under this Agreement (which breach is not cured within the applicable grace period), the District shall be entitled to recover its actual damages from Lake Point, including staff time expended in the planning and development of this matter. To the extent permitted by law, the District hereby irrevocably waives any right to seek consequential, special, incidental, punitive or other damages from Lake Point. The District acknowledges and agrees that, in light of the fact that the lands to be conveyed by Lake Point under this Agreement are being donated without any consideration being paid by the District, the foregoing limitation on damages and remedies arising from a default by Lake Point are fair and reasonable.

19.2 District Default. If the District fails or neglects to perform any of the terms, conditions, covenants or provisions of this Agreement, Lake Point may seek specific performance of the District's obligations, without thereby waiving any action for damages.

20. Risk of Loss and Condition of Real Property. Lake Point assumes all risk of loss or damage to the Lake Point Property prior to the date of conveyance of the applicable portion of the Lake Point Property under this Agreement. In the event the condition of the applicable portion of the Lake Point Property is altered in a manner material and adverse to the purposes and intent of this Agreement, ordinary wear and tear and Acts of God excepted, and such alteration cannot be cured or corrected by Lake Point within three hundred sixty five (365) days of receipt of written notice from the District, then the District may elect, at its sole option, to terminate this Agreement, and neither party shall have any further obligations under this Agreement.

21. Survival. The covenants, warranties, representations, releases, indemnities, and undertakings of the parties contained in this Agreement shall survive conveyance of the Lake Point Property, except that any representations and warranties of Lake Point shall expire three (3) months after the date of such conveyance.

22. Miscellaneous.

22.1 Notices. All notices and other communications required or permitted under this Agreement shall be in writing (including electronic transmissions) and shall be (as elected by the party giving such notice) hand delivered by courier or messenger service, telecommunicated, or

mailed (air mail if international) by registered or certified (postage prepaid) return receipt requested, or sent by any form of overnight mail, addressed as follows:

If to Lake Point:

Lake Point Phase I LLC
3160 Fairlane Farms Road
Wellington, FL 33414
Attn: Francis Judson Laird, IV

with copy to:

John T. Metzger, Esq.
McDonald Hopkins LLC
505 South Flagler Drive, Suite 300
West Palm Beach, FL 33401
Facsimile: 561-472-2122

If to the District:

South Florida Water Management District
Attention: Director of Land Acquisition and Land Management
Mailing Address: P.O. Box 24680, West Palm Beach, FL 33416-4680
Facsimile No. 561-681-6233
Street Address: 3301 Gun Club Road, West Palm Beach, FL 33406

Any party may change the address for providing notices by complying with the terms of this subparagraph. Each notice shall be deemed delivered (i) on the date delivered if by personal delivery; (ii) on the date telecommunicated if by telegraph; (iii) on the date of transmission with confirmed receipt if by telex, telefax, or other telegraphic method; (iv) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed; and (v) one day after mailing by any form of overnight mail or courier service.

22.2 Headings. The headings contained in this Agreement are for convenience of reference only, and are not to be considered a part hereof and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

22.3 Severability. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by, or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable, and another of which would render a provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

22.4 Third Parties. Unless expressly stated herein to the contrary, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement, on any persons other than the parties hereto and their respective legal representatives, successors, and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this Agreement.

22.5 Jurisdiction and Venue. The parties acknowledge that a substantial portion of the negotiations and anticipated performance of this Agreement occurred, or shall occur, in Palm Beach County, Florida, and that, therefore, each of the parties irrevocably and unconditionally (i) agrees that any suit, action, or legal proceeding arising out of or relating to this Agreement shall be brought in the court of record in the State of Florida in Palm Beach County or the Court of the United States, Southern District of Florida; (ii) consents to the jurisdiction of such court in any suit, action, or proceeding; (iii) waives any objection which it may have to the laying of venue of any such suit, action, or proceeding in any of such courts; and (iv) agrees that service of any court paper may be effected in such manner as may be provided under applicable laws or court rules in said State.

22.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute and in the same instrument. A facsimile copy of this Agreement and any signatures hereon shall be considered for all purposes as originals.

22.7 Governing Law. This Agreement and all transactions contemplated by this Agreement shall be governed by, construed, and enforced in accordance with, the internal laws of the State of Florida without regard to principles of conflicts of laws.

22.8 Interpretation. This Agreement shall be interpreted without regard to any presumption or other rule requiring interpretation against the party causing this Agreement or any part thereof to be drafted.

22.9 Handwritten Provisions. Handwritten provisions inserted in this Agreement and initialed by the parties shall control over all printed provisions in conflict therewith.

22.10 Entire Agreement. This Agreement contains the entire agreement between the parties pertaining to the subject matter contained in it and supercedes all prior and contemporaneous agreements, representations, and understandings of the parties. No agreements or representations, unless incorporated in this Agreement, shall be binding upon any of the parties. No modification or change to this Agreement shall be valid or binding upon the parties unless in writing and executed by the party or parties intended to be bound by it.

22.11 Waiver. Failure of any party to insist upon strict performance of any covenant or condition of this Agreement, or to exercise any right herein contained, shall not be construed as a waiver or relinquishment of the future enforcement of any such covenant, condition, or right; but the same shall remain in full force and effect.

22.12 Time. Time is of the essence with regard to every term, condition, and provision set forth in this Agreement. Time periods of less than six (6) days exclude Saturdays, Sundays, and State or national legal holidays, and any time period provided for herein which shall end on a Saturday, a Sunday, or a legal holiday, shall extend to 5:00 PM of the next business day.

22.13 Successors in Interest. This Agreement shall be legally binding upon the parties hereto and their heirs, legal representatives, successors and assigns. Any party to this Agreement shall have the right to transfer or convey any right or interest held by such party in this Agreement or the Lake Point Property (including, without limitation, the Mining Reservation and the Farming Reservation) from time to time to a third party, provided, and upon the condition that (i) notice of such proposed transfer is given to the other parties to this Agreement at least Fifteen (15) days prior to the date of such transfer, (ii) such transfer is made subject to the terms and conditions of this Agreement, and (iii) the transferee agrees to be bound by the terms of this Agreement. Upon compliance with the foregoing conditions, the party conveying its interest in this Agreement or any portion of the Lake Point Property shall thereafter be released and relieved of any further obligations arising in connection with this Agreement.

22.14 Further Assurances. The parties agree to execute and deliver such additional documents or instruments, and take such further actions, as may be reasonably requested by any other party to this Agreement, in order to carry out and effectuate the transactions contemplated by this Agreement.

22.15. Independent Contractor Status. Lake Point shall be considered an independent contractor, and nothing in this Agreement shall be construed to establish any relationship other than that of independent contractor between Lake Point and the District with regard to performance under this Agreement. The District and its employees, directors, contractors, consultants, and agents will not supervise or have authority over or be liable or responsible for the performance of Lake Point and its employees, consultants, contractors, subcontractors, suppliers, agents, and representatives.

22.16. Insurance Requirements.

After Lake Point transfers any portion of the Lake Point Property to the District, and for so long as Lake Point is conducting Mining Activities or Farming Activities on land donated to the District under this Agreement, Lake Point shall procure and maintain throughout the term of this Agreement, including the term of the Mining Reservation, to the extent available at commercially reasonable rates, at Lake Point's sole cost and expense, the following types of insurance, the limits of which in no way limit or diminish Lake Point's liability under this Agreement:

(1) **Worker's Compensation Insurance:** Worker's Compensations insurance up to the limits specified by Florida Statute. Notwithstanding the number of employees or any other statutory provisions to the contrary, the Worker's Compensation Insurance shall extend to all employees of Lake Point and its subcontractors. The Worker's Compensation Insurance policy required by this Agreement shall also include Employer's Liability.

(2) **Liability Insurance:** Commercial General Liability Insurance relating to the Lake Point Property and its improvements and appurtenances, and operations of Lake Point which shall include, but not be limited to, Premises and Operations; Contractual Independent Contractors; Products and Completed Operations; Broad Form Property; Personal Injury and XCU Coverage; Contractual Liability; and Blasting. Coverage shall be no more restrictive than the latest edition of the Commercial General Liability policies of the Insurance Services Office (ISO). This policy shall provide coverage for death, bodily injury, personal injury, and property damage that could arise directly, indirectly or proximately from the performance of this Agreement. The minimum limits of coverage shall be \$10,000,000 per occurrence, Combined Single Limit for Bodily Injury Liability and Property Damage Liability. The District shall be included as an Additional Insured on such insurance.

(3) **Business Automobile Liability Insurance:** Business Automobile Liability Insurance which shall have minimum limits of \$10,000,000 per occurrence, Combined Single Limit for Bodily Injury Liability and Property Damage Liability. This shall be an "any-auto" type of policy including owned, hired, non-owned and employee non-ownership coverage. The SFWMD shall be included as an Additional Insured on such insurance.

(4) **Environmental Impairment Insurance:** Environmental Impairment Insurance in amount of \$10,000,000 and form satisfactory to the District. The District shall be included as an Additional Insured on such insurance.

(5) **Excess Coverage.** The amounts of insurance coverage specified above if not shown on the face of the policy will be covered by excess liability policies that identify the name of the insurance carrier, the policy number, and the effective date and expiration date of the underlying policy.

(6) **Proof of Insurance:** Lake Point shall provide the District with insurance certificates for all insurance required pursuant to this Agreement at the time of conveyance of the Lake Point Property to the District. Lake Point shall, upon request by the District, have its insurance agent provide certified copies of all insurance coverage required by this Agreement. Such copies shall be provided within Thirty (30) days of request. All insurance required shall be written on a financially sound company acceptable to the District.

(7) **Notice of Insurance Cancellation:** Lake Point shall notify the District at least thirty (30) days prior to cancellation or modification of any insurance required by this Agreement. Insurance required shall contain a provision that it may not be cancelled or modified until thirty (30) days after written notice to the District. In the event Lake Point fails to obtain and keep any insurance required hereunder in full force and effect, the District may at its option obtain such policies and Lake Point shall pay to the District the premiums therefore, together with interest at the maximum rate allowed by law, upon demand.

(8) **Subcontractor Insurance:** It shall be the responsibility of Lake Point to ensure that all subcontractors are adequately insured or covered under its policies.

22.17. Indemnification. Lake Point hereby indemnifies, holds harmless, and defends the District (and its board members, directors, representatives, successors, assigns, officers, employees, agents, contractors, subcontractors, licensees, and invitees) at all times after the date of this Agreement against any liability, loss, claim, settlement payment, cost and expense, interest, award, judgment, damages, litigation expense (including court filing fee, court cost, arbitration fee or cost, witness fee, attorneys' fee, professionals' fee and disbursement, and cost, including appeals) for defending or asserting any claim for indemnification under this Agreement, fines, fee, and penalties or other charge arising out of or relating to any Mining Activities or Farming Activities or any other activities of Lake Point or its employees, agents, contractors, subcontractors, licensees, and invitees occurring on the Lake Point Property (or a portion thereof) after conveyance of the Lake Point Property (or a portion thereof) to the District.

IN WITNESS WHEREOF the parties have executed this Agreement as of the Effective Date.

**LAKE POINT PHASE I LLC, a Florida
limited liability company**

**By: LAKE POINT HOLDINGS LLC, a Florida
limited liability company, as its Managing
Member**

**By: GL-JR INVESTOR LLC, a Florida
limited liability company, as its
Managing Member**

**By: BC Property II, LC, a Florida
limited liability company, as its
Managing Member**

**By: 
Francis Judson Laird, IV, as its
Managing Member**

**LAKE POINT PHASE II LLC, a Florida
limited liability company**

**By: LAKE POINT HOLDINGS LLC, a Florida
limited liability company, as its Managing
Member**

**By: GL-JR INVESTOR LLC, a Florida
limited liability company, as its
Managing Member**

**By: BC Property II, LC, a Florida
limited liability company, as its
Managing Member**

**By: 
Francis Hudson Laird, IV, as its
Managing Member**

SOUTH FLORIDA WATER MANAGEMENT DISTRICT,
a public corporation of the State of
Florida, by its Governing Board

ATTEST BY SECRETARY:

By: Jaqueline W. McGinty By: Jimmy, as Chair
Print Name: Jaqueline W. McGinty Print Name: Eric Ruckman
Print Title: District Clerk Print Title: Chairman, Board of Governors

LEGAL FORM APPROVED SFWMD OFFICE OF COUNSEL

BASED ON REVIEW WITH RICH CLEMENTS
AND JILL KIVETT

By: Abe Cooper
Print Name: ABE COOPER
Print Title: Attorney

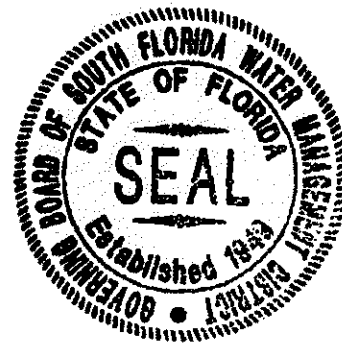
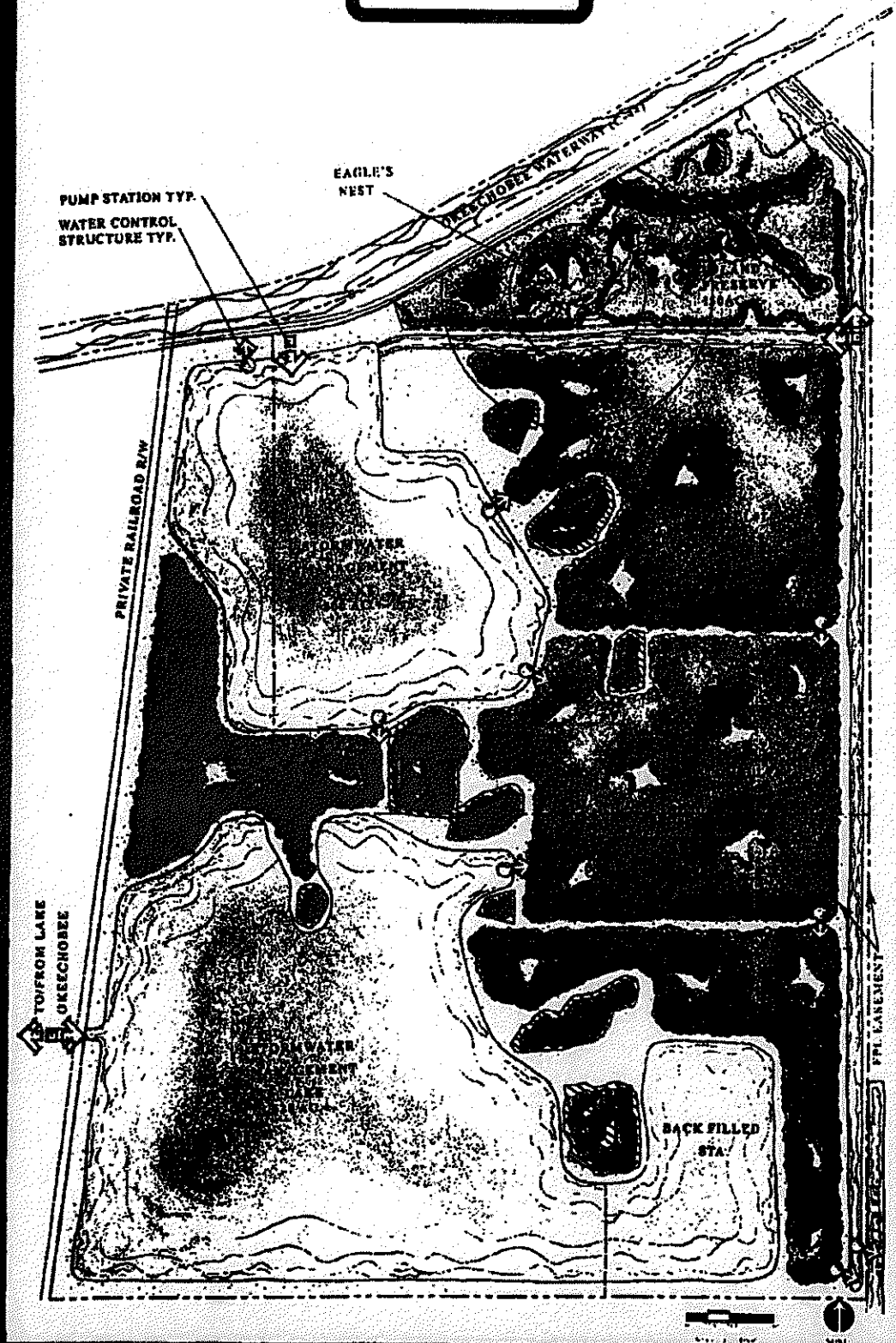


EXHIBIT "A"

Site Plan for Public Works Project

EXHIBIT

A



HCC

LAKE POINT RANCHES
PROPOSED RESERVOIR/STA. PLAN

EXHIBIT "B"

Specifications for Surrender of Possession and Delivery of Stormwater Treatment Cells and Stormwater Management Lakes

1. Stormwater Treatment Cell Locations.

The Stormwater Treatment Cells (including embankments, setbacks and related areas) will be located on approximately 800 acres of the Lake Point Property consisting of STA Cells #1, #2 and #3 as identified in attached Exhibit A, made a part hereof.

The Stormwater Management Lakes (including embankments, setbacks and related areas) will be located on approximately 1000 acres of the Lake Point Property consisting of Stormwater Management Lakes as identified in attached Exhibit A, made a part hereof.

The approximate acreage for the Stormwater Treatments Cells and the Stormwater Management Lakes are subject to change based on the final designs developed in accordance with the specifications contained in this Exhibit "B".

2. Delivery of Stormwater Treatment Cells and Stormwater Management Lakes

LAKE POINT shall prepare a construction and excavation schedule and update it on an approximately quarterly basis to inform the SFWMD on progress and the quantities of materials excavated from the Stormwater Management Lakes and quantities constructed at the Stormwater Treatment Cells.

2.A. Excavated and Placed Volume of Material

During the construction of the Lake Point Project, the LAKE POINT will provide the excavated volume of material for the Stormwater Management Lakes and the placement of material for the Stormwater Treatment Cells.

- **Excavated Volume.** This is the volume excavated, surveyed, and within the slope, depths, and maximum excavated elevation of the design.
- **Placement Volume.** This is the volume of material placed, surveyed, and within the slope, depths, and maximum elevations of the design.

LAKE POINT shall certify each delivery of both the Stormwater Management Lakes excavated volume of material and delivery of each Stormwater Treatment Cells in accordance with Section 5.A below.

Once a useable Stormwater Treatment Cell or Stormwater Management Lake is delivered Lake Point shall not reduce the Stormwater Treatment Cell or Stormwater Management Lake storage volume. However, for a period of not more than 60 days, LAKE POINT may reduce storage volume for the purpose of removing the divider levee between the two (2) Stormwater Management Lakes (as shown on Exhibit "A") or for interconnecting the Stormwater Treatment Cells. LAKE POINT is responsible for all logistics, permits, monitoring and costs required to maintain the facilities during such activities. Lake Point may, if necessary, return dewatering effluent including any rainfall which occurs into the dewatering effluent settling ponds to the Stormwater Management Lakes delivered as initial usable storage provided that Lake Point uses the lake with current dewatering operations to the maximum extent practical to contain dewatering effluent. At no time shall dewatering effluent be delivered to the completed Stormwater Treatment Cells.

The SFWMD acknowledges that LAKE POINT will need to return to the delivered Stormwater Treatment Cells and Stormwater Management Lakes to complete the earthwork (as described in section 3.C.2.a). LAKE POINT and the SFWMD will collaborate on this final construction phase and to reach agreement on the level of earthwork design details during the design process.

2.B. Final Storage Volume and Treatment Capacity

LAKE POINT shall deliver to the SFWMD, for SFWMD use, the final Stormwater Management Lake storage volume and the final Stormwater Treatment Cell earthwork as set forth in accordance with (1) this section 2.B, and (2) the performance standards in Section 3 below. The surface water stored within the Stormwater Management Lakes shall at the time of delivery meet State water quality standards with respect to turbidity. The total final storage volume of all the Stormwater Treatment Cells combined shall cover a surface area of approximately 800 acres. In delivering the final storage volume and earthwork per the design plans, LAKE POINT shall certify the final storage volume and earthwork rough graded to within .2 ft of design elevations and in accordance with Section 5.B below. The final acceptance shall allow adjustments to the maximum normal pool elevation and the corresponding volume calculations as long as the total acreage delivered exceeds the agreed upon design and the embankments are designed and constructed to provide the maximum normal pool elevation and meet all applicable District requirements as described in Section 5.B.

Approximately 800 acres of treatment cells shall be located at the Lake Point Project. Stormwater Treatment Cells shall be fully interconnected with common intake and discharge canals through improvements by the District to the earthwork performed by LAKE POINT. These interconnections shall be sized to allow distribution of 200 cfs of water between the cells.

3. Performance Standards

3A. LAKE POINT shall submit a report to SFWMD that documents the conceptual design of the Lake Point Stormwater Management Lakes and Stormwater Treatment Cells. The report shall include conceptual design details and specifications for earthwork, storage volume and treatment capacity; hydraulic conveyances and recommendations to the SFWMD on proposed pumping station capacities, water control structures and other infrastructure required to create a fully functional project. This report shall be utilized for the submittal of a Conceptual Environmental Resource Permit to FDEP. SFWMD shall then work, on a collaborative basis, with LAKE POINT to determine an exact level of design of the Stormwater Treatment Cells to separate out a detailed earthwork design and plans for construction without compromising the efficiency of the final Stormwater Treatment Cells once fully constructed. Factors to be considered in the final earthwork design are: maximum operating pool levels; description of the design analysis in terms of rain and wind events; order of magnitude estimates of expected stages surrounding the Lake Point Project for each design storm event. The completion of detailed design and receipt of necessary permits from DEP and USACE shall be obtained within three years of execution of this Agreement.

It is the clear intent of this section to limit the detailed design and construction plan preparation by LAKE POINT to earthwork only without requiring subsequent "re-construction" work by SFWMD based on a subsequent final design by SFWMD. SFWMD will be responsible for the final complete design and construction of the Stormwater Treatment Cells including, but not limited to: inflow, outflow, interconnecting conveyance facilities, excluding rough grading of earthwork for the conveyance canals; water control structures, pump stations, culverts, access and maintenance roadways, landscaping and wetland plantings.

3.B. Seepage Standards

The Lake Point Project shall be designed through use of setbacks and seepage collection facilities, if necessary, to prevent adverse impacts to surrounding areas.

3.C. Infrastructure

LAKE POINT shall provide the planning, design and construction of the earthwork grades to within .2 feet of the design plans as provided herein. LAKE POINT will not be responsible for providing the infrastructure work described in Section 6.

3.C.1. Stormwater Treatment Cell Infrastructure

3.C.1.a. Inflow and Outflow Distribution Canals.

The Stormwater Treatment Cells shall be connected by inflow and outflow distribution canals. If the actual connection between the various components require physical structures to be constructed by the District, LAKE POINT shall only be responsible for the rough grading of canals to within 100 feet of where a District supplied structure will be required.

These canals shall be hydraulically sized to convey at a minimum 200 cfs of stormwater to and from the three treatment cells. The canals shall have side slopes not steeper than 3 horizontal to 1 vertical.

3.C.1.b. Stormwater Treatment Cell Embankments.

LAKE POINT shall install embankments around the perimeter of the Stormwater Treatment Cells that comply with SFWMD standards for impoundments and all applicable standards for "Dams,". Earthwork shall be seeded and maintained by LAKE POINT until LAKE POINT's surrender of possession of each cell to the SFWMD, however maintenance must last for a time period no less than 6 months if the cell is surrendered earlier. LAKE POINT shall provide signed and sealed drawings in accordance with the terms of Section 5.B of these Specifications which meet the SFWMD engineering and design standards,.

The parties acknowledge that the SFWMD engineering and design standards may not specifically address the embankment design for Stormwater Treatment Cells. To prevent confusion and ensure adequate design, LAKE POINT shall comply with the following supplemental requirements.

- A minimum top width of at least 14 feet.
- A minimum compaction of 95 percent of the density determined from a Modified Proctor test (ASTM D1557-90).
- The organic content shall be less than 5 percent.
- The slope of all embankments shall not exceed a slope of 3 Horizontal to 1 Vertical.
- The top of the embankments shall be designed and installed to serve as service roads for use by vehicular traffic with FDOT road rock placed on top of the embankment and such roads shall have turnouts at not more than 1-mile spacing.
- The foot print of the embankment shall be grubbed, de-mucked, prepared, and compacted before placement of the embankment fill. This surface preparation is prudent in that it removes potential preferential flow paths through the embankment and sources of differential settlement of the embankment.
- The Exterior Slopes of the Perimeter Embankments must be designed with a stable surface based on the expected conditions which include rainfall. The Exterior Slopes:

_ May be grassed without geotechnical reinforcing up to a maximum slope of 3 vertical to 1 horizontal provided that the grass established meets all the applicable requirements of the Florida Department of Transportation (FDOT) Standard Specifications for Road and Bridge Construction including

Sections 570 - Grassing (by seeding). Slopes steeper than 3.0 Vertical to 1 Horizontal are not allowed.

- The Interior Slopes of the Perimeter Embankments shall be designed with a stable surface based on the expected conditions which include rainfall and wave action.

— may be grassed without geotechnical reinforcing up to a maximum slope of 4 vertical to 1 horizontal provided that the grass established meets all the applicable requirements of the Florida Department of Transportation (FDOT) Standard Specifications for Road and Bridge Construction including Sections 570 - Grassing (by seeding)

— Slopes steeper than 3.0 Vertical to 1 Horizontal are not allowed.

- The Slopes of the Interior Divider Embankments must be designed with stable surfaces and elevations consistent with the design assumption of fetch lengths and wave actions. LAKE POINT's engineer shall submit conceptual design for the interior levees for approval by the SFWMD in addition to the final report. The side slopes of these interior divider levees:

— May be grassed without geotechnical reinforcing up to a maximum slope of 4 vertical to 1 horizontal provided that the grass established meets all the applicable requirements of the Florida Department of Transportation (FDOT) Standard Specifications for Road and Bridge Construction including Sections 570 - Grassing (by seeding).

— Slopes steeper than 3.0 Vertical to 1 Horizontal are not allowed.

It is solely LAKE POINT responsibility to provide sufficient room to achieve the required slopes. LAKE POINT shall provide signed and sealed earthwork construction drawings in accordance with the terms of Section 5.B of these Specifications for this application.

3.C.2 Final Stormwater Management Lakes

LAKE POINT shall provide the complete Stormwater Management Lakes and associated infrastructure as provided herein. The SFWMD will be providing the infrastructure work described in Section 6.

3.C.2.a. Conveyance earthwork for the Stormwater Management Lakes.

The Stormwater Management Lakes shall be connected by canals from the C-44 Canal and the easement from Herbert Hoover Dike Culvert #11. The Stormwater Management Lakes shall be connected by outflow canal(s) to the Stormwater Treatment Cells. If the actual connection between the various components require physical structures, LAKE POINT shall only be responsible

for the rough grading of canals to within 100 feet of where a District supplied structure will be required. These canals shall be hydraulically sized to convey at a minimum 200 cfs of stormwater to and from the Stormwater Management Lakes. The canals shall have side slopes not steeper than 3 Horizontal to 1 Vertical.

3.C.2.b. Stormwater Management Lakes Embankments.

LAKE POINT shall install earthen embankments around the perimeter of the Stormwater Management Lakes that comply with SFWMD standards for impoundments and all applicable standards for "Dams," including stabilization of the interior face of the embankments to protect the embankments from wave action and shall be grassed and maintained. LAKE POINT shall provide signed and sealed earthwork construction drawings in accordance with the terms of Section 5.B of these Specifications which meet the SFWMD engineering and design standards.

The parties acknowledge that the SFWMD engineering and design standards may not specifically address the embankment design for Stormwater Management Lakes. To prevent confusion and ensure adequate design, LAKE POINT shall comply with the following supplemental requirements.

- A minimum top width of at least 14 feet.
- A minimum compaction of 95 percent of the density determined from a Modified Proctor test (ASTM D1557-90).
- The organic content shall be less than 5 percent.
- The slope of all embankments shall not exceed a slope of 3 Horizontal to 1 Vertical.
- The top of the embankments shall be designed and installed to serve as service roads for use by vehicular traffic with FDOT road rock placed on top of the embankment and such roads shall have turnouts at not more than 1-mile spacing.
- The foot print of the embankment shall be grubbed, de-mucked, prepared, and compacted before placement of the embankment fill. This surface preparation is prudent in that it removes potential preferential flow paths through the embankment and sources of differential settlement of the embankment.
- The Exterior Slopes of the Perimeter Embankments must be designed and maintained with a stable surface based on the expected conditions which include rainfall. The Exterior Slopes:
 - May be grassed without geotechnical reinforcing up to a maximum slope of 3 vertical to 1 horizontal provided that the grass established meets all the applicable requirements of the Florida Department of Transportation (FDOT) Standard Specifications for Road and Bridge Construction including

Sections 570 - Grassing (by seeding) - Slopes steeper than 3.0 Vertical to 1 Horizontal are not allowed.

- The Interior Slopes of the Perimeter Embankments shall be designed and maintained with a stable surface based on the expected conditions which include rainfall and wave action.

— may be grassed without geotechnical reinforcing up to a maximum slope of 4 vertical to 1 horizontal provided that the grass established meets all the applicable requirements of the Florida Department of Transportation (FDOT) Standard Specifications for Road and Bridge Construction including Sections 570 - Grassing (by seeding).

— Slopes steeper than 3.0 Vertical to 1 Horizontal are not allowed.

- If applicable, the Slopes of the Interior Divider Embankments must be designed and maintained with stable surfaces and elevations consistent with the design assumption of fetch lengths and wave actions. LAKE POINT's engineer shall submit conceptual design for the interior levees for approval by the SFWMD in addition to the final report. The side slopes of these interior divider levees:

— May be grassed without geotechnical reinforcing up to a maximum slope of 4 vertical to 1 horizontal provided that the grass established meets all the applicable requirements of the Florida Department of Transportation (FDOT) Standard Specifications for Road and Bridge Construction including Sections 570 - Grassing (by seeding).

— Slopes steeper than 3.0 Vertical to 1 Horizontal are not allowed.

It is solely LAKE POINT responsibility to provide sufficient room to achieve the required slopes. LAKE POINT shall provide signed and sealed earthwork construction drawings in accordance with the terms of Section 5.B of these Specifications for this application.

4. Monitoring and Testing

4.A. Lake Point Project Monitoring

4.A.1. Individual Stormwater Treatment Cells and Stormwater Management Lakes.

LAKE POINT shall submit quarterly status reports to the SFWMD in a format approved by the SFWMD. The report shall identify the status of the design, permitting and earthwork for each Stormwater Treatment Cell and mining within the Stormwater Management Lakes including the information listed below as applicable:

- Unmined area usage,
- Excavation with dewatering,

- Inactive areas after dry mining,
- Areas Presently being excavated,
- Placement of material at Stormwater Treatment Cells (Location, quantity and compaction test results)

LAKE POINT shall attend and participate, at no cost to the SFWMD, in progress and coordination meetings as required.

4.A.2. SFWMD Monitoring

The SFWMD will perform geotechnical and hydraulic and other investigations of the embankments and other infrastructure, including but not limited to, inspections, soil borings, compaction testing, analysis, and review of material documentation. The geotechnical investigation shall evaluate whether the surrendered embankments meet the specified standards set forth in Sections 3.C.2 and 3.C.3 above. For example the presence of soils with an organic content in excess of the SFWMD standards (e.g. 5 percent) would require reconstruction of the defective section. The geotechnical and hydraulic and other investigations of the embankments and other infrastructure shall be performed during an investigating period to be completed no later than one hundred and twenty days after LAKE POINT's surrender of possession and certification of the embankments and other infrastructure in accordance with Section 5.B below.

5. Certification

5.A. Initial Stormwater Treatment Cells

At least seven days prior to the surrender of possession and delivery of each initial earthworks for a Stormwater Treatment Cell to the SFWMD, LAKE POINT shall submit to the SFWMD a certification to all the following:

- 5.A.1. The amount of improved Stormwater Treatment Cell acreage surrendered and delivered for SFWMD's use.
- 5.A.2. Certification of the work remaining to be performed per this agreement on the surrendered area if all work is not complete.

5.B. Final Stormwater Treatment Cells and Final Stormwater Management Lakes

Upon receipt of the necessary FDEP and USACE permits to construct the Stormwater Treatment Cells, LAKE POINT shall, at a maximum time frame, complete, certify and surrender a minimum of one Stormwater Treatment Cell within 2 ½ years. Further, LAKE POINT shall on a maximum of 2 ½ year cycles thereafter, surrender at least one complete and certified Stormwater Treatment Cells. For the entire project the Design of the Stormwater Treatment Cells shall be completed in 3 years, first Stormwater Treatment Cell surrendered within 2 ½ years, second Stormwater Treatment Cell Surrendered within 5 years and the third Stormwater Treatment Cell within 7 ½ years from issuance of the necessary permits from FDEP and USACE.

At least thirty days prior to the delivery to the SFWMD of either the final earthworks for the Stormwater Treatment Cells or a complete Stormwater Management Lake constructed by LAKE POINT, LAKE POINT shall certify to all of the following:

5.B.1. The acreage of earthwork improvements for the Stormwater Treatment Cells and Stormwater Management Lakes delivered for SFWMD's use.

5.B.2. That the stormwater treatment cells are graded to the specified plans and that all embankments are constructed to final elevations and specifications.

5.B.3. That the volumetric calculations are accurate and based on (1) a bathymetric as-built survey of the water Management Lake to be provided with the certification, (2) a land survey of the Stormwater Treatment Cells earthwork and Stormwater Management Lakes to be provided by LAKE POINT with the certification signed & sealed by the Engineer of Record. The as-built bathymetric and land surveys will be performed and certified by a professional land surveyor.

5.B.4. Except for infrastructure to be installed by SFWMD as provided under Section 6 of the Specifications, that the final earthwork infrastructure is installed, and complies with the terms of Sections 2.B and 3 of these Specifications. This includes certification by the Engineer(s) of Record and LAKE POINT that the embankments and earthwork were designed, constructed, and delivered in a state that allows storage in the Stormwater Management Lakes and Stormwater Treatment Areas up to the maximum operating pool level while meeting all applicable standards including the SFWMD's Aceller8 Program standards.

5.B.5. "As-Built" plans of the earthwork infrastructure installed by LAKE POINT (to be provided with the certification) . The "As-Built" shall include but not be limited to Stormwater Treatment Cell bottom elevations, levee/dam cross sections, embankment cross section, , any inflow or outflow conveyance installed by LAKE POINT, property lines, and drawings that comply with the terms of Sections 3 of the Specifications.

The certification to SFWMD shall be signed by LAKE POINT and signed and sealed by a registered professional engineer licensed in the State of Florida in good standing with professional liability insurance policy coverages and limits reasonably satisfactory to SFWMD .

6. Infrastructure to be Installed by SFWMD

The SFWMD may install, at its expense, certain infrastructure work as set forth below:

6.A. Permanent Inflow Structures:

SFWMD may build a minimum of one permanent inflow structure for the Lake Point Project. The inflow structure will meet SFWMD standards, including the SFWMD's Standards for Installation of Water Resources Facilities Design Details dated July 2002. In addition to any other features that the SFWMD, in its discretion, includes

in the design of the structure, the structure will include, but not be limited to, the following items:

- An automated trash rack vehicular access road, temporary storage and handling area, and manatee protection device.
- The location of inflow structures shall be determined in the sole discretion of the SFWMD.
- Operable gate compatible with remote telemetry and operation and housed in a facility rated for Class V hurricane protection and power backup automatically activated emergency generator shall be included.
- Power lines and connection, including meters, transformers, and any conditioning equipment.

6.B. Permanent Outflow Structures.

SFWMD may build a minimum of one separate permanent outflow structure for the Lake Point Project. The outflow structure will meet all applicable standards of the SFWMD including the SFWMD's Standards for Installation of Water Resources Facilities Design Details dated July 2002. In addition to any other features that the SFWMD, in its discretion, includes in the design of the structure, the structure will include, but not be limited to, the following items:

- Control Structure for discharges from the site to the receiving body.
- Power lines and connection, including meters, transformers, and any conditioning equipment.
- Electrical pumps and appurtenances if necessary.
- The discharge from the pump shall include an energy dissipation system to prevent erosion and turbidity due to re-suspension of solids.
- The location of outflow structures shall be determined in the sole discretion of the SFWMD.
- Operable gate compatible with remote telemetry and operation and housed in a facility rated for Class V hurricane protection and power backup automatically activated emergency generator shall be included.

6.C. Permanent Interior Water Control Structures:

SFWMD may build the necessary permanent internal water control structure(s) for the Lake Point Project. The control structure will meet SFWMD standards, including the SFWMD's Standards for Installation of Water Resources Facilities Design Details dated July 2002. In addition to any other features that the SFWMD, in its discretion, includes in the design of the structure, the structure will include, but not be limited to, the following items:

- An automated trash rack vehicular access road, temporary storage and handling area.
- The location of inflow structures shall be determined in the sole discretion of the

SFWMD.

- Operable gate compatible with remote telemetry and operation and housed in a facility rated for Class V hurricane protection and power backup automatically activated emergency generator shall be included.
- Power lines and connection, including meters, transformers, and any conditioning equipment.

EXHIBIT "C"

Permitted Title Exceptions

1. Easement in favor of Okeechobee Flood Control District recorded in Deed Book 25, Page 464, as assigned to the United States of American in Deed Book 10, Page 394.
2. Easements in favor of Florida Power & Light Company recorded in Book 922, Page 1503 and 1505.
3. Reciprocal Drainage and Irrigation Easement recorded in Book 2005, Page 1044, as amended in Book 2196, Page 1868, Book 2301, Page 1193, and in Book 2301, Page 1201.
4. Liens, easements, covenants, and restrictions contained in Deed of Conservation Easement recorded in Book 2183, Page 2849.
5. Environmental Resource Permit Notice recorded in Book 2188, Page 2477.
6. Perpetual easements, covenants and restrictions in favor of the State of Florida Department of Transportation recorded in Book 2230, Pages 2667 and 2682.
7. Easement in favor of Florida Power & Light Company recorded in Book 2173, Page 1044.
8. Easement in favor of Florida Power & Light Company recorded in Book 2301, Page 1209.
9. Martin County Resolution Regarding Lake Point Ranches Master/Final Site Plan Approval recorded in Book 2278, Page 2780, as revised in Book 2308, Page 1621. (Note: This instrument will be terminated as provided in Section 8 of this Agreement)
10. Unity of Title recorded in Book 2278, Page 2853. (Note: This instrument will be terminated as provided in Section 8 of this Agreement)
11. Easement in favor of Central and Southern Florida Flood Control District recorded in Deed Book 50, Page 327.
12. Easement in favor of Florida Power & Light Company recorded in Deed Book 99, Page 403.
13. Permanent and temporary easements in favor of Gulfstream Natural Gas System, LLC recorded in Book 2300, Page 339.

14. Unrecorded Declaration of Covenant and Restrictions for Lake Point Ranches.
(Note: This instrument will be terminated as provided in Section 8 of this Agreement)
15. Matters shown on plat of Mayaca Homesites recorded in Plat Book 2, Page 26.
16. Easement in favor of Okeechobee Flood Control District recorded in Deed Book 26, Page 63, as assigned to United States of America in Deed Book 10, Page 394.
17. Easement in favor of United States of America recorded in Deed Book 10, Page 537.
18. Easement in favor of Florida Power & Light Company recorded in Deed Book 99, Page 405.
19. Permanent and temporary easements in favor of Gulfstream Natural Gas System, LLC recorded in Book 2300, Page 311.
20. Memorandum of Agreement for communications site lease with Nextel South Corp. recorded in Book 1409, Page 744, as amended in Book 1445, Page 1859, and as assigned in Book 1557, Pages 1672 and 1686; together with Memorandum of Site Agreement for sublease with BellSouth Mobility, LLC recorded in Book 1952, Page 1315.
21. Any claims of the State of Florida based on the doctrine of the state's sovereign ownership of lands lying beneath navigable waterbodies, or lands lying beneath tidally influenced waters.
22. Inability to insure title to any part of the land lying below the ordinary high water mark of any abutting body of water.
23. Riparian and/or littoral rights.
24. Right of Way in favor of Florida Coast Railway recorded in Deed Book 197, Page 238, Palm Beach (now Martin) County.
25. Reservations in favor of the State of Florida as contained in Deed recorded in Deed Book 228, Page 321, Palm Beach (now Martin) County.
26. Reservations in favor of the State of Florida as contained in Deed recorded in Deed Book 6, Page 493.
27. Easement(s) granted to State of Florida, recorded in Deed Book 25, Page 461.
28. Right of Way in favor of the State Florida, recorded in Deed Book 27, Page 72.

29. Easement(s) granted to the United States of America, recorded in Deed Book 28, Page 273.
30. Easement(s) granted to the United States of America, recorded in Deed Book 10, Page 397.
31. Easement(s) granted to Okeechobee Flood Control District, recorded in Deed Book 25, Page 466.
32. Deed between Southern States Land & Timber Company and Board of Commissioners of Everglades Drainage District, dated June 7, 1918, recorded in Deed Book 110, Page 139.
33. License Agreement between the Florida East Coast Railway and Mayaca Land Corporation dated June 24, 1977.
34. Real Estate Lease between Florida East Coast Railway and Trucane Sugar Corporation dated August 13, 2003.
35. Renewal of Real Estate Lease between the Florida East Coast Railway and Trucane Sugar Corporation dated June 1, 2006.
36. The easements, restrictions and other matters set forth in the pending Plat of Lake Point Ranches. (Note: This instrument will be terminated as provided in Section 8 of this Agreement)
37. Right of Way in favor of Florida Coast Railway recorded in Deed Book 197, Page 252.
38. Terms and conditions contained in Easement Agreement recorded in Book 2352, Page 115.
39. Terms and conditions contained in Easement Agreement recorded in Book 2352, Page 133.
40. Any and all matters disclosed on the Survey.
41. The Conservation Easement to be created over the County Recreation Area in favor of the District.
42. The City of Pahokee Easement to be created pursuant to Section 10 of this Agreement.

ALL RECORDED IN THE PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

EXHIBIT "D"

Legal Description of Phase I Property

PARCEL 1:

ALL THAT PART OF SECTION 13, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, LYING SOUTH OF THE ST. LUCIE CANAL RIGHT-OF-WAY, LESS THE FOLLOWING DESCRIBED PARCELS:

A. PARCEL CONVEYED TO THE TOWN OF PAHOKEE BY MAYACA COMPANY BY DEED DATED SEPTEMBER 9, 1931, FILED OCTOBER 30, 1931 RECORDED IN DEED BOOK 25, PAGE 247, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA, DESCRIBED AS:

THE EAST HALF (E1/2) OF THE SOUTHEAST QUARTER (SE1/4) OF THE SOUTHEAST QUARTER (SE1/4) OF THE NORTHEAST (NE1/4) CONTAINING FIVE ACRES MORE OR LESS; EXCEPT THE RIGHT-OF-WAY OF MAYACA INDIAN TOWN HIGHWAY, AS THE SAME IS NOW LAID OUT AND IN USE ACROSS THE ABOVE DESCRIBED PROPERTY.

B: PARCEL CONVEYED TO THE TOWN OF PAHOKEE BY THE MAYACA CORPORATION BY DEED DATED JULY 25, 1932, FILED SEPTEMBER 23, 1933, RECORDED IN DEED BOOK 26, PAGE 123, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA, DESCRIBED AS:

A TRIANGULAR PIECE OF LAND IN SECTION 13, BOUNDED ON THE NORTHWESTERLY SIDE BY STATE ROAD NO. 109, ON THE NORTHEASTERLY SIDE BY UNITED STATES GOVERNMENT SPILLWAY "A" AND ON THE SOUTHERLY SIDE BY A TRACT HERETOFORE CONVEYED BY THE MAYACA CORPORATION TO THE TOWN OF PAHOKEE FOR CEMETERY PURPOSES; THE TRACT HEREBY CONVEYED BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 13, TOWNSHIP 40 SOUTH, RANGE 37 EAST; THENCE RUN NORTH 0° 9' 54" EAST ABOUT 3091.9 FEET ALONG THE

EASTERLY LINE OF SAID SECTION TO THE DIVISION LINE BETWEEN SPILLWAY "A" OF THE UNITED STATES GOVERNMENT AND CEMETERY PROPERTY OF THE TOWN OF PAHOKEE; THENCE SOUTH 89°53' 54" WEST ABOUT 287.97 FEET ALONG SAID DIVISION LINE TO THE POINT BEGINNING OF THIS CONVEYANCE AT THE SOUTHEAST CORNER OF THE PREMISES; THENCE SAME COURSE BY SAID OTHER LAND OF THE TOWN OF PAHOKEE, ABOUT 91.03 FEET TO THE SOUTHERLY SIDE LINE OF STATE ROAD NO. 109; THENCE NORTH 60° 50' 54" EAST BY THE SIDE LINE OF SAID STATE ROAD ABOUT 79.58 FEET TO THE WESTERLY LINE OF SAID SPILLWAY "A"; THENCE SOUTH 29° 10' 06" EAST BY SAID SPILLWAY ABOUT 44.24 FEET TO THE POINT OF BEGINNING, CONTAINING ABOUT 4/100TH ACRES, THE BEARINGS ARE TRUE MERIDIAN ACCORDING TO THE SURVEY OF THE UNITED STATES ARMY ENGINEERS IN 1932.

C: RIGHT-OF-WAY OF STATE ROAD 76 (FORMERLY STATE ROAD 109).

D: INTENTIONALLY DELETED

E: ANY PORTION OF THE EAST HALF OF SAID SECTION 13 LYING SOUTH OF STATE ROAD 76 AND NORTH AND EAST OF A DRAINAGE AND IRRIGATION CANAL; SAID CANAL BEING DESCRIBED AS:

A 150 FOOT WIDE TRACT DESCRIBED AS: BEGIN AT A CONCRETE MONUMENT LOCATED ON THE SOUTHEAST CORNER OF THE NORTHEAST ¼ OF SAID SECTION 13, RUN THENCE SOUTH 89° 49' 21" WEST 452.85 FEET TO A CONCRETE MONUMENT; THENCE NORTH 00° 05' 21" EAST FOR 374.97 FEET TO THE SOUTH RIGHT OF WAY LINE OF STATE ROAD 76; THENCE SOUTH 60° 59' 21" WEST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE 485.04 FEET TO THE POINT OF BEGINNING (BEING THE WESTERLY CORNER OF THE TRACT DESCRIBED IN OFFICIAL RECORD BOOK 242, PAGE 49, IDENTIFIED ABOVE); RUN THENCE SOUTH 49° 32' 14" EAST 553.50 FEET TO A CONCRETE MONUMENT (BEING THE SOUTHERLY CORNER OF THE TRACT DESCRIBED IN OFFICIAL RECORD BOOK 242, PAGE 49, IDENTIFIED ABOVE), CONTINUE THENCE SOUTH 45° 32' 14" EAST 632.85 FEET, MORE OR LESS, TO THE EAST BOUNDARY OF SAID SECTION 13; THENCE SOUTH ALONG SAID EAST

BOUNDARY TO A POINT LYING 150 FEET NORTH OF THE SOUTH BOUNDARY OF SAID SECTION 13 (THE LINE FROM THE POINT OF BEGINNING TO THIS POINT BEING HEREAFTER REFERRED TO AS "LINE NO. 1"), THENCE WEST AND PARALLEL WITH SAID SOUTH BOUNDARY 150 FEET; THENCE NORTH AND NORTHWESTERLY (THIS LINE BEING HEREAFTER REFERRED TO AS "LINE NO. 2"), PARALLEL TO AND 150 FEET FROM LINE NO. 1. TO THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 76; THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING.

F: THAT PORTION OF SAID SECTION 13 BETWEEN STATE ROAD 76 AND THE ST. LUCIE CANAL RIGHT-OF-WAY LYING EAST OF SPILLWAY "A" OF THE ST. LUCIE CANAL.

G: FIVE ACRES, MORE OR LESS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST ONE QUARTER OF SAID SECTION 13 (THE EAST LINE OF SAID SECTION 13 IS ASSUMED TO BEAR NORTH 00° 06' 35" EAST, AND ALL OTHER BEARINGS ARE RELATED THERETO); THENCE SOUTH 89° 50' 06" WEST, ALONG THE SOUTH LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 13 A DISTANCE OF 815.72 FEET TO THE NORTHWEST CORNER OF THE EAST 150.00 FEET OF THE WEST ONE-HALF OF EAST ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 13, THENCE SOUTH 0° 00' 24" WEST ALONG THE WEST LINE OF THE EAST 150.00 FEET OF THE WEST ONE-HALF OF THE EAST ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 13 A DISTANCE OF 588.50 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 58° 12' 48" WEST A DISTANCE OF 330.00 FEET; THENCE NORTH 31° 47' 12" WEST A DISTANCE OF 660.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 76, AS NOW LAID OUT AND IN USE; THENCE NORTH 58° 12' 48" EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 292.63 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 5679.58 FEET A PARTIAL CENTRAL ANGLE OF 0° 22' 37", THENCE EASTERLY ALONG THE ARC OF THE SAID CURVE, A DISTANCE OF 37.37 FEET; THENCE SOUTH 31° 47' 12" EAST A DISTANCE

OF 659.88 FEET TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT ALL THAT PART OF SAID SECTION 13 LYING SOUTH OF THE ST. LUCIE CANAL SOUTH RIGHT OF WAY LINE AND NORTH OF THE NORTH RIGHT OF WAY LINE OF STATE ROAD 76.

PARCEL 2:

ALL THAT PART OF SAID SECTION 14, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, LYING SOUTH OF THE ST. LUCIE CANAL RIGHT-OF-WAY, LESS RIGHT-OF-WAY FOR STATE ROAD 76.

LESS AND EXCEPT ALL THAT PART OF SAID SECTION 14 LYING SOUTH OF THE ST. LUCIE CANAL SOUTH RIGHT OF WAY LINE AND NORTH OF THE NORTH RIGHT OF WAY LINE FOR STATE ROAD 76.

PARCEL 3:

ALL THAT PART OF THE EAST 1,318 FEET OF SECTION 23, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, THAT LIES SOUTH OF ST. LUCIE CANAL, LESS RIGHT OF WAY FOR STATE ROAD 76.

PARCEL 4:

ALL OF SECTION 24, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA.

PARCEL 5:

NON-EXCLUSIVE EASEMENT RIGHTS FOR DRAINAGE AND IRRIGATION PURPOSES AS SET FORTH IN RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2005, PAGE 1044, AS AMENDED IN OFFICIAL RECORDS BOOK 2196, PAGE 1868, AS FURTHER AMENDED IN THE SECOND AMENDMENT TO RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2301, PAGE 1193, AS FURTHER AMENDED BY THAT THIRD AMENDMENT TO RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2301, PAGE 1201, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR ACCESS FOR INGRESS AND EGRESS, AND FOR ACCESS, INSTALLATION AND MAINTENANCE OF DRAINAGE FOR ACCESS ROADWAY, AND UNDERGROUND UTILITIES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 115, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR EQUESTRIAN, PEDESTRIAN AND BICYCLE INGRESS AND EGRESS PURPOSES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 133, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

EXHIBIT "E"

Legal Description of Phase II Property

ALL OF SECTION 25, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

THAT PORTION OF SECTION 26, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, LYING EASTERLY OF THE EAST RIGHT-OF-WAY LINE OF THE FLORIDA EAST COAST RAILROAD.

TOGETHER WITH:

THAT PORTION OF SECTION 23, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, LYING EASTERLY OF THE EAST RIGHT-OF-WAY LINE OF THE FLORIDA EAST COAST RAILROAD, AND SOUTH OF THE ST. LUCIE CANAL. LESS THE EAST 1318.00 FEET THEREOF AND LESS RIGHT-OF-WAY FOR STATE ROAD 76.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR ACCESS FOR INGRESS AND EGRESS, AND FOR ACCESS, INSTALLATION AND MAINTENANCE OF DRAINAGE FOR ACCESS ROADWAY, AND UNDERGROUND UTILITIES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 115, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR EQUESTRIAN, PEDESTRIAN AND BICYCLE INGRESS AND EGRESS PURPOSES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 133, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH

RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORD BOOK 2005, PAGE 1044 AND AS AMENDED IN OFFICIAL RECORD BOOK 2196, PAGE 1868; OFFICIAL RECORD BOOK 2301, PAGE 1193 AND OFFICIAL RECORD BOOK 2301, PAGE 1201.

EXHIBIT "F"

List of Lake Point Permits and Approvals

PHASE I PERMITS/PLANS/APPROVALS

1. ACOE Permit No. SAJ-2005-8654-(IP-MAM).
2. FDOT Permit No. 06-A-490-0022.
3. SFWMD ERP Permit No. 43-01914-P.
4. SFWMD Standard General Permit No. 43-00038-S-02.
5. SFWMD General Water Use Permit No. 43-01889-W.
6. Lake Point Ranches Bald Eagle Management Plan revised October 2005.
7. Development Review Report.
8. Final Site Plan Staff Report.
9. Final Site Plan Phase IA & IB.
10. Littoral and Upland Transition Zone Planting Plan for Lake Point Ranches dated August 2006.
11. Animal Waste Management Plan for Lake Point Ranches.
12. Letters of Approval issued by the Florida Department of State, Division of Historical Resources under DHR No. 2005-9539.
13. Mitigation Plan for Lake Point Ranches.
14. Approved Final Site Plan for Lake Point Ranches.
15. Major Development Approval from Martin County, Florida.
16. Littoral requirements of Martin County, Florida.
17. SFWMD Application for Modification of Water Use Permit No. 43-01929-W.
18. South Florida Water Management District Environmental Resource Standard General

Permit No. 43-01914-P dated June 28, 2007.

19. South Florida Water Management District Environmental Resource Standard General Permit No. 43-01914-P dated November 7, 2007.

**PHASE II
DISTRICT PERMITS**

1. Central and Southern Florida Flood Control Permit No. 43-00038-S dated October 7, 1976.
 - a. South Florida Water Management District letter dated August 20, 1991 (Application No. 910718-5), approving modification of C&SFFCD Permit No. 43-00038-S.
 - b. South Florida Water Management District letter dated May 12, 1992 (Application No. 920429-4), approving modification of C&SFFCD Permit No. 43-00038-S.
2. SFWMD Standard General Permit No. 43-00038-W.
 - a. South Florida Water Management District letter dated July 14, 2007 (Application No. 070404-26), approving modification of Permit No. 43-00038-S.

EXHIBIT "G"

Sketch of SR 76 Entry

(1489926:17)

EXHIBIT
G

750' R
TRAN
1500' F
TRAN

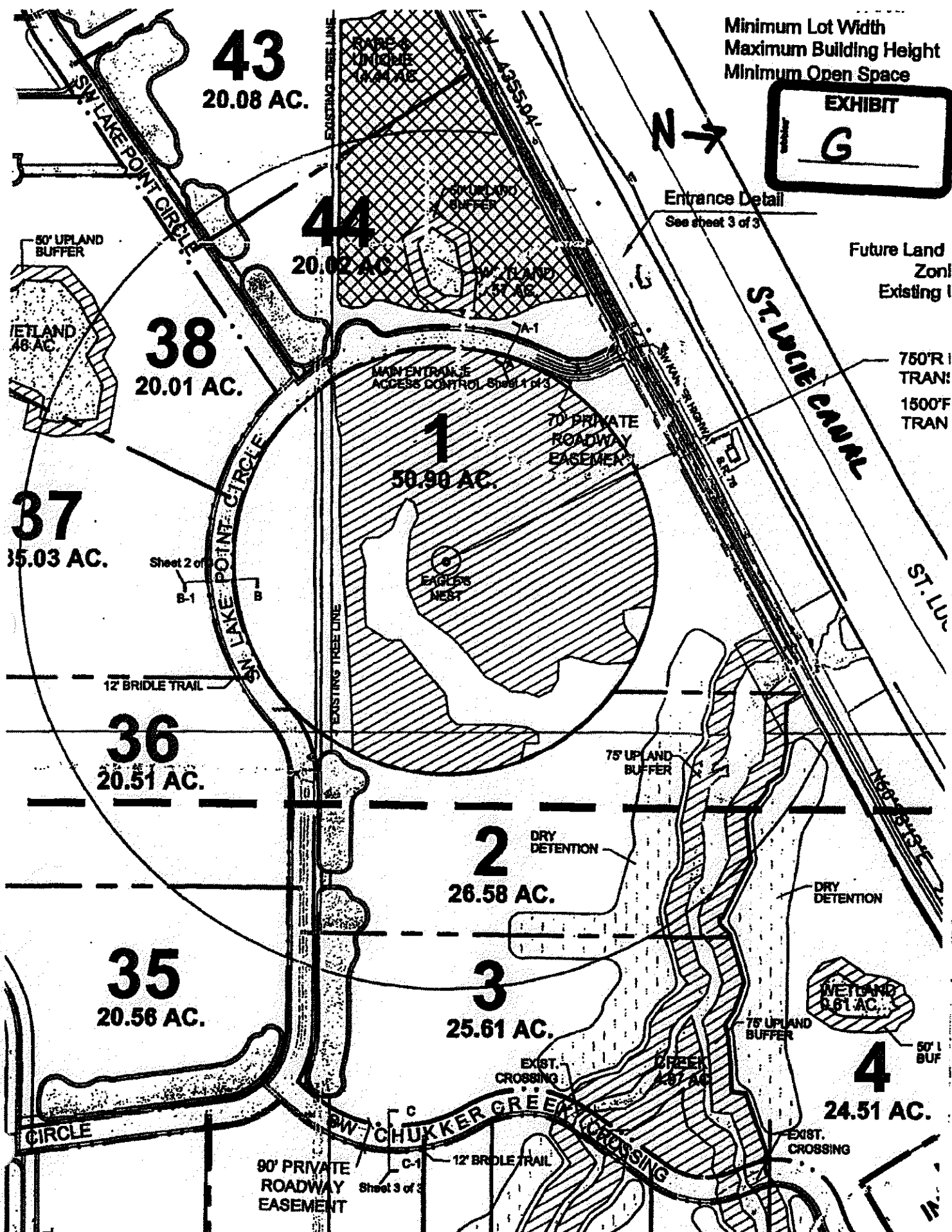


EXHIBIT "H"

Form of Special Warranty Deed

**THIS INSTRUMENT PREPARED
BY:**

ALEXA GUEVARA, ESQ.
McDonald Hopkins LLC
505 South Flagler Drive
Suite 300
West Palm Beach, FL 33401

Parcel Identification No. _____

SPECIAL WARRANTY DEED

THIS INDENTURE, made this _____ day of _____ 2008, between _____¹, a Florida limited liability company, whose post office address is _____ ("Grantor"), and _____, a _____, whose post office address is _____ ("Grantee").

WITNESSETH:

WITNESSETH that Grantor, for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration to Grantor in hand paid by Grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the Grantee and Grantee's heirs, and assigns forever, that certain land in fee simple absolute situated in Martin County, Florida, more particularly described in Exhibit A, attached hereto and made a part hereof (the "Property").

This conveyance is subject to (i) taxes and assessments for the year 2009 and subsequent years and taxes or special assessments which are not shown as existing liens by the Public Records, (ii) all of those certain rights, obligations, conditions, restrictions, reservations, easements, covenants and limitations described on Exhibit B attached hereto and made a part hereof, without by this reference intending to reimpose the same, and (iii) all laws, ordinances, restrictions, prohibitions, regulations and other requirements imposed by governmental authorities.

This conveyance is further subject to, and Grantor hereby reserves, a twenty (20) year reservation in favor of Grantor (and its successors, tenants, licensees and assigns) in accordance

¹ For purposes of conveying the Phase I Property, "Grantor" shall be Lake Point Phase I LLC, and "Grantee" shall be the District. For purposes of conveying the Phase II Property, "Grantor" shall be Lake Point Holdings LLC, and "Grantee" shall be the District. For purposes of conveying the County Recreation Area, "Grantor" shall be [Lake Point Phase I LLC] and "Grantee" shall be the County.

with the terms and conditions of the Lake Point Reservation of Occupancy, Possession, and Use ("Reservation"), attached hereto as Exhibit C, and made a part hereof.

This conveyance is further subject to a right of reverter (the "Right of Reverter") reserved in favor of Grantor, pursuant to which all right, title and interest of Grantee, its successors and/or assigns, in and to the Property shall automatically revert to Grantor upon Grantee's receipt of written notice from Grantor that any of the following have occurred: (i) all Construction Approvals (defined as those permits and approvals from Martin County (if any), or other applicable governmental authority, or their equivalent, which are necessary for construction of the Public Works Project and the conduct of the Mining Activities under the Reservation), DEP Approvals (defined as any and all permits, drainage permits, dewatering permits, and other permits or approvals from the Florida Department of Environmental Protection which are necessary for construction of the Public Works Project and the conduct of Lake Point's Mining Activities under the Reservation), and Mining Approvals (defined as all federal, state, county, local, or other governmental permits, variances, consents, or approvals of any kind which are necessary or desirable for Lake Point to conduct the Mining Activities on the Lake Point Property under the Reservation, including, without limitation, the Construction Approvals, the DEP Approvals, and the necessary clearing, dredging, dewatering, mining and other permits from the Corps and other applicable governmental authorities), are not received by Grantor by _____, 2011², or (ii) with respect to a particular phase of the Public Works Project, if Mining Approvals are terminated (or enjoined for more than 120 days) prior to (a) Grantor's delivery to the South Florida Water Management District (the "SFWMD") of, and the SFWMD's acceptance of, that particular phase pursuant to Section 4.1.4 of the Public Works Agreement, and (b) Grantor's completion of any required improvements after the date of conveyance and delivery to the SFWMD of the engineer's certification of completion as required by Sections 3.1.2 or 3.1.3 of the Public Works Agreement. Grantee shall not, and shall not permit any other person or entity to, suffer or create any encumbrances on the Property that would impair the Right of Reverter provided herein, nor take any action to frustrate or interfere with the Right of Reverter. Capitalized terms used but not defined herein shall have the meanings set forth in that certain Acquisition and Development Agreement for Public Works Project by and among Grantor, Grantee and Lake Point Phase [I] [II] LLC, dated as of _____, 2008 (the "Public Works Agreement").

To Have and to Hold, the same in fee simple forever.

² Insert a date which is three (3) years after the date of the Public Works Agreement.

Grantor hereby specially warrants the title to the Property and will defend the same against the lawful claims of all persons claiming by, through or under the Grantor.

IN WITNESS WHEREOF Grantor has executed this Special Warranty Deed as of the date written above.

Lake Point Phase [I] [II] LLC,
a Florida limited liability company

First Witness

Print Name:

By: _____
Name: _____
Title: _____

Second Witness

Print Name:

STATE OF _____

COUNTY OF _____

ACKNOWLEDGED and subscribed before me this _____ day of _____ 2008,
_____, as _____ of Lake Point Phase [I] [II] LLC, a Florida limited liability
company, on behalf of the company, who [] is personally known to me or [] has produced
_____ as identification.

Notary Public, State of Florida
Print Name: _____
Commission No.: _____

[SEAL]

My Commission expires: _____

EXHIBIT "H"

EXHIBIT A

LEGAL DESCRIPTION

[to be attached]

EXHIBIT "H"

EXHIBIT B

PERMITTED EXCEPTIONS

1. Easement in favor of Okeechobee Flood Control District recorded in Deed Book 25, Page 464, as assigned to the United States of American in Deed Book 10, Page 394.
2. Easements in favor of Florida Power & Light Company recorded in Book 922, Page 1503 and 1505.
3. Reciprocal Drainage and Irrigation Easement recorded in Book 2005, Page 1044, as amended in Book 2196, Page 1868, Book 2301, Page 1193, and in Book 2301, Page 1201.
4. Liens, easements, covenants, and restrictions contained in Deed of Conservation Easement recorded in Book 2183, Page 2849.
5. Environmental Resource Permit Notice recorded in Book 2188, Page 2477.
6. Perpetual easements, covenants and restrictions in favor of the State of Florida Department of Transportation recorded in Book 2230, Pages 2667 and 2682.
7. Easement in favor of Florida Power & Light Company recorded in Book 2173, Page 1044.
8. Easement in favor of Florida Power & Light Company recorded in Book 2301, Page 1209.
9. Martin County Resolution Regarding Lake Point Ranches Master/Final Site Plan Approval recorded in Book 2278, Page 2780, as revised in Book 2308, Page 1621. (Note: This instrument will be terminated as provided in Section 8 of the Public Works Agreement)
10. Unity of Title recorded in Book 2278, Page 2853. (Note: This instrument will be terminated as provided in Section 8 of the Public Works Agreement)
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13. Permanent and temporary easements in favor of Gulfstream Natural Gas System, LLC recorded in Book 2300, Page 339.
14. Unrecorded Declaration of Covenant and Restrictions for Lake Point Ranches. (Note: This instrument will be terminated as provided in Section 8 of the Public Works Agreement)
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17. Easement in favor of United States of America recorded in Deed Book 10, Page 537.
18. Easement in favor of Florida Power & Light Company recorded in Deed Book 99, Page 405.
19. Permanent and temporary easements in favor of Gulfstream Natural Gas System, LLC recorded in Book 2300, Page 311.
20. Memorandum of Agreement for communications site lease with Nextel South Corp. recorded in Book 1409, Page 744, as amended in Book 1445, Page 1859, and as assigned in Book 1557, Pages 1672 and 1686; together with Memorandum of Site Agreement for sublease with BellSouth Mobility, LLC recorded in Book 1952, Page 1315.
21. Any claims of the State of Florida based on the doctrine of the state's sovereign ownership of lands lying beneath navigable waterbodies, or lands lying beneath tidally influenced waters.
22. Inability to insure title to any part of the land lying below the ordinary high water mark of any abutting body of water.
23. Riparian and/or littoral rights.
24. Right of Way in favor of Florida Coast Railway recorded in Deed Book 197, Page 238, Palm Beach (now Martin) County.
25. Reservations in favor of the State of Florida as contained in Deed recorded in Deed Book 228, Page 321, Palm Beach (now Martin) County.
26. Reservations in favor of the State of Florida as contained in Deed recorded in Deed Book 6, Page 493.
27. Easement(s) granted to State of Florida, recorded in Deed Book 25, Page 461.

28. Right of Way in favor of the State Florida, recorded in Deed Book 27, Page 72.
29. Easement(s) granted to the United States of America, recorded in Deed Book 28, Page 273.
30. Easement(s) granted to the United States of America, recorded in Deed Book 10, Page 397.
31. Easement(s) granted to Okeechobee Flood Control District, recorded in Deed Book 25, Page 466.
32. Deed between Southern States Land & Timber Company and Board of Commissioners of Everglades Drainage District, dated June 7, 1918, recorded in Deed Book 110, Page 139.
33. License Agreement between the Florida East Coast Railway and Mayaca Land Corporation dated June 24, 1977.
34. Real Estate Lease between Florida East Coast Railway and Trucane Sugar Corporation dated August 13, 2003.
35. Renewal of Real Estate Lease between the Florida East Coast Railway and Trucane Sugar Corporation dated June 1, 2006.
36. The easements, restrictions and other matters set forth in the pending Plat of Lake Point Ranches. (Note: This instrument will be terminated as provided in Section 8 of the Public Works Agreement)
37. Right of Way in favor of Florida Coast Railway recorded in Deed Book 197, Page 252.
38. Terms and conditions contained in Easement Agreement recorded in Book 2352, Page 115.
39. Terms and conditions contained in Easement Agreement recorded in Book 2352, Page 133.
40. Any and all matters disclosed on the Survey.
41. The Conservation Easement to be created over the County Recreation Area in favor of the District.
42. The City of Pahokee Easement to be created pursuant to Section 10 of the Public Works Agreement.

ALL RECORDED IN THE PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

EXHIBIT "H"

EXHIBIT C

Terms and Conditions of Lake Point Reservation Of Occupancy, Possession, and Use

For the purpose of this Exhibit C, the term Lake Point, means Lake Point Phase I LLC and Lake Point Phase II LLC, which entities are individually, collectively and jointly and severally liable for the obligations of Lake Point set forth below. Capitalized terms used but not defined herein shall have the meanings set forth in that certain Acquisition and Development Agreement for Public Works Project by and among Grantor, Grantee and Lake Point Phase [I] [II LLC, dated as of _____, 2008 (the "Public Works Agreement").

1. A. **Occupancy, Possession, and Use of Property by Lake Point:** During the Reservation Term (as hereinafter defined), in accordance with the terms and conditions of this Reservation, Lake Point shall have the rights of occupancy, sole and exclusive possession (subject only to SFWMD's access and use of the Property pursuant to Paragraph 1.B below), and use of the Property solely for purposes of:

- (1) engaging in "Mining Activities", defined as the excavation and mining of the Stormwater Treatment Cells, the Stormwater Management Lakes, and any related canals, ditches, swales or other improvements, all in substantial accordance with the terms of the Engineering Specifications ("Specifications") attached hereto and made a part hereof as Exhibit "C-1", and the sale of all excavated materials by Lake Point, including without limitation (a) the removal and processing of all limestone, rock, aggregates, sand, and other materials excavated from the site (collectively, the "Mined Material"); (b) the staging and conduct of all sorting, crushing, washing, stockpiling, loading and weighing of all Mined Material; (c) the hauling, shipping, transportation, and removal of all excavated materials from the Property, whether by truck, railroad, or otherwise; (d) all pumping and dewatering activities during excavation; and (e) all other on-site or off-site activities as may be necessary to carry out the purposes and intent of this Reservation and the Public Works Agreement;
- (2) conducting the "Farming Activities", defined as the interim farming or other agricultural activities, at any time prior to the commencement of the Mining Activities, on portions of the Property (except with respect to the County Recreation Area) on which farming and other agricultural activities have been historically conducted in accordance with the Best Management Practices attached hereto as Exhibit "C-2" and made a part hereof ("Best Management Practices");
- (3) installing Stormwater Management Lakes and Stormwater Treatment Cells (collectively referred to as the "Stormwater Facilities") in accordance with the Specifications; and
- (4) those incidental uses which are directly related thereto and approved in writing by SFWMD in SFWMD's reasonable discretion.

Such occupancy, possession and use of the Property, as described above, shall be permitted together with (i) ingress and egress access to and from State Road 76 (Kanner Highway) through the existing access entryway for the Property approved by the Florida Department of Transportation under Permit No. 06-A-490-0022, as shown on attached Exhibit "C-3", attached hereto and made a part hereof, and use of such other ingress and egress access rights as may be necessary or desirable to carry out the Mining Activities and the Farming Activities, including, without limitation, those access rights created by that certain Easement Agreement recorded in OR Book 2352, Page 115, of the Public Records of Martin County, Florida; (ii) all drainage, irrigation and utility rights and uses necessary to conduct the Mining Activities and the Farming Activities, including, without limitation, use of those rights and easements created by that certain Reciprocal Drainage and Irrigation Easement recorded in OR Book 2005, Page 1044, of the Public Records of Martin County, Florida (as may be amended from time to time); (iii) such other uses of the Property as may be necessary to conduct dewatering activities and other construction related activities for the Stormwater Facilities; and (iv) such other uses of the Property as may be necessary to conduct the Mining Activities, Farming Activities and construct the Stormwater Facilities as may be required by applicable governmental laws and regulations. Lake Point may make any use of the Property that does not materially adversely interfere with the existing easements and Reservation provided herein. In no event shall Grantee close, block, barricade, curb off, chain off, fence or otherwise obstruct existing easement areas.

Lake Point will not use or knowingly permit any use or entry upon the Property for any other purpose during the Reservation Term. Lake Point expressly reserves all rights of ownership and control and revenues of any kind derived from Mining Activities or from the Farming Activities during the Reservation Term. After the expiration of the Reservation Term, any Mined Material and farming crops or products remaining on the Property become the sole property of the SFWMD and SFWMD may dispose of such Mined Material and crops and products without any recourse by Lake Point.

B. Use of the Property by SFWMD: During the Reservation Term, as Lake Point completes excavation and/or dredging of portions of the Property, Lake Point is obligated to surrender possession and deliver and certify the Stormwater Facilities to the SFWMD in accordance with the Specifications for SFWMD's use and possession. This Reservation is subject to SFWMD's access to and exclusive use of the Stormwater Facilities on the Property during the term of this Reservation in accordance with the terms of this Reservation. SFWMD may further enter upon and travel through the Property at any time for all purposes necessary (but without material interference to Lake Point's occupancy, possession, and use): (1) to carry out the terms, rights, duties and obligations under this Reservation and the Specifications, including monitoring, testing and installing certain infrastructure as set forth in the Specifications, (2) to insure compliance with the terms of this Reservation, and (3) to conduct inspections, investigations, soil borings and other activities with regard to the Property.

2. Reservation Term: Lake Point reserves occupancy, possession and use of the Property commencing on the date of the Special Warranty Deed to which this Reservation is attached (the "Commencement Date") and terminating on the earlier to occur of: Lake Point's completion of the Mining Activities in accordance with the Specifications or the twentieth (20th)

anniversary of the later of (i) the Commencement Date, or (ii) issuance of all Construction Approvals and Mining Approvals, unless terminated sooner in accordance with the provisions of this Reservation, or unless extended by the written agreement of Lake Point and SFWMD ("Reservation Term").

3. Real Estate Taxes:

A. Lake Point understands and agrees that during the Reservation Term the entire Property shall remain on the tax rolls of the County in which the Property is located. Lake Point shall pay all real property taxes, intangible property taxes and personal property taxes, as well as all assessments, including but not limited to pending, certified, confirmed and ratified special assessment liens, accrued or levied with respect to the Reservation during the Reservation Term. The amount of taxes or assessments will be determined by the county property appraiser. Lake Point acknowledges that it shall be liable for such real property taxes, personal property taxes and intangible taxes, and assessments as are applicable for the Reservation, during the full Reservation Term.

B. Lake Point shall pay such taxes and assessments prior to delinquency, and shall furnish proof of such payment to the SFWMD's Division of Procurement and Contract Administration upon written request therefore. Any penalties or late fees incurred for failure to pay said taxes and assessments shall be the responsibility of Lake Point. Nothing herein shall impair or prevent Lake Point from challenging any tax or assessment, but in doing so Lake Point shall prevent penalties from accruing. SFWMD will fully cooperate with Lake Point in order to afford Lake Point the benefit of any applicable exemptions or other reductions in the amount of real property taxes due, subject to Lake Point's compliance with applicable regulations, including, without limitation, agricultural exemptions and any exemptions related to ownership, dedication or use of portions of the Lake Point Property for conservation purposes, public recreational purposes or public works projects.

4. **Default:** In the event Lake Point fails or neglects to perform or abide by any term, provision, covenant, agreement, undertaking or condition of this Reservation, and such default is not cured within thirty (30) days of receipt of written notice, or such longer period as is reasonable under the circumstances, SFWMD may exercise all such rights and remedies granted under applicable law without any action for damages, except that, with respect to a breach of any representation or warranty hereunder (which breach is not cured within the applicable grace period), SFWMD shall be entitled to recover its actual damages from Lake Point, including staff time expended in the planning and development of this matter. To the extent permitted by law, SFWMD hereby irrevocably waives any right to seek consequential, special, incidental, punitive or other damages from Lake Point. SFWMD acknowledges and agrees that, in light of the fact that the lands conveyed by Lake Point are being donated without any consideration being paid by SFWMD, the foregoing limitation on damages and remedies arising from a default by Lake Point are fair and reasonable. If SFWMD fails or neglects to perform any of the terms, conditions, covenants or provisions of this Reservation, Lake Point may seek specific performance of SFWMD's obligations, without thereby waiving any action for damages.

5. **Notices:** All notices to Lake Point under this Reservation shall be in writing and sent by certified mail return receipt requested, any form of overnight mail delivery or hand delivery to:

(MAILING ADDRESS:)

Lake Point Phase I LLC
3160 Fairlane Farms Road
Wellington, FL 33414
Attn: Francis Judson Laird, IV

With a copy to:

John T. Metzger, Esq.
McDonald Hopkins LLC
505 South Flagler Drive, Suite 300
West Palm Beach, FL 33401
Facsimile: 561-472-2122

All notices to the SFWMD under this Reservation shall be in writing and sent by certified mail return receipt requested, any form of overnight mail delivery or hand delivery to:

Director of Real Estate Department
South Florida Water Management District
(MAILING ADDRESS:)
P.O.Box 24680
West Palm Beach, Florida 33416-4680
Fax (561) 682-6233

(OFFICE LOCATION:)

3301 Gun Club Road
West Palm Beach, Florida 33406

Director Procurement and Contract Administration
South Florida Water Management District
(MAILING ADDRESS:)
P.O.Box 24680
West Palm Beach, Florida 33416-4680
Fax (561) 687- 6397

(OFFICE LOCATION:)

3301 Gun Club Road
West Palm Beach, Florida 33406

All notices required by this Reservation, provided they are addressed as set forth above, shall be considered delivered: (i) on the date delivered if by hand delivery, (ii) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed by certified mail return receipt requested and (iii) one day after such notice is deposited with any form of overnight mail service for next day delivery. Either party may change its address by providing prior written notice to the other of any change of address.

6. [Intentionally omitted.]

7. **Permits and Approvals:** Lake Point shall obtain all necessary federal, state, local, and other governmental approvals and permits (including, without limitation, any and all applicable SFWMD and Florida Department of Environmental Protection permits, including but not limited to Right of Way Permits, Dredge and Fill Permits, Surface Water Management, Water Use, as well as Surface Water Improvement and Management permits as required, if applicable), as well as all necessary private authorizations and permits prior to commencing activities permitted under this Reservation requiring governmental approvals and permits, and shall maintain and comply with same throughout the term of this Reservation. At the request of SFWMD, Lake Point shall submit to SFWMD copies of all permits and authorizations that Lake Point is required to obtain pursuant to the provisions of this Reservation. SFWMD hereby authorizes Lake Point to file all necessary applications, approvals, modifications, and deletions in obtaining and maintaining all necessary federal, state, local and other governmental approvals and permits with respect to the Property. The parties agree that SFWMD permits shall remain in the name of Lake Point as the existing permittee until Lake Point vacates the Property. However, SFWMD agrees to cooperate with Lake Point in connection with obtaining and maintaining any and all such approvals and permits. SFWMD, at its option, may be added to each such permit and named as a co-permittee. Lake Point shall be responsible for compliance with all permit terms and conditions.

8. **Compliance with Laws, Rules, Regulations and Restrictions:** Lake Point shall comply with, and be responsible for remedying all violations by Lake Point of, all applicable federal, state, local and SFWMD laws, ordinances, rules and regulations, and private restrictions of record, applicable to the Property and Lake Point's operations conducted thereon and occupancy thereof, as well as Lake Point's performance of this Reservation.

9. **Indemnification:** For good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, during the Reservation Term, Lake Point shall defend, indemnify, save, and hold the SFWMD harmless from and against any and all claims, suits, judgments, loss, damage and liability incurred by SFWMD, including but not limited to reasonable attorney's fees and costs incurred by SFWMD which arises out of or relates to any Mining Activities or Farming Activities or any other activities of Lake Point or its employees, agents, contractors, subcontractors, licensees, and invitees occurring on the Property (or a portion thereof). SFWMD shall have the absolute right to choose its own legal counsel in connection with all matters indemnified for and defended against herein.

10. **Lake Point's Property at Risk:** All of Lake Point's personal property, equipment and fixtures located upon the Property shall be at the sole risk of Lake Point and SFWMD shall not be liable for any damage thereto or theft thereof, except to the extent caused by the gross negligence or willful misconduct of SFWMD. In addition, SFWMD shall not be liable or responsible for any damage or loss to property or injury or death to persons occurring on or adjacent to the Property resulting from any cause, including but not limited to, defect in or lack of repairs to the improvements located on the Property, except to the extent caused by the gross negligence or willful misconduct of SFWMD.

11. **Insurance:**

A. Lake Point shall procure and maintain throughout the Reservation Term, to the extent available at commercially reasonable rates, at Lake Point's sole cost and expense the following types of insurance:

(1) **Worker's Compensation Insurance:** Worker's Compensations insurance up to the limits specified by Florida Statute. Notwithstanding the number of employees or any other statutory provisions to the contrary, the Worker's Compensation Insurance shall extend to all employees of Lake Point and subcontractors. The Worker's Compensation Insurance policy required by this Reservation shall also include Employer's Liability.

(2) **Liability Insurance:** Commercial General Liability Insurance relating to the Property and its improvements and appurtenances, and operations which shall include, but not be limited to, Premises and Operations; Contractual Independent Contractors; Products and Completed Operations; Broad Form Property; Personal Injury and XCU Coverage; Contractual Liability; and Blasting. Coverage shall be no more restrictive than the latest edition of the Commercial General Liability policies of the Insurance Services Office (ISO). This policy shall provide coverage for death, bodily injury, personal injury, and property damage that could arise directly, indirectly or proximately from the performance of this Reservation. The minimum limits of coverage shall be \$10,000,000 per occurrence, Combined Single Limit for Bodily Injury Liability and Property Damage Liability. The limits of comprehensive general liability insurance shall in no way limit or diminish Lake Point's liability under paragraph 13 hereof. The SFWMD shall be included as an Additional Insured on such insurance.

(3) **Business Automobile Liability Insurance:** Business Automobile Liability Insurance which shall have minimum limits of \$10,000,000 per occurrence, Combined Single Limit for Bodily Injury Liability and Property Damage Liability. This shall be an "any-auto" type of policy including owned, hired, non-owned and employee non-ownership coverage. The SFWMD shall be included as an Additional Insured on such insurance.

(4) **Environmental Impairment Insurance:** Environmental Impairment Insurance in amount of \$10,000,000 and form satisfactory to SFWMD. Acquisition of this insurance shall in no way limit or diminish Lake Point's liability under paragraph 13 hereof. The SFWMD shall be included as an Additional Insured on such insurance.

(5) **Excess Coverage.** The amounts of insurance coverage specified above if not shown on the face of the policy will be covered by excess liability policies that identify the name of the insurance carrier, the policy number, and the effective date and expiration date of the underlying policy.

B. **Proof of Insurance:** Lake Point shall provide the SFWMD with insurance certificates for all insurance required pursuant to this Reservation as proof of insurance prior to the Commencement Date. Lake Point shall, upon request by the SFWMD, have its insurance agent provide certified copies of all insurance coverage required by this Reservation. Such copies shall be provided within thirty (30) days of request. All insurance required under this Reservation shall be written on a financially sound company acceptable to SFWMD.

C. **Notice of Insurance Cancellation:** Lake Point shall notify SFWMD at least thirty (30) days prior to cancellation or modification of any insurance required by this Reservation. Insurance required shall contain a provision that it may not be cancelled or modified until thirty (30) days after written notice to SFWMD. In the event Lake Point fails to obtain and keep any insurance required hereunder in full force and effect, SFWMD may at its option obtain such policies and Lake Point shall pay to SFWMD the premiums therefore, together with interest at the maximum rate allowed by law, upon demand.

D. **Subcontractor Insurance:** It shall be the responsibility of Lake Point to ensure that all subcontractors are adequately insured or covered under its policies.

12. **Notice to SFWMD Concerning Specific Acts:** Lake Point agrees to immediately report any incidence on the Property of the following to the SFWMD:

- A. Fire
- B. Serious Injury or death
- C. Trespassing
- D. Any hazard, condition or situation that may become a liability to the SFWMD or may be damaging to the Property or improvements on the Property of the SFWMD or injurious to any person.
- E. Any violation observed pertaining to rules and regulations promulgated by the SFWMD, or any other State or local agency as authorized by the SFWMD.
- F. Any violation of applicable State and local laws.
- G. Disposition of Pollutants (as hereinafter defined) in violation of Environmental Laws.

13. **Hazardous Materials/Pollutants:** For purposes of this Reservation, "Pollutant" shall mean any hazardous or toxic substance, material, or waste of any kind or any contaminant, pollutant, petroleum, petroleum product, or petroleum by-product as defined or regulated by Environmental Laws. "Disposal" shall mean the release, storage, use, handling, discharge or disposal of such Pollutants. "Environmental Laws" shall mean any applicable federal, state or local laws, statutes, ordinances, rules, regulations or other governmental restrictions, now or hereafter existing, relating to the regulation or control of toxic or hazardous substances or materials. Lake Point shall not cause or permit the Disposal of any Pollutants upon the Property or upon any adjacent lands in violation of Environmental Laws. Lake Point shall operate and occupy the Property in compliance with all Environmental Laws. Any Disposal of Pollutants, whether caused by Lake Point or any other third party, shall be reported to the SFWMD immediately upon the knowledge thereof by Lake Point. Lake Point shall be solely responsible for the entire cost of cleanup of any Pollutants which are disposed of by Lake Point or emanate from the Property to adjacent lands as a result of the use of the Property or surrounding lands by Lake Point. For good and valuable consideration the adequacy and receipt of which is hereby acknowledged, Lake Point shall indemnify and hold harmless SFWMD, from and against any and all claims, loss, damage, cost or liability incurred by SFWMD (including but not limited to reasonable attorney's fees and costs) which arises as a result of Lake Point's Disposal of any

Pollutants which affects the Property or emanates from the Property to adjacent lands during the Reservation Term. This responsibility shall continue to be in effect for any such Pollutants as are discovered after the date of termination of this Reservation. While this paragraph establishes contractual liability for Lake Point regarding pollution of the Property as provided herein, it does not alter or diminish any statutory or common law liability of Lake Point for such pollution.

14. **Vacation of Property:** Upon the expiration or termination of this Reservation, Lake Point shall promptly vacate and surrender the Property to SFWMD. Lake Point shall remove all personal property of Lake Point and, unless notified by SFWMD in writing to the contrary, Lake Point shall remove any buildings or structures related to its Mining Activities within a period not to exceed sixty (60) calendar days from the effective date of termination or expiration.

15. **Liens**

A. Lake Point shall keep the Property free from any liens, including, but not limited to mechanic's liens, arising out of any work performed, materials furnished or obligations incurred by Lake Point.

B. Lake Point herein shall not have any authority to incur liens for labor or material on the SFWMD's interest in the Property and all persons contracting with Lake Point for the destruction or removal of any building or for the erection, installation alteration, or repair of any building or other improvements on the Property and all materialmen, contractors, mechanics and laborers, are hereby charged with notice that they must look to Lake Point and to Lake Point's interest only in the Property to secure the payment of any bill for work done or material furnished during the Reservation Term.

C. In the event that Lake Point shall not, within thirty (30) days following the imposition of any such lien, cause the same to be released of record by payment or posting of a property bond, SFWMD shall have, in addition to all other remedies provided herein and by law, the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by SFWMD, including, but not limited to reasonable attorney's fees and expenses incurred by it in connection therewith, together with interest at the maximum rate allowed by law, shall be payable to SFWMD by Lake Point on demand.

D. SFWMD shall have the right at all times to record in the public records or post and keep posted on the Property any notice permitted or required by law, or which SFWMD shall deem proper, for the protection of SFWMD, the Property, the improvements located thereon and any other party having an interest therein, from mechanic's and materialmen's liens, and Lake Point shall give to SFWMD at least thirty (30) days prior notice of commencement of any construction on the Property.

E. Pursuant to Florida Statutes Sections 713.01(21) and 713.10, the interest of SFWMD in the Property and SFWMD's improvements located thereon shall not be subject to liens for improvements made by Lake Point and such liability is expressly prohibited.

Operation, Maintenance, and Repair: Lake Point shall be responsible for installation, operation, repair and maintenance, of the entire Property, at Lake Point's expense, during the Reservation Term and through and including the date that it vacates and surrenders the Property to SFWMD, including all temporary and permanent infrastructure as set forth in the Specifications, including whether caused by acts of Lake Point, its contractors, representatives, agents, employees, managers, directors, invitees or by acts of third parties, governmental regulations, acts of God, casualties, or any other reason, except to the extent caused by the gross negligence or willful misconduct of SFWMD. Lake Point's operation, maintenance and repair obligation shall cease upon the expiration of the Reservation Term and through and including the date that Lake Point vacates and surrenders the Property to SFWMD.

17. Special Clauses:

A. **Time of the Essence:** Time is of the essence with respect to every term, condition and provision of this Reservation.

B. **Survival:** Any covenants, provisions or conditions set forth in this Reservation which by their terms bind Lake Point or both SFWMD and Lake Point after the expiration or termination of this Reservation, shall survive the expiration or termination of this Reservation.

18. Prohibited Activities:

(1) Consistent with Florida Statutes, Lake Point will not discharge nor permit others to discharge firearms on the Property, nor display or permit others to display firearms in a reckless manner.

(2) Lake Point shall not discharge nor permit others to discharge sewage effluent into the water areas of and surrounding the Property.

(3) Lake Point shall not engage in any business activity on the Property not incident to this Reservation unless otherwise authorized in writing by the SFWMD.

(4) Except with respect to a dredge, there shall be no maintenance of boats or equipment, including but not limited to changing oil or fluids and servicing filters, on the Property. Lake Point shall not store any fuel, or store or utilize any fuel tanks (whether empty or containing fuel or other hazardous substances), fuel trailers, hoses or any other fueling mechanisms on the Property, except in compliance with all applicable governmental laws and regulations.

(5) Lake Point shall not hunt, trap or capture any wildlife upon the Property nor allow others to do so.

(6) Lake Point shall not knowingly or deliberately set or cause to be set any fire or fires on the Property.

EXHIBIT "H"

**EXHIBIT C-1
ENGINEERING SPECIFICATIONS**

[Attach the Spec's contained in Exhibit B to the Acquisition and Development Agreement]

EXHIBIT "H"

EXHIBIT C-2

BEST MANAGEMENT PRACTICES

[to be attached as provided in Acquisition and Development Agreement]

EXHIBIT "H"

EXHIBIT C-3

SKETCH OF SR 76 ENTRY

{1489926:17}

EXHIBIT "T"

LAKE POINT ENVIRONMENTAL REPORTS

1. Phase I Environmental Site Assessment, Trucane Sugar Corporation, Sugar Cane/Citrus Grove, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS Corporation ("URS"), dated February 8, 2005
2. Report, Preliminary Geotechnical Evaluation, Lake Point Ranches, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated April 22, 2005
3. Phase II Environmental Site Assessment, Trucane Sugar Corporation, Sugar Cane/Citrus Grove, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated June 14, 2005
4. Letter Report, Additional Field Exploration, Proposed Lake Point Ranches, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated October 5, 2005
5. Report, Fill Resource Evaluation, Lake Point Ranches – Phase I, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated January 26, 2006
6. Letter Report, Additional Piezometer Installations with Water Level Readings and Lake Depth Assessment, Proposed Lake Point Ranches, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated September 20, 2006
7. Letter Report, Additional Piezometer Installations with Water Level Readings and Lake Depth Assessment, Proposed Lake Point Ranches, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated October 17, 2006
8. Letter Report, Additional Piezometer Installations with Water Level Readings and Lake Depth Assessment, Proposed Lake Point Ranches, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated November 21, 2006
9. Letter Report, Additional Piezometer Installations with Water Level Readings and Lake Depth Assessment, Proposed Lake Point Ranches, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated December 14, 2006
10. Phase I and Limited Phase II Environmental Site Assessment, Mayaca Farms 1,234 Acre Parcel, Trucane Sugar Corporation, Sugar Cane/Citrus Grove, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated January 8, 2007
11. Phase I Environmental Site Assessment, Lake Point Ranches, 25501 SW Kanner Highway, Port Mayaca, Martin County, Florida, prepared by URS, dated January 8, 2007
12. Letter Report, Additional Piezometer Installations with Water Level Readings and Lake Depth Assessment, Proposed Lake Point Ranches, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated January 12, 2007

13. **Letter Report, Additional Piezometer Installations with Water Level Readings and Lake Depth Assessment, Proposed Lake Point Ranches, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated February 17, 2007**
14. **Letter Report, Additional Piezometer Installations with Water Level Readings and Lake Depth Assessment, Proposed Lake Point Ranches, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated March 12, 2007**
15. **Letter Report, Additional Piezometer Installations with Water Level Readings and Lake Depth Assessment, Proposed Lake Point Ranches, 25820 SW Kanner Highway (SR 76), Port Mayaca, Florida, prepared by URS, dated April 5, 2007**

EXHIBIT "J"

FORM OF CONSERVATION EASEMENT

Document prepared by:

Return recorded document to:

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT is given this _____ day of _____, _____, by Lake Point Phase [I] [II] LLC, a Florida limited liability company ("Grantor") whose mailing address is _____ to the _____ ("Grantee"). As used herein, the term "Grantor" shall include any and all heirs, successors or assigns of the Grantor, and all subsequent owners of the "Property" (as hereinafter defined) and the term "Grantee" shall include any successor or assignee of Grantee.

WITNESSETH

WHEREAS, Grantor is the owner of certain lands situated in Martin County, Florida, and more specifically described in Exhibit "A" attached hereto and incorporated herein ("Property"); and

WHEREAS, Grantor desires to donate to Grantee a conservation easement for the purposes described herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, together with other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, Grantor hereby grants, creates, and establishes a perpetual Conservation Easement for and in favor of the Grantee upon the property described on Exhibit "B" (the "Easement Parcel"), which shall run with the land and be binding upon the Grantor, and shall remain in full force and effect forever.

The scope, nature, and character of this Conservation Easement shall be as follows:

1. **Recitals.** The recitals hereinabove set forth are true and correct and are hereby incorporated into and made a part of this Conservation Easement.

2. **Purpose.** It is the purpose of this Conservation Easement to retain land or water areas in their natural, vegetative, hydrologic, scenic, open, agricultural or wooded condition and to retain such areas as suitable habitat for fish, plants or wildlife.

To carry out this purpose, the following rights are conveyed to Grantee by this easement:

a. To enter upon the Property at reasonable times with any necessary equipment or vehicles to enforce the rights herein granted in a manner that will not unreasonably interfere with the use and quiet enjoyment of the Property by Grantor at the time of such entry; and

b. To enjoin any activity on or use of the Property that is inconsistent with this Conservation Easement and to enforce the restoration of such areas or features of the Conservation Easement that may be damaged by any inconsistent activity or use.

3. **Prohibited Uses.** Except for restoration, creation, enhancement, maintenance and monitoring activities, or surface water management improvements, or other activities described herein that are permitted or required, the following activities are prohibited in or on the Conservation Easement:

a. Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;

b. Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;

c. Removal or destruction of trees, shrubs, or other vegetation, except for the removal of exotic or nuisance vegetation, as determined by Grantor in its reasonable discretion;

d. Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface;

e. Surface use except for purposes that permit the land or water area to remain in its natural or enhanced condition;

f. Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation including, but not limited to, ditching, diking and fencing;

g. Acts or uses detrimental to such aforementioned retention of land or water areas;

- h. Acts or uses which are detrimental to the preservation of the structural integrity or physical appearance of sites or properties having historical, archaeological, or cultural significance.

4. **Passive Recreational Facilities.** Grantor reserves all rights as owner of the Property, including the right to engage in uses of the Property that are not prohibited herein and that are not inconsistent with any applicable law or regulation, and the intent and purposes of this Conservation Easement. Passive recreational uses that are not contrary to the purpose of this Conservation Easement are expressly permitted.

- a. The Grantor may conduct limited land clearing for the purpose of constructing such pervious facilities as docks, boardwalks or mulched walking trails.

- b. The construction and use of the passive recreational facilities shall be subject to the following conditions:

- i. Grantor shall minimize and avoid, to the fullest extent possible, impact to any wetland or upland buffer areas within the Conservation Easement Area and shall avoid materially diverting the direction of the natural surface water flow in such area;

- ii. Such facilities and improvements shall be constructed and maintained utilizing Best Management Practices;

- iii. Adequate containers for litter disposal shall be situated adjacent to such facilities and improvements and periodic inspections shall be instituted by the maintenance entity, to clean any litter from the area surrounding the facilities and improvements;

5. **No Dedication.** No right of access by the general public to any portion of the Property is conveyed by this Conservation Easement.

6. **Grantee's Liability.** Grantee shall not be responsible for any costs or liabilities related to the operation, upkeep or maintenance of the Property.

7. **Property Taxes.** Grantor shall keep the payment of taxes and assessments on the Easement Parcel current and shall not allow any lien on the Easement Parcel superior to this Easement. In the event Grantor fails to extinguish or obtain a subordination of such lien, in addition to any other remedy, the Grantee may, but shall not be obligated to, elect to pay the lien on behalf of the Grantor and Grantor shall reimburse Grantee for the amount paid by Grantee, together with Grantee's reasonable attorney's fees and costs, with interest at the maximum rate allowed by law, no later than thirty days after such payment. In the event Grantor does not so reimburse the Grantee, the debt owed to Grantee shall constitute a lien against the Easement Parcel which shall automatically relate back to the recording date of this Easement. Grantee may foreclose this lien on the Easement Parcel in the manner provided for mortgages on real property.

8. **Enforcement.** Enforcement of the terms, provisions and restrictions of this Conservation Easement shall be at the reasonable discretion of Grantee, and any forbearance on behalf of Grantee to exercise its rights hereunder in the event of any breach hereof by Grantor, shall not be deemed or construed to be a waiver of Grantee's rights hereunder.

9. **Assignment.** Grantee will hold this Conservation Easement exclusively for conservation purposes. Grantee will not assign its rights and obligations under this Conservation Easement except to another organization or entity qualified to hold such interests under the applicable state laws.

10. **Severability.** If any provision of this Conservation Easement or the application thereof to any person or circumstances is found to be invalid, the remainder of the provisions of this Conservation Easement shall not be affected thereby, as long as the purpose of the Conservation Easement is preserved.

11. **Written Notice.** All notices, consents, approvals or other communications hereunder shall be in writing and shall be deemed properly given if sent by United States certified mail, return receipt requested, addressed to the appropriate party or successor-in-interest.

12. **Modifications.** This Conservation Easement may be amended, altered, released or revoked only by written agreement between the parties hereto or their heirs, assigns or successors-in-interest, which shall be filed in the public records in Martin County.

TO HAVE AND TO HOLD unto Grantee forever. The covenants, terms, conditions, restrictions and purposes imposed with this Conservation Easement shall be binding upon Grantor, and shall continue as a servitude running in perpetuity with the Property.

Grantor hereby covenants with said Grantee that Grantor is lawfully seized of said property in fee simple; that the Conservation Easement is free and clear of all encumbrances that are inconsistent with the terms of this Conservation Easement; and all mortgages and liens on the Conservation Easement area, if any, have been subordinated to this Conservation Easement; and that Grantor has good right and lawful authority to convey this Conservation Easement; and that it hereby fully warrants and defends the title to the Conservation Easement hereby conveyed against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, Francis Judson Laird, IV, as Managing Member of BC Property II, LC, in its capacity as Managing Member of GL-JR Investor LLC, in its capacity as Managing Member of Lake Point Holdings LLC, in its capacity as Managing Member of Lake Point Phase [I] [II] LLC (Grantor) has hereunto set its authorized hand this _____ day of _____.

LAKE POINT PHASE [I] [II] LLC, a Florida
limited liability company

By: LAKE POINT HOLDINGS LLC, a Florida
limited liability company, as its Managing
Member

By: GL-JR INVESTOR LLC, a Florida
limited liability company, as its
Managing Member

By: BC Property II, LC, a Florida
limited liability company, as its
Managing Member

By: _____
Francis Judson Laird, IV, as its
Managing Member

Signed, sealed and delivered in our presence as
witnesses:

By: _____
Print Name: _____

By: _____
Print Name: _____

STATE OF _____

) ss:

COUNTY OF SUFFOLK

On this _____ day of _____, _____, before me, the undersigned notary public, personally appeared Francis Judson Laird, IV, the person who subscribed to the foregoing instrument, as the Managing Member of BC Property II, LC, in its capacity as Managing Member of GL-JR Investor LLC, in its capacity as Managing Member of Lake Point Holdings LLC, in its capacity as Managing Member of Lake Point Phase [I] [II] LLC, and acknowledged that he/she executed the same on behalf of said company and that he/she was duly authorized to do so. He/She is personally know to me or has produced a driver's license as identification.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Print Name: _____

My Commission Expires: _____

EXHIBIT "J"

EXHIBIT A

[DESCRIPTION OF PROPERTY to be attached]

EXHIBIT "K"

LEGAL DESCRIPTION OF SERVIENT ESTATE

That portion of Sections 22, 23 and 26 lying Westerly of the West Right of Way line of 100-foot Rail Road right of way, all of Township 40 South, Range 37 East. Bounded on the North by the Okeechobee Waterway, bounded on the West by Lake Okeechobee. Located in Port Mayaca, Florida containing approximately 400 acres more or less.

EXHIBIT "L"

CANAL EASEMENT SKETCH

(1489926:17)

SURVEYOR'S NOTES

1. BEARINGS AS SHOWN HEREON ARE BASED ON STATE PLANE COORDINATES, REFERENCE THE NORTH AMERICAN DATUM OF 1983/1990 (NAD 83/90), FLORIDA EAST ZONE, REFERENCE A BEARING OF N79°16'13"E ALONG THE SOUTH RIGHT OF WAY LINE OF STATE ROAD 76.
2. THIS IS NOT A BOUNDARY SURVEY.
3. THIS LEGAL DESCRIPTION SHALL NOT BE VALID UNLESS PROVIDED IN ITS ENTIRETY CONSISTING OF SHEETS 1 THROUGH 3.

ABBREVIATIONS

Δ CENTRAL (DELTA) ANGLE
DB DEED BOOK
L LENGTH
NO. NUMBER
O.R.B. OFFICIAL RECORDS BOOK
PG. PAGE
P.L.S. PROFESSIONAL LAND SURVEYOR
P.O.B. POINT OF BEGINNING
P.O.C. POINT OF COMMENCEMENT
R RADIUS

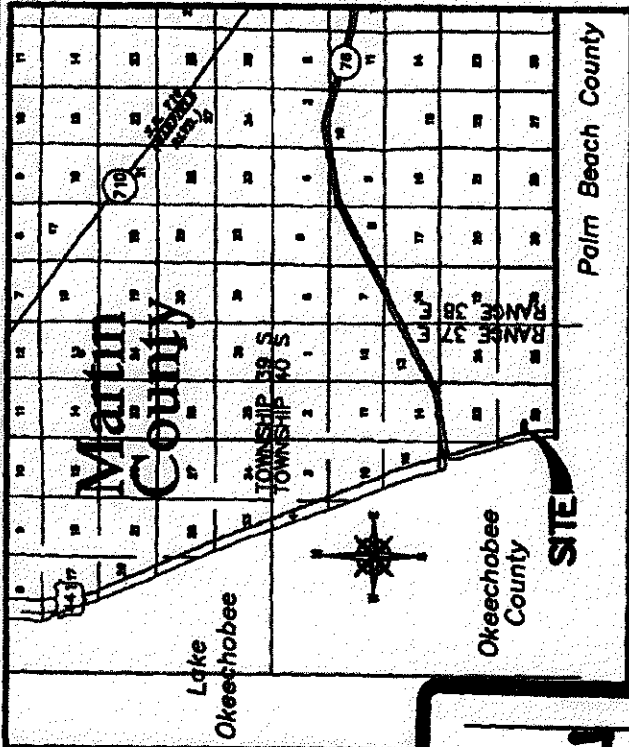
SURVEYOR'S CERTIFICATION

I HEREBY CERTIFY THAT THE "SKETCH TO ACCOMPANY LEGAL DESCRIPTION" AS SHOWN HEREON WAS PREPARED UNDER MY DIRECTION AND CHARGE ON OCTOBER 29, 2008, AND THAT SAID "SKETCH TO ACCOMPANY LEGAL DESCRIPTION" IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF. IT IS FURTHER CERTIFIED THAT THIS "SKETCH TO ACCOMPANY LEGAL DESCRIPTION" COMPLIES WITH THE MINIMUM TECHNICAL STANDARDS FOR "SKETCH TO ACCOMPANY LEGAL DESCRIPTION" SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS IN CHAPTER 61G17-6, FLORIDA ADMINISTRATIVE CODE PURSUANT TO SECTION 472.027, FLORIDA STATUTES.

BETSY LINDSAY, INC.
SURVEYORS AND MAPPERS

ELIZABETH A. LINDSAY, P.L.S.
FLORIDA REGISTRATION NO. 4724

NOT VALID WITHOUT THE SIGNATURE
AND ORIGINAL RAISED SEAL OF FLORIDA
LICENSED SURVEYOR AND MAPPER



LOCATION MAP
(NOT TO SCALE)

EXHIBIT 1		DATE: 10/29/08 SCALE: NOT TO SCALE FIELD BY: [Signature] DRAWING BY: [Signature] CHECKED BY: [Signature]		B BETSY LINDSAY, INC. SURVEYING AND MAPPING 707 W. JACK JAMES DRIVE SUITE 100, PALM BEACH, FLORIDA 33480 561-850-0000 FAX 561-850-0001 LICENSED NUMBER NO. 0000
A PORTION OF SECTION 26, TOWNSHIP 40 SOUTH, RANGE 37 EAST - MARTIN COUNTY, FLORIDA		SKETCH AND LEGAL DESCRIPTION ACCESS, MAINTENANCE & DRAINAGE EASEMENT		

ACCESS, MAINTENANCE & DRAINAGE EASEMENT

A PORTION OF LAND BEING A PORTION OF SECTION 26, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF STATE ROAD 76 AND THE WEST RIGHT OF WAY LINE OF THE 100.00 FOOT FLORIDA EAST COAST RAILWAY RIGHT OF WAY AS RECORDED IN DEED BOOK 197, PAGE 238, PUBLIC RECORDS OF PALM BEACH (NOW MARTIN) COUNTY, FLORIDA: THENCE S06°51'07"W ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 7,507.34 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S06°51'07"W ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 200.81 FEET; THENCE N88°18'31"W, A DISTANCE OF 535.32 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 1,221.00 FEET AND A CENTRAL ANGLE OF 09°46'43"; THENCE WESTERLY ALONG THE ARC A DISTANCE OF 208.39 FEET TO A POINT OF TANGENCY; THENCE S81°54'46"W, A DISTANCE OF 184.48 FEET; THENCE S36°54'46"W, A DISTANCE OF 42.43 FEET TO AN INTERSECTION WITH THE EAST RIGHT OF WAY LINE OF STATE ROAD 15 (441/CONNORS HWY.); THENCE ALONG SAID EAST RIGHT OF WAY LINE FOR THE FOLLOWING TWO (2) COURSES AND DISTANCES (1) N08°05'14"W, A DISTANCE OF 139.00 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 5,762.65 FEET AND A CENTRAL ANGLE OF 00°54'17"; (2) NORTHERLY ALONG THE ARC A DISTANCE OF 91.00 FEET; THENCE N81°54'46"E, A DISTANCE OF 215.20 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 1,421.00 FEET AND A CENTRAL ANGLE OF 09°46'43"; THENCE EASTERLY ALONG THE ARC A DISTANCE OF 242.52 FEET TO A POINT OF TANGENCY; THENCE S88°18'31"E, A DISTANCE OF 553.38 FEET TO THE POINT OF BEGINNING.

CONTAINING 197,329 SQUARE FEET OR 4.529 ACRES, MORE OR LESS.

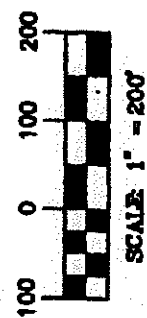
SAID EASEMENT BEING SUBJECT TO ANY/ALL EASEMENTS, RESERVATIONS, DEDICATIONS OR RESTRICTIONS.

B		BETSY LINDSAY, INC. SURVEYING AND MAPPING 707 E.H. JACK JAMES DRIVE SUITE 100, FLEMING PARK ORLANDO, FLORIDA 32809 407-255-4955 407-255-4956 FAX LICENSED SURVEYOR NO. 002	
DATE <u>12/28/2002</u>		SCALE <u>ONE INCH TO ONE MILE</u>	
FIELD NO. _____		DRAWN BY <u>J.L.</u>	
		CHECKED BY <u>J.A.L.</u>	

A PORTION OF SECTION 26, TOWNSHIP 40 SOUTH, RANGE 37 EAST - MARTIN COUNTY, FLORIDA	SKETCH AND LEGAL DESCRIPTION ACCESS, MAINTENANCE & DRAINAGE EASEMENT
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DATE	REVISION	

SHEET NO. <u>2</u>	OF <u>3</u>	PROJECT NO. <u>04-88 C</u>
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**THIS IS NOT
A SURVEY**

REPORT NO. 5
OF 5 PAGES
PROJECT NO. 04-88 C

**FIRST AMENDMENT TO ACQUISITION AND DEVELOPMENT AGREEMENT
for
PUBLIC WORKS PROJECT**

THIS FIRST AMENDMENT TO ACQUISITION AND DEVELOPMENT AGREEMENT FOR PUBLIC WORKS PROJECT (this "Amendment") is made as of the 21 day of July 2009, by and between the **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**, a public corporation of the State of Florida (the "District"), and **LAKE POINT PHASE I LLC**, a Florida limited liability company, and **LAKE POINT PHASE II LLC**, a Florida limited liability company (together, "Lake Point").

RECITALS

WHEREAS, the District and Lake Point entered into that certain Acquisition and Development Agreement for Public Works Project dated as of November 21, 2008 (the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Agreement.

WHEREAS, the District and Lake Point contemplated that, prior to seeking the approvals described in the Agreement (including, without limitation, the Construction Approvals, Mining Approvals and DEP Approvals), the parties would first obtain certain consents from Martin County, Florida (the "County"), which, among other things, would designate the Public Works Project as an exempt "public stormwater management project", or such other designation as may be appropriate to permit construction of the Public Works Project as contemplated by the Agreement (the "County Consents").

WHEREAS, for purposes of implementing the County Consents, the County and the District executed that certain Agreement between the South Florida Water Management District and Martin County Regarding St. Lucie River Watershed Protection Program (the "Interlocal Agreement").

WHEREAS, the parties have experienced certain delays in negotiating and finalizing the Interlocal Agreement.

WHEREAS, in order to account for such unanticipated delays, the parties desire to amend the Agreement to modify the time for the performance of events thereunder and to incorporate certain other modifications necessitated by the terms of the Interlocal Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants set forth in this Amendment, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Recitals. The above and foregoing Recitals are incorporated herein and are made a part hereof as if fully set forth herein.

2. Effective Date. Notwithstanding anything to the contrary set forth in the Agreement, the "Effective Date", as such term is defined and used in the Agreement, shall mean the effective date of the Interlocal Agreement, which is hereby stipulated to be June 17, 2009, which is the date upon which Martin County recorded the Interlocal Agreement in the Public Records of Martin County in accordance with Section 23 of the Interlocal Agreement. All time periods for performance under the Agreement shall be adjusted to conform to the amended Effective Date.

3. Definitions. The term "County Hauling Fee", as defined in Section 2 of the Agreement, shall be deleted in its entirety and replaced with the following:

"County Hauling Fee shall mean the hauling fee for excavated materials hauled from the Lake Point Property, payable by Lake Point to the County in accordance with the County's Land Development Regulations (LDR's) for (i) any hauling done under the existing Major Development Approval for the "Lake Point Ranches" project, or (ii) after the Mining Approvals are issued, any hauling done for the Public Works Project; provided, however, in no event shall Lake Point be liable for any annual increases in the County Hauling Fee for hauling done pursuant to the Mining Approvals for the Public Works Project that exceed the Consumer Price Index (CPI) for any given year throughout the term of the Mining Reservation."

4. County Hauling Fee. Section 7.3 of the Agreement shall be deleted in its entirety and replaced with the following:

"7.3 In addition to the County Environmental Contribution, Lake Point shall pay to the County the County Hauling Fee. In addition to payment of the County Hauling Fee with respect to the Mining Activities contemplated in this Agreement, the County Hauling Fee is presently due and payable with respect to the existing excavation and related mining activities conducted by Lake Point on the Phase I Property pursuant to the existing Major Development Approval (as hereinafter defined) for the "Lake Point Ranches" project."

5. Right of Reverter.

(a) Definition. Section 3.4(e) of the Agreement shall be deleted in its entirety and replaced with the following:

"(e) All conveyances shall be made subject to a right of reverter (the "Right of Reverter") reserved in favor of Lake Point, which Right of Reverter shall provide that all right, title and interest of the County and/or District in and to the Lake Point Property (and all personal property and rights conveyed therewith other than money) shall automatically revert to Lake Point upon receipt of written notice from Lake Point that (i) the Mining Approvals have not been received by Lake Point prior to Three (3) years after the Effective Date (in the event the County Recreation Area is conveyed to the District prior to the receipt of such approvals, the County Recreation Area shall be subject to the Right of Reverter), or (ii) with respect to a particular phase of the Public Works Project (excluding the County Recreation Area after the Mining Approvals have been issued), Mining Approvals have been involuntarily terminated (or enjoined for more than 120 days) prior to (a) Lake Point's delivery to the District of, and the District's acceptance of, that particular phase pursuant to this Agreement, and (b) Lake Point's completion of any required improvements after the date of conveyance and delivery to the District of the

engineer's certification of completion as required under this Agreement. The Right of Reverter shall be contained and created in the deed of conveyance for the applicable portion of the Lake Point Property, the form and terms of which are contained in the Special Warranty Deed attached hereto as Exhibit "H" and made a part hereof."

(b) Deed. Consistent with the revisions to Section 3.4(e) of the Agreement described above, the last paragraph of the Special Warranty Deed attached as Exhibit "H" of the Agreement shall be deleted in its entirety and replaced with the following:

"This conveyance is further subject to a right of reverter (the "Right of Reverter") reserved in favor of Grantor, pursuant to which all right, title and interest of Grantee, its successors and/or assigns, in and to the Property shall automatically revert to Grantor upon Grantee's receipt of written notice from Grantor that any of the following have occurred: (i) all Mining Approvals (defined as all federal, state, county, local, or other governmental permits, variances, consents, or approvals of any kind which are necessary or desirable for Lake Point to conduct the Mining Activities on the Lake Point Property under the Reservation, including, without limitation, the Construction Approvals, the DEP Approvals, and the necessary clearing, dredging, dewatering, mining and other permits from the Corps and other applicable governmental authorities), are not received by Grantor by June 17, 2012² (in the event the County Recreation Area is conveyed to the District prior to the receipt of such Mining Approvals, the County Recreation Area shall be subject to this Right of Reverter), or (ii) with respect to a particular phase of the Public Works Project (excluding the County Recreation Area after the Mining Approvals have been issued), if Mining Approvals have been involuntarily terminated (or enjoined for more than 120 days) prior to (a) Grantor's delivery to the South Florida Water Management District (the "SFWMD") of, and the SFWMD's acceptance of, that particular phase pursuant to Section 4.1.4 of the Public Works Agreement, and (b) Grantor's completion of any required improvements after the date of conveyance and delivery to the SFWMD of the engineer's certification of completion as required by Sections 3.1.2 or 3.1.3 of the Public Works Agreement. Grantee shall not, and shall not permit any other person or entity to, suffer or create any encumbrances on the Property that would impair the Right of Reverter provided herein, nor take any action to frustrate or interfere with the Right of Reverter. Grantor shall have the right to transfer, pledge, encumber, mortgage, assign or convey, in whole or part, any of its rights or interests in the Right of Reverter from time to time to a third party, provided, and upon the condition that (x) notice of such proposed transfer is given to the SFWMD at least Fifteen (15) days prior to the date of such transfer, (y) such transfer is made subject to the terms and conditions of this Right of Reverter, and (z) the transferee agrees to be bound by the terms of this Right of Reverter. Upon compliance with the foregoing conditions, Grantor shall thereafter be released and relieved of any further obligations arising in connection with this Right of Reverter. Capitalized terms used but not defined herein shall have the meanings set forth in that certain Acquisition and Development Agreement for Public Works Project by and among Grantor, Grantec and Lake Point Phase [I] [II] LLC, dated as of November 21, 2008, as amended (the "Public Works Agreement")."

6. Mining Reservation and Farming Reservation. Notwithstanding anything to the contrary contained in the Farming Reservation or the Mining Reservation, as it pertains to the County Recreation Area, the Mining Reservation and the Farming Reservation shall be limited to access, ingress and egress to and from a public road (via the existing dirt road) on, over, across

and through the County Recreation Area to and from those portions of the Lake Point Property not included in the County Recreation Area, together with any drainage, irrigation and utility easements on, over, across and through the County Recreation Area for the benefit of those portions of the Lake Point Property not included in the County Recreation Area which are needed to complete the Project. To the extent possible, easements existing as of the date of the Interlocal Agreement shall be used to satisfy such needs.

7. Reservation Contained in Deed. Exhibit C, which is attached to and made a part of, the Special Warranty Deed attached as Exhibit "H" of the Agreement, is hereby amended to include the following provision:

"19. Assignment: This Reservation shall be legally binding upon the parties hereto and their heirs, legal representatives, successors and assigns. Lake Point shall have the right to transfer, pledge, encumber, mortgage, assign or convey, in whole or part, any of its rights or interests in the Reservation from time to time to a third party, provided, and upon the condition that (i) notice of such proposed transfer is given to the SFWMD at least Fifteen (15) days prior to the date of such transfer, (ii) such transfer is made subject to the terms and conditions of this Reservation, and (iii) the transferee agrees to be bound by the terms of this Reservation. Upon compliance with the foregoing conditions, Lake Point shall thereafter be released and relieved of any further obligations arising in connection with this Reservation."

8. Conceptual Design. Section 3.5 (a) is hereby modified to change the words "within 90 days of the Effective Date" to "within Two Hundred Seventy (270) days of the Effective Date".

9. Ratification. Except as modified by this Amendment, all the terms and provisions of the Agreement are hereby ratified, confirmed, and reaffirmed, and shall remain unmodified and in full force and effect.

10. Entire Agreement. This Amendment contains the entire agreement of the parties hereto with respect to the matters described herein, and no representations, inducements, promises or agreements, oral or otherwise between the parties not embodied and incorporated herein by reference shall be of any force or effect.

11. Conflict. To the extent the terms hereof are inconsistent with the terms of the Agreement, the terms hereof shall control.

12. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Further, a facsimile signature is acceptable and shall be treated as an original.

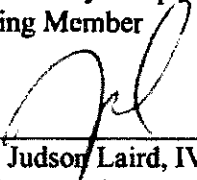
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and their respective seals to be affixed hereunto as of the day, month and year first above written.

**LAKE POINT PHASE I LLC, a Florida
limited liability company**

**By: LAKE POINT HOLDINGS LLC, a Florida
limited liability company, as its Managing
Member**

**By: GL-JR INVESTOR LLC, a Florida
limited liability company, as its
Managing Member**

**By: BC Property II, LC, a Florida
limited liability company, as its
Managing Member**

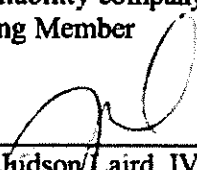
**By: 
Francis Judson Laird, IV, as its
Managing Member**

**LAKE POINT PHASE II LLC, a Florida
limited liability company**

**By: LAKE POINT HOLDINGS LLC, a Florida
limited liability company, as its Managing
Member**

**By: GL-JR INVESTOR LLC, a Florida
limited liability company, as its
Managing Member**


**By: BC Property II, LC, a Florida
limited liability company, as its
Managing Member**

**By: 
Francis Judson Laird, IV, as its
Managing Member**

SOUTH FLORIDA WATER MANAGEMENT DISTRICT,
a public corporation of the State of Florida

By: 
Carol Ann Wehle, its Executive Director

LEGAL FORM APPROVED SFWMD OFFICE OF COUNSEL

By: 
Print Name: DBE Cooper
Print Title: Attorney

**AGREEMENT
BETWEEN
THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT
AND
MARTIN COUNTY
REGARDING
ST. LUCIE RIVER WATERSHED PROTECTION PROGRAM**

THIS AGREEMENT (the "Agreement") is made and entered into as of this 28th day of May, 2009, by and between the **South Florida Water Management District**, a public corporation of the State of Florida (the "District"), and **Martin County**, a political subdivision of the State of Florida (the "County").

BACKGROUND AND OBJECTIVES

WHEREAS, the District is an independent taxing authority, created by the Florida Legislature and given those powers and responsibilities enumerated in Chapter 373, Florida Statutes; and

WHEREAS, the District is empowered to enter into contractual arrangements with public agencies, private corporations or other persons, pursuant to Section 373.083, Florida Statutes, and the Florida Interlocal Cooperation Act of 1969, as amended (Section 163.01 et seq, Florida Statutes); and

WHEREAS, the County is a political subdivision of the State of Florida and is authorized by the Florida Interlocal Cooperation Act of 1969, as amended, to enter into agreements with the District for the purposes set forth herein; and

WHEREAS, the District is developing water resource projects for the restoration of South Florida ecosystem while providing for the other water-related needs of the region, including water supply and flood protection; and

WHEREAS, these projects include water resource projects within the St. Lucie River Watershed Protection Program (hereinafter referred to as the "District Projects"); and

WHEREAS, on November 21, 2008, the District and Lake Point Phase I LLC, a Florida limited liability company, and Lake Point Phase II LLC, a Florida limited liability company (together and as defined below, "Lake Point") entered into that certain Acquisition and Development Agreement for Public Works Project (the "Acquisition and Development Agreement") concerning the acquisition and substantial earthwork construction to be undertaken by Lake Point, subject to certain terms and conditions, on portions of approximately 2,200 acres of land located in Martin County, Florida (as

depicted in that certain sketch attached hereto and incorporated herein by reference as Exhibit "A", the "Lake Point Property") for use in connection with the District Projects, among other projects, including the creation of a Stormwater Treatment Area, the Stormwater Management Lakes and the County Recreation Area (all as defined below) (collectively, the "Public Works Project"); and

WHEREAS, among other water related benefits, the Public Works Project will create (i) the ability to cleanse and convey water between Lake Okeechobee, the C-44/St. Lucie Canal, and the L-8 Canal Right of Way, via existing permitted intake/discharge pumps; (ii) approximately 1,800 acres of water quality treatment and transfer areas (the "Public Works Facility"); (iii) approximately 150 acres of conservation areas to be donated for passive recreational uses by the County; and (iv) a local source of limestone, aggregates, sand, and related materials from lake excavation activities for potential use in other public or private projects, such as the Herbert Hoover Dike remediation; and

WHEREAS, additionally, Lake Point has agreed to pay an environmental enhancement contribution to the County for use in such conservation and environmental enhancement programs as the County shall determine from time to time, equal to five cents (\$0.05) per cubic yard of material hauled from the Lake Point Property after issuance of the DEP Approvals. The environmental contribution will be in addition to any other fee required under the County's Land Development Regulations; and

WHEREAS, Lake Point is also willing to donate the County Recreation Area to the District and, if designated by the District, to the County, subject to (1) Lake Point implementing those portions of the Public Works Project specified in the Acquisition and Development Agreement, (2) Lake Point obtaining all Mining Approvals and reserving all rights to conduct the Mining Activities and Farming Activities and (3) the Right of Reverter; and

WHEREAS, until the issuance of all necessary permits for construction of the Public Works Facility, Lake Point shall continue to operate under the existing Major Development Approval (County Resolution Nos. 07-5.14, dated May 22, 2007, and 07-12.22, dated December 18, 2007) for the Lake Point Ranches Project; and

WHEREAS, the Public Works Facility qualifies as an exempt "public stormwater management project" pursuant to Section 10.1.E.2.e of the County's Land Development Regulations; and

WHEREAS, the County shall not be required to contribute any funds to the Public Works Facility.

NOW, THEREFORE, in consideration of these premises and mutual covenants contained herein, the parties agree as follows:

1. RECITALS

The above recitals in the "Background and Objectives" section are true and correct, and incorporated herein.

2. DEFINITIONS.

As used in this Agreement, the following defined terms shall have the meanings set forth below:

City of Pahokee Easement shall mean the access easement to be executed, delivered and recorded in the Public Records of Martin County, Florida in favor of the City of Pahokee between the two Port of Mayaca cemetery sites located on the south side of State Road 76, adjacent to the northeast corner of the Lake Point Property, upon fulfillment or waiver of all Conditions Precedent and prior to the donation of the County Recreation Area by Lake Point to the County or the District, as the case may be.

Conditions Precedent shall mean, collectively, the District's and Lake Point's conditions precedent to the District's and Lake Point's obligations under the Acquisition and Development Agreement (the "District Conditions Precedent" and the "Lake Point Conditions Precedent", respectively).

Corps shall mean the United States Army Corps of Engineers. Notwithstanding the foregoing definition, the Corps is not a party or third party beneficiary of this Agreement and shall not have the right to enforce this Agreement against any party.

County Approvals shall mean any and all development orders, permits and approvals from the County which are necessary for construction of the Public Works Project and the conduct of Lake Point's Mining Activities.

County Conservation Easement shall mean a conservation easement to be reserved by the District over the County Recreation Area in conjunction with the donation via quitclaim deed of the District's right, title and interest in and to the County Recreation Area by the District to the County, substantially in the form of Exhibit "B" attached hereto and incorporated herein by reference.

County Environmental Contribution shall mean the environmental enhancement contribution to be paid by Lake Point to the County annually equal to Five Cents (\$0.05) per every cubic yard of material hauled from the Lake Point Property in connection with the Mining Activities.

County Hauling Fee shall mean the hauling fee for excavated materials hauled from the Lake Point Property, payable by Lake Point to the County in accordance with the County's Land Development Regulations (LDR's) for (i) any hauling done under the existing Major Development Approval for the "Lake Point Ranches" project, or (ii) after the Mining Approvals are issued, any hauling done for the Public Works Project; provided, however, in no event shall Lake Point be liable for any annual increases in the County Hauling Fee for hauling done pursuant to the Mining Approvals for the Public Works Project that exceed the Consumer Price Index (CPI) for any given year throughout the term of the Mining Reservation.

County Recreation Area shall mean the portion of the Lake Point Property designated as "County Recreation Area" on Exhibit "A" attached hereto and incorporated herein by reference, containing approximately 150 acres of forested uplands to be used as a passive recreational site for residents of the County, subject to the County Conservation Easement or the Recreation Area Conservation Easement (as applicable), the FDOT Easements and other Permitted Title Exceptions.

Department of Environmental Protection ("DEP") Approvals shall mean any and all permits, drainage permits, dewatering permits, and other permits or approvals from the DEP which are necessary for construction of the Public Works Project and the conduct of Lake Point's Mining Activities.

District Conditions Precedent shall mean those conditions precedent to the obligations of the District under the Acquisition and Development Agreement.

District Conservation Easement shall mean a conservation easement to be granted by the District to the County over those portions of the Lake Point Property (as defined below) not included in the County Recreation Area in the event the District obtains fee title to the Lake Point Property, substantially in the form of Exhibit "C" attached hereto and incorporated herein by reference.

Farming Activities shall mean the interim agricultural activities conducted by Lake Point, pursuant to the Farming Reservation, until commencement of Mining Activities on that particular portion of the Lake Point Property at which time the Farming Activities shall cease on said property.

Farming Reservation shall mean the right to be reserved by Lake Point in favor of itself and its successors, tenants, licensee and assigns to conduct the Farming Activities on the Lake Point Property for twenty (20) years following the conveyance of the Lake Point Property, or any portion thereof, to the District including all necessary access, drainage, irrigation and other easements, pursuant to the terms and conditions set forth in Exhibit "D" attached hereto and incorporated herein by reference. Provided, however, that notwithstanding anything contained in the Farming Reservation to the contrary, as it pertains to the County Recreation Area, the Farming Reservation shall be limited to access, ingress and egress to and from a public road (via the existing dirt road) on, over, across and through the County Recreation Area to and from those portions of the Lake Point Property not included in the County Recreation Area, together with any drainage, irrigation and utility easements on, over, across and through the County Recreation Area for the benefit of those portions of the Lake Point Property not included in the County Recreation Area which are needed to complete the Project. To the extent possible, easements existing as of the date of this Agreement shall be utilized to satisfy such needs.

FDOT Easements shall mean those easements, covenants and restrictions in favor of the State of Florida Department of Transportation recorded in Official Record Book 2230, at Pages 2667 and 2682, of the Public Records of Martin County, Florida.

Lake Point shall mean (a) with respect to the Phase I Property, Lake Point Phase I LLC, a Florida limited liability company, its successors and assigns; and (b) with respect to the Phase II Property, Lake Point Phase II LLC, a Florida limited liability company, its successors and assigns.

Lake Point Property shall mean the Phase I Property and the Phase II Property, collectively, as defined below.

Mining Activities shall mean any excavation on the Lake Point Property to be performed in accordance with the Mining Approvals.

Mining Approvals shall mean any and all federal, state, county, local, or other governmental permits, variances, consents, or approvals of any kind which are necessary or desirable for Lake Point to conduct the Mining Activities on the Lake Point Property, including, without limitation, the County Approvals, the DEP Approvals, and the necessary clearing, dredging, dewatering, mining and other permits from the Corps and other applicable governmental authorities.

Mining Reservation shall mean the mineral, access and mining reservations and related easements to be retained by Lake Point in those portions of the Lake Point Property donated to the District pursuant to the terms and conditions set forth in Exhibit "D" attached hereto and incorporated herein by reference. Provided, however, that notwithstanding anything contained in the Mining Reservation to the contrary, as it pertains to the County Recreation Area, the Mining Reservation shall be limited to access, ingress and egress to and from a public road (via the existing dirt road) on, over, across and through the County Recreation Area to and from those portions of the Lake Point Property not included in the County Recreation Area, together with any drainage, irrigation and utility easements on, over, across and through the County Recreation Area for the benefit of those portions of the Lake Point Property not included in the County Recreation Area which are needed to complete the Project. To the extent possible, easements existing as of the date of this Agreement shall be used to satisfy such needs.

Permitted Title Exceptions shall mean those encumbrances on title to the Lake Point Property as more particularly set forth on Exhibit "E" attached hereto and incorporated herein by reference, without by this reference intending to reimpose the same, as well as the Recreation Area Conservation Easement, the District Conservation Easement, the City of Pahokee Easement, the Right of Reverter, the Mining Reservation and the Farming Reservation.

Phase I Property shall mean that portion of the Lake Point Property owned by Lake Point Phase I LLC, as more particularly described on Exhibit "F" attached hereto and incorporated herein by reference.

Phase II Property shall mean that portion of the Lake Point Property owned by Lake Point Phase II LLC, a Florida limited liability company, which is more particularly described on Exhibit "G" attached hereto and incorporated herein by reference.

Public Works Project shall mean the creation of the Stormwater Treatment Area, the Stormwater Management Lakes, and the County Recreation Area (including, without limitation, the conduct of the Mining Activities and Farming Activities by Lake Point), and donation of such land and improvements to the District and the County.

Recreation Area Conservation Easement shall mean a conservation easement to be granted by the District to the County over the County Recreation Area, substantially in the form of Exhibits "H" attached hereto and incorporated herein by reference.

Right of Reverter shall mean:

(i) Lake Point's reversionary interest in the Lake Point Property whereby all right, title and interest of the County and/or the District in and to the Lake Point Property (and all personal property and rights conveyed therewith other than money) shall automatically revert to Lake Point upon receipt of written notice from Lake Point that the Mining Approvals have not been received by Lake Point prior to three (3) years after the effective date of this Agreement (in the event the County Recreation Area is conveyed to the District prior to the receipt of such approvals, the County Recreation Area shall be subject to this Right of Reverter), or

(ii) Lake Point's reversionary interest in a particular phase of the Public Works Project (excluding the County Recreation Area after the Mining Approvals have been issued), whereby all right, title and interest of the County and/or the District in and to a particular phase of the Public Works Project (and all personal property and rights conveyed therewith other than money) shall automatically revert to Lake Point upon receipt of written notice from Lake Point that the Mining Approvals have been involuntarily terminated (or enjoined for more than 120 days) prior to (a) Lake Point's delivery to the District of, and the District's acceptance of, that particular phase pursuant to said agreement, and (b) Lake Point's completion of any required improvements after the date of conveyance and delivery to the District of the engineer's certification of completion as required under said agreement.

Stormwater Management Lakes shall mean the portion of the Lake Point Property designated as the Stormwater Management Lakes on Exhibit "A" attached hereto and incorporated herein by reference, containing approximately 1,000 acres of land, to be utilized as a water management, quality treatment and transfer facility, as determined by the District.

Stormwater Treatment Area shall mean the portion of the Lake Point Property designated as the Stormwater Treatment Area on Exhibit "A" attached hereto and incorporated herein by reference, containing approximately 800 acres of land, to be utilized as a stormwater treatment area for water quality treatment purposes, including, without limitation, filter marshes and littoral areas, as determined by the District.

3. OWNERSHIP OF ACQUIRED LANDS

At any time following the conveyance of the County Recreation Area to the District until the expiration or earlier termination of the Acquisition and Development Agreement, the County shall have the unilateral option to acquire either:

1. the District's right, title and interest in and to the County Recreation Area, or
2. the Recreation Area Conservation Easement

from the District in exchange for good and valuable consideration in the amount of Ten and No/100 Dollars (\$10.00), subject to the terms and conditions set forth below. In the event the County elects to exercise said option, the County shall deliver written notice thereof (the "County Notice") to the District, whereupon the District shall coordinate with the County on a closing date at which time the District shall either:

1. quitclaim all its right, title and interest in and to the County Recreation Area, or

2. convey the Recreation Area Conservation Easement, subject to the Mining Reservation, the Farming Reservation, and the Right of Reverter, together with the County Conservation Easement in the event the District quitclaims its interest in the County Recreation Area to the County and those other interests or encumbrances, if any, determined by the District, in its sole and absolute discretion, to not interfere with the contemplated use of the Public Works Project. It is anticipated that such Mining Activities and Farming Activities may continue for a term of approximately twenty (20) years, unless otherwise extended.

Notwithstanding anything contained herein to the contrary, in the event Lake Point elects to convey the County Recreation Area to the District in phases, the County shall have the right to acquire such portions of the County Recreation Area following their conveyance to the District subject to the same terms and conditions set forth in this Section 3 concerning the acquisition of the entire County Recreation Area.

In the event the District acquires fee title to any portion the Lake Point Property not included within the County Recreation Area, the District shall grant the District Conservation Easement to the County over said property within ninety (90) days of the District's acquisition thereof.

4. PRE-ACQUISITION COSTS AND CLOSING COSTS

4.1 The District shall pay the Closing Costs associated with the conveyance of the County Recreation Area, the Recreation Area Conservation Easement, and the District Conservation Easement to the County. For the purposes of this Agreement, the term "Closing Costs" shall be limited to the recording fees and documentary stamp taxes, if any, incurred in the conveyance of the County Recreation Area, or any portion thereof, the Recreation Area Conservation Easement, and the District Conservation Easement by the District to the County.

4.2 In the event the County desires to obtain any appraisals (including timber cruises), environmental assessments, environmental remediation, title insurance commitment and search fees, survey and mapping costs and any other studies, inspections or searches deemed necessary by the County to accurately value and ascertain the

condition of Lake Point Property prior to the District granting the District Conservation Easement or the Recreation Area Conservation Easement, if applicable, or conveying the County Recreation Area to the County, the County shall be solely responsible for the cost thereof.

4.3 In the event the County desires to obtain a title insurance policy insuring any interest in the County Recreation Area, the Recreation Area Conservation Easement or the District Conservation Easement, the County shall be solely responsible for obtaining and paying for said title insurance policy(ies).

5. CLOSING WITH THE COUNTY

The County Recreation Area, or portions thereof as applicable, shall be conveyed by the District to the County within ninety (90) days after delivery by the County to the District of the County Notice. The District shall notify the County, in writing, of the closing date for the land interests to be acquired by the County as set forth in Section 3 above at least ten (10) business days prior to said closing date, and such notice shall be accompanied by a copy of the draft closing statement, a statement of the Pre-Acquisition Costs and Closing Costs, and copies of all documents with respect to the conveyance of the County Recreation Area, or portions thereof if applicable, by the District to the County. This provision shall also apply to the conveyance of the Recreation Area Conservation Easement.

6. NOTICES

All notices required or permitted to be given under the terms and provisions of this Agreement by either party to the other shall be in writing and shall be sent by registered or certified, return receipt requested, or facsimile, to the parties as follows:

District:

South Florida Water Management District
ATTN.: Director, Land Acquisition Department
P. O. Box 24680
West Palm Beach, Florida 33416-4680

County:

Martin County Board of County Commissioners
ATTN.: County Administrator
2401 SE Monterey Road
Stuart, Florida 34996

or to such other address as may hereafter be provided by the parties in writing. Notices sent registered or certified mail shall be deemed received on the delivery date indicated by the U.S. Postal Service on the return receipt.

7. TERM OF AGREEMENT; EXTENSION; TERMINATION

7.1 Unless otherwise terminated by the Parties, this Agreement shall commence on the date of this Agreement above first mentioned and expire upon the termination of the Mining Reservation (the "Term").

7.2 This Agreement may be extended upon the same terms and conditions by mutual written agreement of both parties.

7.3 This Agreement shall terminate automatically unless the same is extended by mutual written agreement prior to the expiration date of this Agreement.

8. AUTHORITY OF PARTIES TO ENTER INTO AGREEMENT

8.1 The District represents that (1) this Agreement has been duly authorized, executed and delivered by the Chair of the South Florida Water Management District, and (2) it has the required power and authority to perform this Agreement.

8.2 The County represents that (1) this Agreement has been duly authorized, executed and delivered by the Board of County Commissioners as the governing body of Martin County, and (2) it has the required power and authority to perform this Agreement.

9. AVAILABILITY OF FUNDING

This Agreement is subject to the availability of funding by the parties and does not obligate future appropriations for the obligations created herein. The parties will use their best efforts to obtain adequate funding.

10. MANAGEMENT OF ACQUIRED PROPERTY

10.1 The District shall be the sole managing agency for the entire Public Works Project (including the County Recreation Area) upon its acquisition of the applicable lands until such time as the fee title for the County Recreation Area or any portion thereof is conveyed to the County, whereupon the County shall become the managing agency for the County Recreation Area or such portion thereof conveyed to the County.

10.2 For those portions of the County Recreation Area for which the District is the managing agency, the District shall manage, at its expense, such lands for passive public recreational purposes only, similar to its management of Dupuis Reserve. The District shall consult and cooperate with the County in developing a management plan for use of such lands for public recreational purposes that are compatible with the District Conservation Easement, the Recreation Area Conservation Easement, and the Public Works Project as determined by the District. The management plan may include proposed compatible improvements to be approved, implemented and paid for by the County. Any such improvements shall become and remain the property of the District until the County Recreation Area is conveyed to the County, whereupon they shall become the property of the County.

10.3 With the exception of the County Recreation Area, the District shall plan, design, construct, operate, manage, repair, replace, and rehabilitate the Public Works Project,

as determined by the District in its sole and absolute discretion without any obligation to confer with the County, for water management purposes, including to (1) cleanse and convey water between Lake Okeechobee, the C-44/St. Lucie Canal, and the L-8 Canal Right of Way, (2) create approximately 1,800 acres of water management, quality treatment and transfer areas, (3) meet the other water-related needs of the region in accordance with the District policies, and (4) provide for compatible recreational uses. The County shall have no right under this Agreement to challenge such determination(s).

10.4 The County acknowledges and understands that the District may decide to enter into a Project Cooperation Agreement ("PCA") with the Corps with respect to the Public Works Project and that if and when such PCA is executed it will control the use of the lands acquired for such project as well as the operation, maintenance, repair, replacement, and rehabilitation of the Public Works Project (excluding the County Recreation Area) on such lands in the sole and absolute discretion of the District and Corps.

10.5 Prior to the conveyance of the County Recreation Area fee title, use of the County Recreation Area by the public will be determined by the District and, if applicable, the U.S. Army Corps of Engineers based upon the compatibility of recreational use with the Recreation Area Conservation Easement and the Public Works Project's purposes and the requirements of applicable authorities. After such conveyance, use of the County Recreation Area shall comply with the County Conservation Easement.

10.6 During the term of the Mining Reservation and the Farming Reservation, the County's use of the County Recreation Area shall not conflict or interfere with Lake Point's right to conduct the Mining Activities and Farming Activities referred to in Section 3 above (including, without limitation, use of the access, drainage, irrigation and utility easements over the County Recreation Area); provided, however, that nothing contained in this Agreement shall preclude the County from using the County Recreation Area during the term of the Mining Reservation or the Farming Reservation for purposes which do not conflict or interfere with the Mining Activities, the Farming Activities or the Public Works Project.

10.7 The County shall not suffer or create any encumbrances on the Lake Point Property which would impair the Mining Reservation, the Farming Reservation, the Right of Reverter or any other encumbrances on the Lake Point Property, nor take any action to frustrate or interfere with the Mining Reservation, the Farming Reservation, the Right of Reverter, or any other encumbrances on the Lake Point Property.

11. COUNTY FEES AND DEVELOPMENT REGULATIONS

11.1 The parties acknowledge and agree that, upon issuance of the DEP Approvals, Lake Point shall establish an environmental enhancement fund to be used for such conservation and environmental enhancement programs as the County shall determine from time to time. On an annual basis, Lake Point shall pay to the County the County Environmental Contribution. On or before March 31 of each calendar year after

commencement of the Mining Activities, Lake Point shall provide the County with a written report detailing the total volume of material hauled from the Lake Point Property during the prior calendar year. Lake Point shall maintain sufficient records to substantiate all material hauled during each calendar year. The County shall have the right, upon reasonable notice, to examine such records. Each annual report shall be accompanied by a check made payable to the County for the amount of the County Environmental Contribution due for the prior calendar year. In the alternative, at the County's exclusive option, Lake Point shall pay the County Environmental Contribution and the County Hauling Fee simultaneously.

11.2 In addition to the County Environmental Contribution, Lake Point shall pay to the County the County Hauling Fee in accordance with the County's Land Development Regulations ("LDR's"). The County Hauling Fee, but not the County Environmental Contribution, is presently due and payable with respect to existing excavation and related mining activities conducted by Lake Point on the Phase I Property pursuant to the existing Major Development Approval for the "Lake Point Ranches" project, and shall continue to be due and payable by Lake Point for any hauling done pursuant to the Major Development Approval for the "Lake Point Ranches" project regardless of whether DEP Approvals are issued for the Public Works Project.

11.3 The parties further acknowledge and agree that:

1. The Public Works Facility qualifies as an exempt "public stormwater project" pursuant to Section 10.1.E.2.e. of the County's LDR's, and is, therefore, exempt from Article 10, Development Review Procedures, Martin County LDR's, and Division 8, Excavation, Filling and Mining Article 4, Martin County LDR's, except as provided in paragraphs 11.3.2 and 11.3.3 hereinbelow, and no separate application or land clearing or excavation and mining permit is required.
2. Lake Point will comply with the Martin County Comprehensive Growth Management Plan and the following sections from Division 8, Excavation, Filling and Mining Activities, Article 4, LDR's (copies of which sections are attached hereto as Exhibits "I-1" – "I-4"):
 - a. Section 4.345, Inspection of Site;
 - b. Section 4.348, Excavation Standards, with the exception of Section 4.348.H., which shall not apply;
 - c. Section 4.349, Mining Standards, with the exception of the following provisions which shall not apply: (i) the first sentence which addresses permit applications and, therefore, does not apply, and (ii) the second sentence whereby the annual progress reports are due within 30 days of the anniversary of the County-issued mining permit. Instead, the annual progress reports shall be due within 30 days of the anniversary date of the DEP Approvals; and
 - d. Section 4.351, Compliance Certification.

Notwithstanding anything contained herein to the contrary, the parties hereto acknowledge and agree that any references to permit applications, approval of permits, timeframes based on durations of permits, or any other references to permit applications or permits in the above referenced sections of the LDR's shall not apply to Lake Point's compliance with the excavation and mining standards contained in said sections other than as agreed to in this Agreement.

Pursuant to the Acquisition and Development Agreement, Lake Point shall provide a letter of credit or bond in the amount of One Million Dollars (\$1,000,000) to the District to secure the performance by Lake Point performance of its obligations under said agreement.

3. The District will provide the County Engineer with copies of the plans and specifications required by the Florida Department of Environmental Protection ("DEP") for the County Engineer's review to ensure compliance with the excavation and mining standards contained in Sections 4.348 and 4.349 of the County LDR's. As an exempt stormwater management project, the review will not otherwise require submission of a permit application.

11.3 With respect to the payment obligations of Lake Point under this Section 11, Lake Point, as an independent party, shall be solely responsible for such obligations and the District has no responsibility therefor. The County shall only enforce such obligations against Lake Point.

12. LAKE POINT RANCHES APPROVALS

The parties further acknowledge and agree that Lake Point (or its predecessors in interest) has previously paid to the County impact fees in connection with the existing Major Development Approval (County Resolution Nos. 07-5.14 dated May 22, 2007, and 07-12.22 dated December 18, 2007) for the Lake Point Ranches project currently being constructed on the Phase I Property. Pursuant to the Acquisition and Development Agreement, Lake Point further agreed to have terminated with respect to the portion of the Phase I Property to be conveyed (i) the Major Development Approval for the Lake Point Ranches project, and (ii) the Unity of Title recorded in Official Records Book 2278, at Page 2853, of the Public Records of Martin County, Florida. Prior to the transfer of the Phase I Property to the District and the issuance of the Mining Approvals, the Major Development Approval for the Lake Point Ranches project shall remain in full force and effect, including, without limitation, the right of Lake Point to excavate, process and remove subsurface materials in accordance with the existing development plan for the Lake Point Ranches project, the LDRs and the County's Comprehensive Growth Management Plan. With respect to the obligation of Lake Point described above, Lake Point, as an independent party, shall be solely responsible for such obligations and the District has no responsibility therefor. The County shall only enforce such obligations against Lake Point.

13. TRANSFER OF THE PROPERTY AND DEDICATION/CERTIFICATION

Other than the County Recreation Area, the County shall not sell, transfer or convey any right, title, or interest in the Public Works Project lands in which the County has acquired an interest under this Agreement nor create any lien or encumbrance or otherwise alter or encumber title to such lands without the prior written consent of the District. After execution of the Project Cooperation Agreement between the United States Department of the Army and the District, as local sponsor, concerning the Public Works Project (the "PCA"), the County shall not sell, transfer or convey any right, title, or interest in the lands, other than the County Recreation Area, in which the County has acquired an interest under this Agreement nor create any lien or encumbrance or otherwise alter or encumber title to such lands without the prior written consent of the District and, if applicable, the United States Department of the Army, acting by and through the Assistant Secretary of the Army for Civil Works or his or her designated representative (after execution of the PCA).

14. DISPUTE RESOLUTION

In the event a dispute arises concerning any provision of this Agreement which the parties cannot resolve between themselves, the parties shall have the option to submit to nonbinding mediation. The mediator or mediators shall be impartial and shall be selected by the parties. The cost of the mediation shall be borne equally by the parties. In the event the parties are unable to resolve their dispute through mediation, they shall have the right to pursue specific performance and (without waiving any action for damages) any other remedies available at law or in equity.

15. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile copy of this Agreement and any signatures hereon shall be considered for all purposes as originals.

16. ATTORNEY'S FEES. The parties expressly agree that each party will bear its own attorney's fees incurred in connection with this Agreement.

17. WAIVE JURY TRIAL. The parties expressly and specifically hereby waive the right to a jury trial as to any issue in any way connected with this Agreement.

18. ENTIRE AGREEMENT. This Agreement constitutes the complete, full and wholly independent agreement among the parties to this Agreement with regard to the matter contained herein. This Agreement also supersedes all prior representation, statements, and understandings among the parties to this Agreement with respect to the matter and things addressed herein, either written or oral.

19. SEVERABILITY. Should any section or part of any section of this Agreement be rendered void, invalid, or unenforceable by any court of law, for any reason, such a determination shall not render void, invalid, or unenforceable any other section or any part of any section of this Agreement.

20. WAIVER. No act of omission or commission of either party, including without limitation, any failure to exercise any right, remedy, or recourse, shall be deemed to be a waiver, release, or modification of the same. Such a waiver, release, or modification is to be effected only through a written modification to this Agreement.

21. HEADINGS. The paragraph headings are inserted herein for convenience and reference only, and in no way define, limit or otherwise the scope or intent of any provisions hereof.

22. AMENDMENTS This agreement may be amended only by written agreement of the parties. A party requesting amendment of the Agreement must propose such amendment in writing to the other party at least ninety-days (90) prior to the proposed effective date of the amendment.

23. RECORDING This Agreement shall become effective upon execution by all parties and filing with the Clerk of the Circuit Court for Martin County, Florida.

IN WITNESS WHEREOF, the parties or their duly authorized representatives hereby execute this AGREEMENT on the date first written above. The Effective Date of this Agreement shall be the date of last execution.

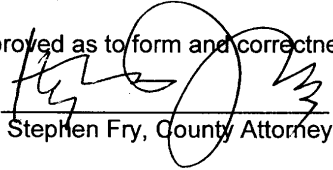
MARTIN COUNTY BOARD OF
COUNTY COMMISSIONERS, a political
subdivision of the State of Florida

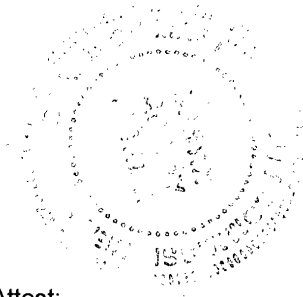
Attest:


Marsha Ewing, Clerk

By: 
Susan L. Valliere, Chairman

Approved as to form and correctness:

By: 
Stephen Fry, County Attorney



SOUTH FLORIDA WATER
MANAGEMENT DISTRICT, a SOUTH
FLORIDA WATER MANAGEMENT
DISTRICT, a public corporation of the
State of Florida, By its Governing Board

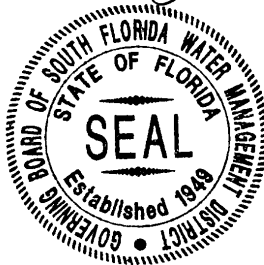
Attest:


Secretary

By: 
Eric Buermann, Chair

Legal Form Approved SFWMD
Office of Counsel

By: Holly Walter 5-13-09



JOINDER AND CONSENT

The undersigned hereby joins in and agrees to be bound by the terms and conditions of Sections 11, 12, 16 and 17 of this Agreement, which terms and conditions may be enforced by the County and/or the District against the undersigned.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and affixed its seal as of the 28th day of May, 2009.

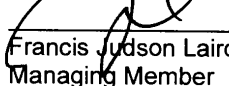
Signed, sealed and delivered
in the presence of:

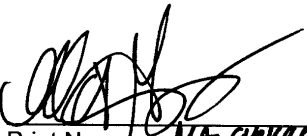
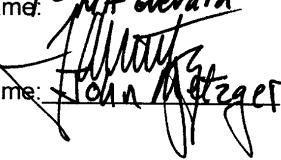
LAKE POINT PHASE I LLC, a Florida
limited liability company

By: LAKE POINT HOLDINGS LLC, a
Florida limited liability company, as its
Managing Member

By: GL-JR INVESTOR LLC, a Florida
limited liability company, as its
Managing Member

By: BC PROPERTY II, LC, a Florida
limited liability company, as its
Managing Member

By: 
Francis Judson Laird, IV, as its
Managing Member



Print Name: John Metzger

Print Name: John Metzger

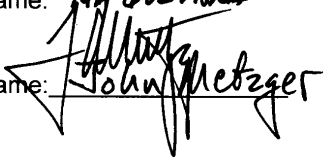
LAKE POINT PHASE II LLC, a Florida
limited liability company

By: LAKE POINT HOLDINGS LLC, a
Florida limited liability company, as its
Managing Member

By: GL-JR INVESTOR LLC, a Florida
limited liability company, as its
Managing Member

By: BC PROPERTY II, LC, a Florida
limited liability company, as its
Managing Member


Print Name: John Metzger


Print Name: John Metzger

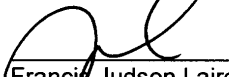
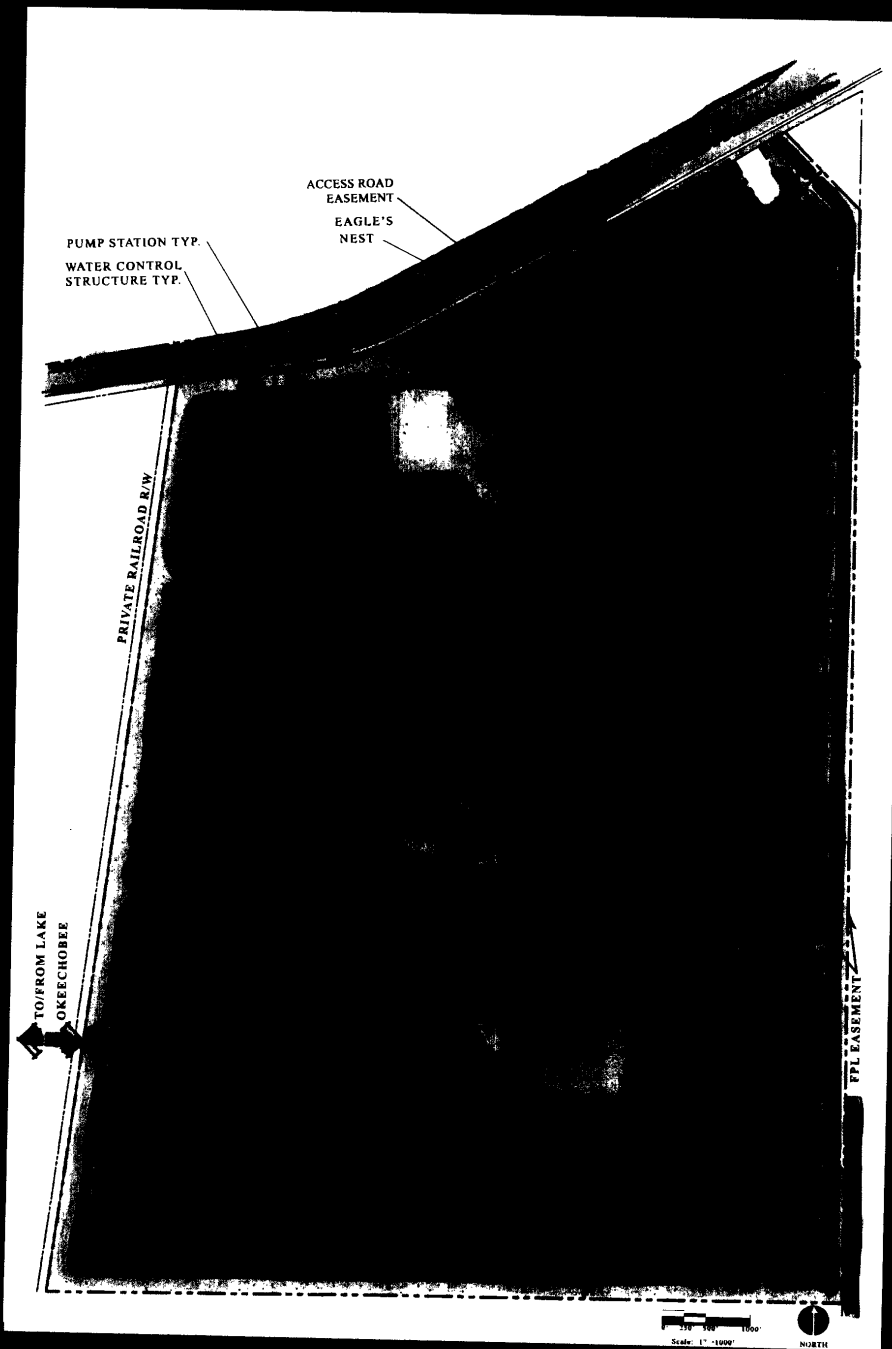
By: 
Francis Judson Laird, IV, as its
Managing Member

EXHIBIT "A"



HCG

EXHIBIT "B"

Return to:
South Florida Water Management District
Post Office Box 24680
West Palm Beach, Florida 33416-4680

Prepared by:
Holly Walter, Esq.
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, Florida 33406

Project: St. Lucie River Watershed Protection Program
Tract Nos.:

QUITCLAIM DEED

THIS INDENTURE made this ____ day of _____, _____, between **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**, a public corporation of the State of Florida, with its principal mailing address at 3301 Gun Club Road, West Palm Beach, Florida 33406, and whose mailing address is Post Office Box 24680, West Palm Beach, Florida 33426-4680, Palm Beach County, Florida, hereinafter referred to as the "Grantor", and **MARTIN COUNTY**, a political subdivision of the State of Florida, whose mailing address is 2401 S.E. Monterey Road, Stuart, Florida, 34996, hereinafter referred to as the "Grantee".

W I T N E S S E T H:

That the Grantor, for good and valuable consideration, the receipt of which is hereby acknowledged by these presents does remise, release and quitclaim unto the Grantee, its successors and assigns forever, the following described lands, situate, lying and being in Martin County, State of Florida, to wit:

SEE EXHIBIT "A" ATTACHED HERETO (the "Premises")

The conveyance of the Premises by the Grantor to the Grantee is subject to the following covenants and restrictions (the "Covenants and Restrictions"):

1. The Premises shall be used, in perpetuity, for conservation purposes.
2. It is the intent and purpose of this conveyance by Grantor to Grantee that the Premises be retained in its natural, vegetative, hydrologic, scenic, open, agricultural or wooded condition and that said lands be retained as suitable habitat for fish, plants or wildlife.

3. To carry out this purpose, the following rights are hereby reserved by the Grantor:

a. To enter upon the Premises at reasonable times with any necessary equipment or vehicles to enforce the rights herein granted in a manner that will not unreasonably interfere with the use and quiet enjoyment of the Premises by Grantee at the time of such entry; and

b. To enjoin any activity on or use of the Premises that is inconsistent with the Covenants and Restrictions and to enforce the restoration of such areas or features of the Premises that may be damaged by any inconsistent activity or use.

4. Prohibited Uses. Except for restoration, creation, enhancement, maintenance and monitoring activities, or surface water management improvements, or other activities described herein that are permitted or required, the following activities are prohibited in or on the Premises:

a. Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;

b. Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;

c. Removal or destruction of trees, shrubs, or other vegetation, except for the removal of exotic or nuisance vegetation, as determined by Grantee in its reasonable discretion;

d. Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface;

e. Surface use except for purposes that permit the land or water area to remain in its natural or enhanced condition;

f. Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation including, but not limited to, ditching, diking and fencing;

g. Acts or uses detrimental to such aforementioned retention of land or water areas;

h. Acts or uses which are detrimental to the preservation of the structural integrity or physical appearance of sites or properties having historical, archaeological, or cultural significance.

5. Passive Recreational Facilities. Notwithstanding anything contained herein to the contrary, the Grantee shall have all rights as owner of the Premises, including the right to engage in uses of the Premises that are not prohibited herein and that are not

inconsistent with any applicable law or regulation, and the intent and purposes of this instrument. Passive recreational uses that are not contrary to the Covenants and Restrictions are expressly permitted.

a. The Grantee may conduct limited land clearing for the purpose of constructing such pervious facilities as parking areas, docks, boardwalks or mulched walking trails.

b. The Grantee may install signage to identify the site as a public recreation area and provide information regarding the site, hours, permissible uses, etc.

c. The construction and use of the passive recreational facilities shall be subject to the following conditions:

i. Grantee shall minimize and avoid, to the fullest extent possible, impact to any wetland or upland buffer areas within the Premises and shall avoid materially diverting the direction of the natural surface water flow in such area;

ii. Such facilities and improvements shall be constructed and maintained utilizing Best Management Practices;

iii. Adequate containers for litter disposal shall be situated adjacent to such facilities and improvements and periodic inspections shall be instituted by the maintenance entity, to clean any litter from the area surrounding the facilities and improvements; and

iv. This instrument shall not constitute permit authorization for the construction and operation of the passive recreational facilities. Any such work shall be subject to all applicable federal, state, Grantor or local permitting requirements.

6. Grantor's Liability. Grantor shall not be responsible for any costs or liabilities related to the operation, upkeep or maintenance of the Premises.

7. Property Taxes. To extent applicable, Grantee shall keep the payment of taxes and assessments on the Premises current and shall not allow any lien on the Premises superior to the terms and conditions set forth herein. In the event Grantee fails to extinguish or obtain a subordination of such lien, in addition to any other remedy, the Grantor may, but shall not be obligated to, elect to pay the lien on behalf of the Grantee and Grantee shall reimburse Grantor for the amount paid by Grantor, together with Grantor's reasonable attorney's fees and costs, with interest at the maximum rate allowed by law, no later than thirty days after such payment. In the event Grantee does not so reimburse the Grantor, the debt owed to Grantor shall constitute a lien against the Premises which shall automatically relate back to the recording date of this

instrument. Grantor may foreclose this lien on the Premises in the manner provided for mortgages on real property.

8. **Enforcement.** Enforcement of the Covenants and Restrictions of this instrument shall be at the reasonable discretion of Grantor, and any forbearance on behalf of Grantor to exercise its rights hereunder in the event of any breach hereof by Grantee, shall not be deemed or construed to be a waiver of Grantor's rights hereunder.

9. **Assignment.** Grantor will not assign its rights and obligations under this instrument except to another organization or entity qualified to hold such interests under the applicable state laws.

10. **Severability.** If any provision of the Covenants and Restrictions or the application thereof to any person or circumstances is found to be invalid, the remainder of the Covenants and Restrictions shall not be affected thereby, as long as the purpose of thereof is preserved.

11. **Written Notice.** All notices, consents, approvals or other communications hereunder shall be in writing and shall be deemed properly given if sent by United States certified mail, return receipt requested, addressed to the appropriate party or successor-in-interest.

12. **Modifications.** The Covenants and Restrictions may be amended, altered, released or revoked only by written agreement between the parties hereto or their assigns or successors-in-interest, which shall be filed in the public records in Martin County, Florida.

13. The Covenants and Restrictions shall run with the land and shall burden and encumber the Premises, and may not be modified, amended, terminated, or waived without the prior written consent of the Grantor.

14. The Covenants and Restrictions shall be specifically included in every instrument subsequent hereto conveying title to the Premises or any portion thereof.

15. All of the covenants, agreements, easements and rights herein contained shall extend to, benefit and be binding upon the parties hereto and their respective successors and assigns.

TO HAVE AND TO HOLD the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title interest and claim whatsoever of the Grantor, either in law or in equity, to the use, benefit and behoof of the Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, the **SOUTH FLORIDA WATER MANAGEMENT DISTRICT** has caused these presents to be executed in its name and its official seal affixed hereto by its Governing Board, acting by the Chairman of said Board and attested by its District Clerk/Secretary, at West Palm Beach, Palm Beach County, State of Florida.

GRANTOR:

(Seal)

SOUTH FLORIDA WATER MANAGEMENT
DISTRICT, BY ITS GOVERNING BOARD

ATTEST:

By: _____
Eric Buermann, Chairman

District Clerk/Secretary

Form Approved By:

South Florida Water Management
District Office of Counsel

STATE OF FLORIDA)
)
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this ___ day of _____, 20___, by Eric Buermann and Jacki McGorty, Chairman and District Clerk/Secretary, respectively, of the Governing Board of the **South Florida Water Management District**, a public corporation of the State of Florida, on behalf of the corporation, who are personally known to me.

Notary Public

Print
My Commission Expires: _____

CONSENT AND JOINDER

Martin County, a political subdivision of the State of Florida (the "County"), does hereby consent to, join in, acknowledge and agree to the terms, provisions and understandings set forth in the affixed Quitclaim Deed by South Florida Water Management District, a public corporation of the State of Florida, as Grantor, in favor of the County, as Grantee.

ATTEST:

MARTIN COUNTY, a political
subdivision of the State of Florida

MARSHA EWING
CLERK & COMPTROLLER

By: _____
Deputy Clerk

By: _____
Susan L. Valliere, Chairman

Date: _____

(OFFICIAL SEAL)

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: _____
County Attorney

EXHIBIT "B"

EXHIBIT A

[DESCRIPTION OF PREMISES]

Page 7 of 7

EXHIBIT "C"

FORM OF CONSERVATION EASEMENT

Document prepared by:

Return recorded document to:

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT is given this _____ day of _____, _____, by the South Florida Water Management District, a public corporation of the State of Florida ("Grantor") whose mailing address is P.O. Box 24680, West Palm Beach, Florida 33416-4680, to Martin County, a political subdivision of the State of Florida ("Grantee") whose mailing address is 2401 S.E. Monterey Road, Stuart, Florida 34996. As used herein, the term "Grantor" shall include any and all heirs, successors or assigns of the Grantor, and all subsequent owners of the "Property" (as hereinafter defined) and the term "Grantee" shall include any successor or assignee of Grantee.

WITNESSETH

WHEREAS, Grantor is the owner of certain lands situated in Martin County, Florida, and more specifically described in Exhibit "A" attached hereto and incorporated herein (the "Property"); and

WHEREAS, Grantor desires to donate to Grantee a conservation easement for the purposes described herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, together with other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, Grantor hereby grants, creates, and establishes a perpetual Conservation Easement for and in favor of the Grantee upon the Property, which shall run with the land and be binding upon the Grantor, and shall remain in full force and effect forever.

The scope, nature, and character of this Conservation Easement shall be as follows:

1. Recitals. The recitals hereinabove set forth are true and correct and are hereby incorporated into and made a part of this Conservation Easement.

2. Purpose. It is the purpose of this Conservation Easement to retain land or water areas in their natural, vegetative, hydrologic, scenic, open, agricultural or wooded condition and to retain such areas as suitable habitat for fish, plants or wildlife.

To carry out this purpose, the following rights are conveyed to Grantee by this easement:

a. To enter upon the Property at reasonable times with any necessary equipment or vehicles to enforce the rights herein granted in a manner that will not unreasonably interfere with the use and quiet enjoyment of the Property by Grantor at the time of such entry; and

b. To enjoin any activity on or use of the Property that is inconsistent with this Conservation Easement and to enforce the restoration of such areas or features of the Conservation Easement that may be damaged by any inconsistent activity or use.

3. Prohibited Uses. Except for (1) the use and development of the Property by Grantor in accordance with that certain Acquisition and Development Agreement for Public Works Project, dated November 21, 2008, by and between Lake Point Phase I LLC, a Florida limited liability company, Lake Point Phase II LLC, a Florida limited liability company, and the South Florida Water Management District, a public corporation of the State of Florida (the "District"), concerning the acquisition by the District of the Property from Grantor and the substantial earthwork construction to be conducted by Grantor on the Property for use in connection with the St. Lucie River Watershed Protection Program, and (2) restoration, creation, enhancement, maintenance and monitoring activities, or surface water management improvements, or other activities described herein that are permitted or required, the following activities are prohibited in or on the Conservation Easement:

a. Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;

b. Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;

c. Removal or destruction of trees, shrubs, or other vegetation, except for the removal of exotic or nuisance vegetation, as determined by Grantor in its reasonable discretion;

d. Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface;

e. Surface use except for purposes that permit the land or water area to remain in its natural or enhanced condition;

f. Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation including, but not limited to, ditching, diking and fencing;

g. Acts or uses detrimental to such aforementioned retention of land or water areas;

h. Acts or uses which are detrimental to the preservation of the structural integrity or physical appearance of sites or properties having historical, archaeological, or cultural significance.

4. Passive Recreational Facilities. Grantor reserves all rights as owner of the Property, including the right to engage in uses of the Property that are not prohibited herein and that are not inconsistent with any applicable law or regulation, and the intent and purposes of this Conservation Easement. Passive recreational uses that are not contrary to the purpose of this Conservation Easement are expressly permitted.

a. The Grantor may conduct limited land clearing for the purpose of constructing such previous facilities as parking areas, docks, boardwalks or mulched walking trails.

b. The Grantor may install signage to identify the site as a public recreation area and provide information regarding the site, hours, permissible uses, etc.

c. The construction and use of the passive recreational facilities shall be subject to the following conditions:

i. Grantor shall minimize and avoid, to the fullest extent possible, impact to any wetland or upland buffer areas within the Property and shall avoid materially diverting the direction of the natural surface water flow in such area;

ii. Such facilities and improvements shall be constructed and maintained utilizing Best Management Practices;

iii. Adequate containers for litter disposal shall be situated adjacent to such facilities and improvements and periodic inspections shall be instituted by the maintenance entity, to clean any litter from the area surrounding the facilities and improvements; and

iv. This instrument shall not constitute permit authorization for the construction and operation of the passive recreational facilities. Any such work shall be subject to all applicable, federal, state or local permitting requirements.

5. No Dedication. No right of access by the general public to any portion of the Property is conveyed by this Conservation Easement.

6. Grantee's Liability. Grantee shall not be responsible for any costs or liabilities related to the operation, upkeep or maintenance of the Property.

7. Property Taxes. To extent applicable, Grantor shall keep the payment of taxes and assessments on the Property current and shall not allow any lien on the Property superior to this Conservation Easement. In the event Grantor fails to extinguish or obtain a subordination of such lien, in addition to any other remedy, the Grantee may, but shall not be obligated to, elect to pay the lien on behalf of the Grantor and Grantor shall reimburse Grantee for the amount paid by Grantee, together with Grantee's reasonable attorney's fees and costs, with interest at the maximum rate allowed by law, no later than thirty days after such payment. In the event Grantor does not so reimburse the Grantee, the debt owed to Grantee shall constitute a lien against the Property which shall automatically relate back to the recording date of this Conservation Easement. Grantee may foreclose this lien on the Property in the manner provided for mortgages on real property.

8. Enforcement. Enforcement of the terms, provisions and restrictions of this Conservation Easement shall be at the reasonable discretion of Grantee, and any forbearance on behalf of Grantee to exercise its rights hereunder in the event of any breach hereof by Grantor, shall not be deemed or construed to be a waiver of Grantee's rights hereunder.

9. Assignment. Grantee will hold this Conservation Easement exclusively for conservation purposes. Grantee will not assign its rights and obligations under this Conservation Easement except to another organization or entity qualified to hold such interests under the applicable state laws.

10. Severability. If any provision of this Conservation Easement or the application thereof to any person or circumstances is found to be invalid, the remainder of the provisions of this Conservation Easement shall not be affected thereby, as long as the purpose of the Conservation Easement is preserved.

11. Written Notice. All notices, consents, approvals or other communications hereunder shall be in writing and shall be deemed properly given if sent by United States certified mail, return receipt requested, addressed to the appropriate party or successor-in-interest.

12. Modifications. This Conservation Easement may be amended, altered, released or revoked only by written agreement between the parties hereto or their heirs, assigns or successors-in-interest, which shall be filed in the public records in Martin County, Florida.

TO HAVE AND TO HOLD unto Grantee forever. The covenants, terms, conditions, restrictions and purposes imposed with this Conservation Easement shall be binding upon Grantor, and shall continue as a servitude running in perpetuity with the Property.

IN WITNESS WHEREOF, Grantor has hereunto set its authorized hand and seal as of this date and year first above written.

SOUTH FLORIDA WATER MANAGEMENT
DISTRICT, a public corporation of the State of
Florida, By its Governing Board

CORPORATE SEAL

By: _____
Chairman

ATTEST:

_____, Secretary

Form Approved By:

South Florida Water Management Date
District Counsel

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, _____, by _____ as Chairman of the Governing Board of the South Florida Water Management District, a public corporation of the State of Florida, on behalf of the corporation, who are personally known to me.

Notary Public
Print Name: _____
Commission Number: _____
My Commission Expires: _____

STATE OF FLORIDA
COUNTY OF _____

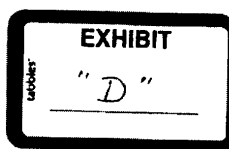
The foregoing instrument was acknowledged before me this ____ day of _____, _____, by _____ as Secretary of the Governing Board of the South Florida Water Management District, a public corporation of the State of Florida, on behalf of the corporation, who are personally known to me.

Notary Public
Print Name: _____
Commission Number: _____
My Commission Expires: _____

EXHIBIT "C"

EXHIBIT A

[DESCRIPTION OF PROPERTY]



**Terms and Conditions of Lake Point Reservation
Of Occupancy, Possession, and Use**

For the purpose of this Exhibit C, the term Lake Point, means Lake Point Phase I LLC and Lake Point Phase II LLC, which entities are individually, collectively and jointly and severally liable for the obligations of Lake Point set forth below. Capitalized terms used but not defined herein shall have the meanings set forth in that certain Acquisition and Development Agreement for Public Works Project by and among Grantor, Grantee and Lake Point Phase [I] [II] LLC, dated as of _____, 2008 (the "Public Works Agreement").

1. A. **Occupancy, Possession, and Use of Property by Lake Point:** During the Reservation Term (as hereinafter defined), in accordance with the terms and conditions of this Reservation, Lake Point shall have the rights of occupancy, sole and exclusive possession (subject only to SFWMD's access and use of the Property pursuant to Paragraph 1.B below), and use of the Property solely for purposes of:

- (1) engaging in "Mining Activities", defined as the excavation and mining of the Stormwater Treatment Cells, the Stormwater Management Lakes, and any related canals, ditches, swales or other improvements, all in substantial accordance with the terms of the Engineering Specifications ("Specifications") attached hereto and made a part hereof as Exhibit "C-1", and the sale of all excavated materials by Lake Point, including without limitation (a) the removal and processing of all limestone, rock, aggregates, sand, and other materials excavated from the site (collectively, the "Mined Material"); (b) the staging and conduct of all sorting, crushing, washing, stockpiling, loading and weighing of all Mined Material; (c) the hauling, shipping, transportation, and removal of all excavated materials from the Property, whether by truck, railroad, or otherwise; (d) all pumping and dewatering activities during excavation; and (e) all other on-site or off-site activities as may be necessary to carry out the purposes and intent of this Reservation and the Public Works Agreement;
- (2) conducting the "Farming Activities", defined as the interim farming or other agricultural activities, at any time prior to the commencement of the Mining Activities, on portions of the Property (except with respect to the County Recreation Area) on which farming and other agricultural activities have been historically conducted in accordance with the Best Management Practices attached hereto as Exhibit "C-2" and made a part hereof ("Best Management Practices");
- (3) installing Stormwater Management Lakes and Stormwater Treatment Cells (collectively referred to as the "Stormwater Facilities") in accordance with the Specifications; and
- (4) those incidental uses which are directly related thereto and approved in writing by SFWMD in SFWMD's reasonable discretion.

Such occupancy, possession and use of the Property, as described above, shall be permitted together with (i) ingress and egress access to and from State Road 76 (Kanner Highway) through the existing access entryway for the Property approved by the Florida Department of Transportation under Permit No. 06-A-490-0022, as shown on attached Exhibit "C-3", attached hereto and made a part hereof, and use of such other ingress and egress access rights as may be necessary or desirable to carry out the Mining Activities and the Farming Activities, including, without limitation, those access rights created by that certain Easement Agreement recorded in OR Book 2352, Page 115, of the Public Records of Martin County, Florida; (ii) all drainage, irrigation and utility rights and uses necessary to conduct the Mining Activities and the Farming Activities, including, without limitation, use of those rights and easements created by that certain Reciprocal Drainage and Irrigation Easement recorded in OR Book 2005, Page 1044, of the Public Records of Martin County, Florida (as may be amended from time to time); (iii) such other uses of the Property as may be necessary to conduct dewatering activities and other construction related activities for the Stormwater Facilities; and (iv) such other uses of the Property as may be necessary to conduct the Mining Activities, Farming Activities and construct the Stormwater Facilities as may be required by applicable governmental laws and regulations. Lake Point may make any use of the Property that does not materially adversely interfere with the existing easements and Reservation provided herein. In no event shall Grantee close, block, barricade, curb off, chain off, fence or otherwise obstruct existing easement areas.

Lake Point will not use or knowingly permit any use or entry upon the Property for any other purpose during the Reservation Term. Lake Point expressly reserves all rights of ownership and control and revenues of any kind derived from Mining Activities or from the Farming Activities during the Reservation Term. After the expiration of the Reservation Term, any Mined Material and farming crops or products remaining on the Property become the sole property of the SFWMD and SFWMD may dispose of such Mined Material and crops and products without any recourse by Lake Point.

B. Use of the Property by SFWMD: During the Reservation Term, as Lake Point completes excavation and/or dredging of portions of the Property, Lake Point is obligated to surrender possession and deliver and certify the Stormwater Facilities to the SFWMD in accordance with the Specifications for SFWMD's use and possession. This Reservation is subject to SFWMD's access to and exclusive use of the Stormwater Facilities on the Property during the term of this Reservation in accordance with the terms of this Reservation. SFWMD may further enter upon and travel through the Property at any time for all purposes necessary (but without material interference to Lake Point's occupancy, possession, and use): (1) to carry out the terms, rights, duties and obligations under this Reservation and the Specifications, including monitoring, testing and installing certain infrastructure as set forth in the Specifications, (2) to insure compliance with the terms of this Reservation, and (3) to conduct inspections, investigations, soil borings and other activities with regard to the Property.

2. Reservation Term: Lake Point reserves occupancy, possession and use of the Property commencing on the date of the Special Warranty Deed to which this Reservation is attached (the "Commencement Date") and terminating on the earlier to occur of: Lake Point's completion of the Mining Activities in accordance with the Specifications or the twentieth (20th)

anniversary of the later of (i) the Commencement Date, or (ii) issuance of all Construction Approvals and Mining Approvals, unless terminated sooner in accordance with the provisions of this Reservation, or unless extended by the written agreement of Lake Point and SFWMD ("Reservation Term").

3. Real Estate Taxes:

A. Lake Point understands and agrees that during the Reservation Term the entire Property shall remain on the tax rolls of the County in which the Property is located. Lake Point shall pay all real property taxes, intangible property taxes and personal property taxes, as well as all assessments, including but not limited to pending, certified, confirmed and ratified special assessment liens, accrued or levied with respect to the Reservation during the Reservation Term. The amount of taxes or assessments will be determined by the county property appraiser. Lake Point acknowledges that it shall be liable for such real property taxes, personal property taxes and intangible taxes, and assessments as are applicable for the Reservation, during the full Reservation Term.

B. Lake Point shall pay such taxes and assessments prior to delinquency, and shall furnish proof of such payment to the SFWMD's Division of Procurement and Contract Administration upon written request therefore. Any penalties or late fees incurred for failure to pay said taxes and assessments shall be the responsibility of Lake Point. Nothing herein shall impair or prevent Lake Point from challenging any tax or assessment, but in doing so Lake Point shall prevent penalties from accruing. SFWMD will fully cooperate with Lake Point in order to afford Lake Point the benefit of any applicable exemptions or other reductions in the amount of real property taxes due, subject to Lake Point's compliance with applicable regulations, including, without limitation, agricultural exemptions and any exemptions related to ownership, dedication or use of portions of the Lake Point Property for conservation purposes, public recreational purposes or public works projects.

4. **Default:** In the event Lake Point fails or neglects to perform or abide by any term, provision, covenant, agreement, undertaking or condition of this Reservation, and such default is not cured within thirty (30) days of receipt of written notice, or such longer period as is reasonable under the circumstances, SFWMD may exercise all such rights and remedies granted under applicable law without any action for damages, except that, with respect to a breach of any representation or warranty hereunder (which breach is not cured within the applicable grace period), SFWMD shall be entitled to recover its actual damages from Lake Point, including staff time expended in the planning and development of this matter. To the extent permitted by law, SFWMD hereby irrevocably waives any right to seek consequential, special, incidental, punitive or other damages from Lake Point. SFWMD acknowledges and agrees that, in light of the fact that the lands conveyed by Lake Point are being donated without any consideration being paid by SFWMD, the foregoing limitation on damages and remedies arising from a default by Lake Point are fair and reasonable. If SFWMD fails or neglects to perform any of the terms, conditions, covenants or provisions of this Reservation, Lake Point may seek specific performance of SFWMD's obligations, without thereby waiving any action for damages.

5. **Notices:** All notices to Lake Point under this Reservation shall be in writing and sent by certified mail return receipt requested, any form of overnight mail delivery or hand delivery to:

(MAILING ADDRESS:)
Lake Point Phase I LLC
3160 Fairlane Farms Road
Wellington, FL 33414
Attn: Francis Judson Laird, IV

With a copy to:

John T. Metzger, Esq.
McDonald Hopkins LLC
505 South Flagler Drive, Suite 300
West Palm Beach, FL 33401
Facsimile: 561-472-2122

All notices to the SFWMD under this Reservation shall be in writing and sent by certified mail return receipt requested, any form of overnight mail delivery or hand delivery to:

Director of Real Estate Department South Florida Water Management District	
(MAILING ADDRESS:)	(OFFICE LOCATION:)
P.O.Box 24680	3301 Gun Club Road
West Palm Beach, Florida 33416-4680	West Palm Beach, Florida 33406
Fax (561) 682-6233	

Director Procurement and Contract Administration South Florida Water Management District	
(MAILING ADDRESS:)	(OFFICE LOCATION:)
P.O.Box 24680	3301 Gun Club Road
West Palm Beach, Florida 33416-4680	West Palm Beach, Florida 33406
Fax (561) 687- 6397	

All notices required by this Reservation, provided they are addressed as set forth above, shall be considered delivered: (i) on the date delivered if by hand delivery, (ii) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed by certified mail return receipt requested and (iii) one day after such notice is deposited with any form of overnight mail service for next day delivery. Either party may change its address by providing prior written notice to the other of any change of address.

6. [Intentionally omitted.]

7. **Permits and Approvals:** Lake Point shall obtain all necessary federal, state, local, and other governmental approvals and permits (including, without limitation, any and all applicable SFWMD and Florida Department of Environmental Protection permits, including but not limited to Right of Way Permits, Dredge and Fill Permits, Surface Water Management, Water Use, as well as Surface Water Improvement and Management permits as required, if applicable), as well as all necessary private authorizations and permits prior to commencing activities permitted under this Reservation requiring governmental approvals and permits, and shall maintain and comply with same throughout the term of this Reservation. At the request of SFWMD, Lake Point shall submit to SFWMD copies of all permits and authorizations that Lake Point is required to obtain pursuant to the provisions of this Reservation. SFWMD hereby authorizes Lake Point to file all necessary applications, approvals, modifications, and deletions in obtaining and maintaining all necessary federal, state, local and other governmental approvals and permits with respect to the Property. The parties agree that SFWMD permits shall remain in the name of Lake Point as the existing permittee until Lake Point vacates the Property. However, SFWMD agrees to cooperate with Lake Point in connection with obtaining and maintaining any and all such approvals and permits. SFWMD, at its option, may be added to each such permit and named as a co-permittee. Lake Point shall be responsible for compliance with all permit terms and conditions.

8. **Compliance with Laws, Rules, Regulations and Restrictions:** Lake Point shall comply with, and be responsible for remedying all violations by Lake Point of, all applicable federal, state, local and SFWMD laws, ordinances, rules and regulations, and private restrictions of record, applicable to the Property and Lake Point's operations conducted thereon and occupancy thereof, as well as Lake Point's performance of this Reservation.

9. **Indemnification:** For good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, during the Reservation Term, Lake Point shall defend, indemnify, save, and hold the SFWMD harmless from and against any and all claims, suits, judgments, loss, damage and liability incurred by SFWMD, including but not limited to reasonable attorney's fees and costs incurred by SFWMD which arises out of or relates to any Mining Activities or Farming Activities or any other activities of Lake Point or its employees, agents, contractors, subcontractors, licensees, and invitees occurring on the Property (or a portion thereof). SFWMD shall have the absolute right to choose its own legal counsel in connection with all matters indemnified for and defended against herein.

10. **Lake Point's Property at Risk:** All of Lake Point's personal property, equipment and fixtures located upon the Property shall be at the sole risk of Lake Point and SFWMD shall not be liable for any damage thereto or theft thereof, except to the extent caused by the gross negligence or willful misconduct of SFWMD. In addition, SFWMD shall not be liable or responsible for any damage or loss to property or injury or death to persons occurring on or adjacent to the Property resulting from any cause, including but not limited to, defect in or lack of repairs to the improvements located on the Property, except to the extent caused by the gross negligence or willful misconduct of SFWMD.

11. **Insurance:**

A. Lake Point shall procure and maintain throughout the Reservation Term, to the extent available at commercially reasonable rates, at Lake Point's sole cost and expense the following types of insurance:

(1) **Worker's Compensation Insurance:** Worker's Compensations insurance up to the limits specified by Florida Statute. Notwithstanding the number of employees or any other statutory provisions to the contrary, the Worker's Compensation Insurance shall extend to all employees of Lake Point and subcontractors. The Worker's Compensation Insurance policy required by this Reservation shall also include Employer's Liability.

(2) **Liability Insurance:** Commercial General Liability Insurance relating to the Property and its improvements and appurtenances, and operations which shall include, but not be limited to, Premises and Operations; Contractual Independent Contractors; Products and Completed Operations; Broad Form Property; Personal Injury and XCU Coverage; Contractual Liability; and Blasting. Coverage shall be no more restrictive than the latest edition of the Commercial General Liability policies of the Insurance Services Office (ISO). This policy shall provide coverage for death, bodily injury, personal injury, and property damage that could arise directly, indirectly or proximately from the performance of this Reservation. The minimum limits of coverage shall be \$10,000,000 per occurrence, Combined Single Limit for Bodily Injury Liability and Property Damage Liability. The limits of comprehensive general liability insurance shall in no way limit or diminish Lake Point's liability under paragraph 13 hereof. The SFWMD shall be included as an Additional Insured on such insurance.

(3) **Business Automobile Liability Insurance:** Business Automobile Liability Insurance which shall have minimum limits of \$10,000,000 per occurrence, Combined Single Limit for Bodily Injury Liability and Property Damage Liability. This shall be an "any-auto" type of policy including owned, hired, non-owned and employee non-ownership coverage. The SFWMD shall be included as an Additional Insured on such insurance.

(4) **Environmental Impairment Insurance:** Environmental Impairment Insurance in amount of \$10,000,000 and form satisfactory to SFWMD. Acquisition of this insurance shall in no way limit or diminish Lake Point's liability under paragraph 13 hereof. The SFWMD shall be included as an Additional Insured on such insurance.

(5) **Excess Coverage.** The amounts of insurance coverage specified above if not shown on the face of the policy will be covered by excess liability policies that identify the name of the insurance carrier, the policy number, and the effective date and expiration date of the underlying policy.

B. **Proof of Insurance:** Lake Point shall provide the SFWMD with insurance certificates for all insurance required pursuant to this Reservation as proof of insurance prior to the Commencement Date. Lake Point shall, upon request by the SFWMD, have its insurance agent provide certified copies of all insurance coverage required by this Reservation. Such copies shall be provided within thirty (30) days of request. All insurance required under this Reservation shall be written on a financially sound company acceptable to SFWMD.

C. **Notice of Insurance Cancellation:** Lake Point shall notify SFWMD at least thirty (30) days prior to cancellation or modification of any insurance required by this Reservation. Insurance required shall contain a provision that it may not be cancelled or modified until thirty (30) days after written notice to SFWMD. In the event Lake Point fails to obtain and keep any insurance required hereunder in full force and effect, SFWMD may at its option obtain such policies and Lake Point shall pay to SFWMD the premiums therefore, together with interest at the maximum rate allowed by law, upon demand.

D. **Subcontractor Insurance:** It shall be the responsibility of Lake Point to ensure that all subcontractors are adequately insured or covered under its policies.

12. **Notice to SFWMD Concerning Specific Acts:** Lake Point agrees to immediately report any incidence on the Property of the following to the SFWMD:

- A. Fire
- B. Serious Injury or death
- C. Trespassing
- D. Any hazard, condition or situation that may become a liability to the SFWMD or may be damaging to the Property or improvements on the Property of the SFWMD or injurious to any person.
- E. Any violation observed pertaining to rules and regulations promulgated by the SFWMD, or any other State or local agency as authorized by the SFWMD.
- F. Any violation of applicable State and local laws.
- G. Disposition of Pollutants (as hereinafter defined) in violation of Environmental Laws.

13. **Hazardous Materials/Pollutants:** For purposes of this Reservation, "Pollutant" shall mean any hazardous or toxic substance, material, or waste of any kind or any contaminant, pollutant, petroleum, petroleum product, or petroleum by-product as defined or regulated by Environmental Laws. "Disposal" shall mean the release, storage, use, handling, discharge or disposal of such Pollutants. "Environmental Laws" shall mean any applicable federal, state or local laws, statutes, ordinances, rules, regulations or other governmental restrictions, now or hereafter existing, relating to the regulation or control of toxic or hazardous substances or materials. Lake Point shall not cause or permit the Disposal of any Pollutants upon the Property or upon any adjacent lands in violation of Environmental Laws. Lake Point shall operate and occupy the Property in compliance with all Environmental Laws. Any Disposal of Pollutants, whether caused by Lake Point or any other third party, shall be reported to the SFWMD immediately upon the knowledge thereof by Lake Point. Lake Point shall be solely responsible for the entire cost of cleanup of any Pollutants which are disposed of by Lake Point or emanate from the Property to adjacent lands as a result of the use of the Property or surrounding lands by Lake Point. For good and valuable consideration the adequacy and receipt of which is hereby acknowledged, Lake Point shall indemnify and hold harmless SFWMD, from and against any and all claims, loss, damage, cost or liability incurred by SFWMD (including but not limited to reasonable attorney's fees and costs) which arises as a result of Lake Point's Disposal of any

Pollutants which affects the Property or emanates from the Property to adjacent lands during the Reservation Term. This responsibility shall continue to be in effect for any such Pollutants as are discovered after the date of termination of this Reservation. While this paragraph establishes contractual liability for Lake Point regarding pollution of the Property as provided herein, it does not alter or diminish any statutory or common law liability of Lake Point for such pollution.

14. **Vacation of Property:** Upon the expiration or termination of this Reservation, Lake Point shall promptly vacate and surrender the Property to SFWMD. Lake Point shall remove all personal property of Lake Point and, unless notified by SFWMD in writing to the contrary, Lake Point shall remove any buildings or structures related to its Mining Activities within a period not to exceed sixty (60) calendar days from the effective date of termination or expiration.

15. **Liens**

A. Lake Point shall keep the Property free from any liens, including, but not limited to mechanic's liens, arising out of any work performed, materials furnished or obligations incurred by Lake Point.

B. Lake Point herein shall not have any authority to incur liens for labor or material on the SFWMD's interest in the Property and all persons contracting with Lake Point for the destruction or removal of any building or for the erection, installation alteration, or repair of any building or other improvements on the Property and all materialmen, contractors, mechanics and laborers, are hereby charged with notice that they must look to Lake Point and to Lake Point's interest only in the Property to secure the payment of any bill for work done or material furnished during the Reservation Term.

C. In the event that Lake Point shall not, within thirty (30) days following the imposition of any such lien, cause the same to be released of record by payment or posting of a property bond, SFWMD shall have, in addition to all other remedies provided herein and by law, the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by SFWMD, including, but not limited to reasonable attorney's fees and expenses incurred by it in connection therewith, together with interest at the maximum rate allowed by law, shall be payable to SFWMD by Lake Point on demand.

D. SFWMD shall have the right at all times to record in the public records or post and keep posted on the Property any notice permitted or required by law, or which SFWMD shall deem proper, for the protection of SFWMD, the Property, the improvements located thereon and any other party having an interest therein, from mechanic's and materialmen's liens, and Lake Point shall give to SFWMD at least thirty (30) days prior notice of commencement of any construction on the Property.

E. Pursuant to Florida Statutes Sections 713.01(21) and 713.10, the interest of SFWMD in the Property and SFWMD's improvements located thereon shall not be subject to liens for improvements made by Lake Point and such liability is expressly prohibited.

Operation, Maintenance, and Repair: Lake Point shall be responsible for installation, operation, repair and maintenance, of the entire Property, at Lake Point's expense, during the Reservation Term and through and including the date that it vacates and surrenders the Property to SFWMD, including all temporary and permanent infrastructure as set forth in the Specifications, including whether caused by acts of Lake Point, its contractors, representatives, agents, employees, managers, directors, invitees or by acts of third parties, governmental regulations, acts of God, casualties, or any other reason, except to the extent caused by the gross negligence or willful misconduct of SFWMD. Lake Point's operation, maintenance and repair obligation shall cease upon the expiration of the Reservation Term and through and including the date that Lake Point vacates and surrenders the Property to SFWMD.

17. Special Clauses:

A. Time of the Essence: Time is of the essence with respect to every term, condition and provision of this Reservation.

B. Survival: Any covenants, provisions or conditions set forth in this Reservation which by their terms bind Lake Point or both SFWMD and Lake Point after the expiration or termination of this Reservation, shall survive the expiration or termination of this Reservation.

18. Prohibited Activities:

(1) Consistent with Florida Statutes, Lake Point will not discharge nor permit others to discharge firearms on the Property, nor display or permit others to display firearms in a reckless manner.

(2) Lake Point shall not discharge nor permit others to discharge sewage effluent into the water areas of and surrounding the Property.

(3) Lake Point shall not engage in any business activity on the Property not incident to this Reservation unless otherwise authorized in writing by the SFWMD.

(4) Except with respect to a dredge, there shall be no maintenance of boats or equipment, including but not limited to changing oil or fluids and servicing filters, on the Property. Lake Point shall not store any fuel, or store or utilize any fuel tanks (whether empty or containing fuel or other hazardous substances), fuel trailers, hoses or any other fueling mechanisms on the Property, except in compliance with all applicable governmental laws and regulations.

(5) Lake Point shall not hunt, trap or capture any wildlife upon the Property nor allow others to do so.

(6) Lake Point shall not knowingly or deliberately set or cause to be set any fire or fires on the Property.



Permitted Title Exceptions

1. Easement in favor of Okcechobee Flood Control District recorded in Deed Book 25, Page 464, as assigned to the United States of American in Deed Book 10, Page 394.
2. Easements in favor of Florida Power & Light Company recorded in Book 922, Page 1503 and 1505.
3. Reciprocal Drainage and Irrigation Easement recorded in Book 2005, Page 1044, as amended in Book 2196, Page 1868, Book 2301, Page 1193, and in Book 2301, Page 1201.
4. Liens, easements, covenants, and restrictions contained in Deed of Conservation Easement recorded in Book 2183, Page 2849.
5. Environmental Resource Permit Notice recorded in Book 2188, Page 2477.
6. Perpetual easements, covenants and restrictions in favor of the State of Florida Department of Transportation recorded in Book 2230, Pages 2667 and 2682.
7. Easement in favor of Florida Power & Light Company recorded in Book 2173, Page 1044.
8. Easement in favor of Florida Power & Light Company recorded in Book 2301, Page 1209.
9. Martin County Resolution Regarding Lake Point Ranches Master/Final Site Plan Approval recorded in Book 2278, Page 2780, as revised in Book 2308, Page 1621. (Note: This instrument will be terminated as provided in Section 8 of this Agreement)
10. Unity of Title recorded in Book 2278, Page 2853. (Note: This instrument will be terminated as provided in Section 8 of this Agreement)
11. Easement in favor of Central and Southern Florida Flood Control District recorded in Deed Book 50, Page 327.
12. Easement in favor of Florida Power & Light Company recorded in Deed Book 99, Page 403.
13. Permanent and temporary easements in favor of Gulfstream Natural Gas System, LLC recorded in Book 2300, Page 339.

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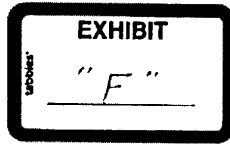
14. Unrecorded Declaration of Covenant and Restrictions for Lake Point Ranches.
(Note: This instrument will be terminated as provided in Section 8 of this Agreement)
15. Matters shown on plat of Mayaca Homesites recorded in Plat Book 2, Page 26.
16. Easement in favor of Okeechobee Flood Control District recorded in Deed Book 26, Page 63, as assigned to United States of America in Deed Book 10, Page 394.
17. Easement in favor of United States of America recorded in Deed Book 10, Page 537.
18. Easement in favor of Florida Power & Light Company recorded in Deed Book 99, Page 405.
19. Permanent and temporary easements in favor of Gulfstream Natural Gas System, LLC recorded in Book 2300, Page 311.
20. Memorandum of Agreement for communications site lease with Nextel South Corp. recorded in Book 1409, Page 744, as amended in Book 1445, Page 1859, and as assigned in Book 1557, Pages 1672 and 1686; together with Memorandum of Site Agreement for sublease with BellSouth Mobility, LLC recorded in Book 1952, Page 1315.
21. Any claims of the State of Florida based on the doctrine of the state's sovereign ownership of lands lying beneath navigable waterbodies, or lands lying beneath tidally influenced waters.
22. Inability to insure title to any part of the land lying below the ordinary high water mark of any abutting body of water.
23. Riparian and/or littoral rights.
24. Right of Way in favor of Florida Coast Railway recorded in Deed Book 197, Page 238, Palm Beach (now Martin) County.
25. Reservations in favor of the State of Florida as contained in Deed recorded in Deed Book 228, Page 321, Palm Beach (now Martin) County.
26. Reservations in favor of the State of Florida as contained in Deed recorded in Deed Book 6, Page 493.
27. Easement(s) granted to State of Florida, recorded in Deed Book 25, Page 461.
28. Right of Way in favor of the State Florida, recorded in Deed Book 27, Page 72.

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29. Easement(s) granted to the United States of America, recorded in Deed Book 28, Page 273.
30. Easement(s) granted to the United States of America, recorded in Deed Book 10, Page 397.
31. Easement(s) granted to Okeechobee Flood Control District, recorded in Deed Book 25, Page 466.
32. Deed between Southern States Land & Timber Company and Board of Commissioners of Everglades Drainage District, dated June 7, 1918, recorded in Deed Book 110, Page 139.
33. License Agreement between the Florida East Coast Railway and Mayaca Land Corporation dated June 24, 1977.
34. Real Estate Lease between Florida East Coast Railway and Trucane Sugar Corporation dated August 13, 2003.
35. Renewal of Real Estate Lease between the Florida East Coast Railway and Trucane Sugar Corporation dated June 1, 2006.
36. The easements, restrictions and other matters set forth in the pending Plat of Lake Point Ranches. (Note: This instrument will be terminated as provided in Section 8 of this Agreement)
37. Right of Way in favor of Florida Coast Railway recorded in Deed Book 197, Page 252.
38. Terms and conditions contained in Easement Agreement recorded in Book 2352, Page 115.
39. Terms and conditions contained in Easement Agreement recorded in Book 2352, Page 133.
40. Any and all matters disclosed on the Survey.
41. The Conservation Easement to be created over the County Recreation Area in favor of the District.
42. The City of Pahokee Easement to be created pursuant to Section 10 of this Agreement.

ALL RECORDED IN THE PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

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Legal Description of Phase I Property

PARCEL 1:

ALL THAT PART OF SECTION 13, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, LYING SOUTH OF THE ST. LUCIE CANAL RIGHT-OF-WAY, LESS THE FOLLOWING DESCRIBED PARCELS:

A. PARCEL CONVEYED TO THE TOWN OF PAHOKEE BY MAYACA COMPANY BY DEED DATED SEPTEMBER 9, 1931, FILED OCTOBER 30, 1931 RECORDED IN DEED BOOK 25, PAGE 247, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA, DESCRIBED AS:

THE EAST HALF (E1/2) OF THE SOUTHEAST QUARTER (SE1/4) OF THE SOUTHEAST QUARTER (SE1/4) OF THE NORTHEAST (NE1/4) CONTAINING FIVE ACRES MORE OR LESS; EXCEPT THE RIGHT-OF-WAY OF MAYACA INDIAN TOWN HIGHWAY, AS THE SAME IS NOW LAID OUT AND IN USE ACROSS THE ABOVE DESCRIBED PROPERTY.

B: PARCEL CONVEYED TO THE TOWN OF PAHOKEE BY THE MAYACA CORPORATION BY DEED DATED JULY 25, 1932, FILED SEPTEMBER 23, 1933, RECORDED IN DEED BOOK 26, PAGE 123, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA, DESCRIBED AS:

A TRIANGULAR PIECE OF LAND IN SECTION 13, BOUNDED ON THE NORTHWESTERLY SIDE BY STATE ROAD NO. 109, ON THE NORTHEASTERLY SIDE BY UNITED STATES GOVERNMENT SPILLWAY "A" AND ON THE SOUTHERLY SIDE BY A TRACT HERETOFORE CONVEYED BY THE MAYACA CORPORATION TO THE TOWN OF PAHOKEE FOR CEMETERY PURPOSES; THE TRACT HEREBY CONVEYED BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 13, TOWNSHIP 40 SOUTH, RANGE 37 EAST; THENCE RUN NORTH 0° 9' 54" EAST ABOUT 3091.9 FEET ALONG THE

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EASTERLY LINE OF SAID SECTION TO THE DIVISION LINE BETWEEN SPILLWAY "A" OF THE UNITED STATES GOVERNMENT AND CEMETERY PROPERTY OF THE TOWN OF PAHOKEE; THENCE SOUTH 89°53' 54" WEST ABOUT 287.97 FEET ALONG SAID DIVISION LINE TO THE POINT BEGINNING OF THIS CONVEYANCE AT THE SOUTHEAST CORNER OF THE PREMISES; THENCE SAME COURSE BY SAID OTHER LAND OF THE TOWN OF PAHOKEE, ABOUT 91.03 FEET TO THE SOUTHERLY SIDE LINE OF STATE ROAD NO. 109; THENCE NORTH 60° 50' 54" EAST BY THE SIDE LINE OF SAID STATE ROAD ABOUT 79.58 FEET TO THE WESTERLY LINE OF SAID SPILLWAY "A"; THENCE SOUTH 29° 10' 06" EAST BY SAID SPILLWAY ABOUT 44.24 FEET TO THE POINT OF BEGINNING, CONTAINING ABOUT 4/100TH ACRES, THE BEARINGS ARE TRUE MERIDIAN ACCORDING TO THE SURVEY OF THE UNITED STATES ARMY ENGINEERS IN 1932.

C: RIGHT-OF-WAY OF STATE ROAD 76 (FORMERLY STATE ROAD 109).

D: INTENTIONALLY DELETED

E: ANY PORTION OF THE EAST HALF OF SAID SECTION 13 LYING SOUTH OF STATE ROAD 76 AND NORTH AND EAST OF A DRAINAGE AND IRRIGATION CANAL; SAID CANAL BEING DESCRIBED AS:

A 150 FOOT WIDE TRACT DESCRIBED AS: BEGIN AT A CONCRETE MONUMENT LOCATED ON THE SOUTHEAST CORNER OF THE NORTHEAST ¼ OF SAID SECTION 13, RUN THENCE SOUTH 89° 49' 21" WEST 452.85 FEET TO A CONCRETE MONUMENT; THENCE NORTH 00° 05' 21" EAST FOR 374.97 FEET TO THE SOUTH RIGHT OF WAY LINE OF STATE ROAD 76; THENCE SOUTH 60° 59' 21" WEST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE 485.04 FEET TO THE POINT OF BEGINNING (BEING THE WESTERLY CORNER OF THE TRACT DESCRIBED IN OFFICIAL RECORD BOOK 242, PAGE 49, IDENTIFIED ABOVE); RUN THENCE SOUTH 49° 32' 14" EAST 553.50 FEET TO A CONCRETE MONUMENT (BEING THE SOUTHERLY CORNER OF THE TRACT DESCRIBED IN OFFICIAL RECORD BOOK 242, PAGE 49, IDENTIFIED ABOVE). CONTINUE THENCE SOUTH 45° 32' 14" EAST 632.85 FEET, MORE OR LESS, TO THE EAST BOUNDARY OF SAID SECTION 13; THENCE SOUTH ALONG SAID EAST

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BOUNDARY TO A POINT LYING 150 FEET NORTH OF THE SOUTH BOUNDARY OF SAID SECTION 13 (THE LINE FROM THE POINT OF BEGINNING TO THIS POINT BEING HEREAFTER REFERRED TO AS "LINE NO. 1"), THENCE WEST AND PARALLEL WITH SAID SOUTH BOUNDARY 150 FEET; THENCE NORTH AND NORTHWESTERLY (THIS LINE BEING HEREAFTER REFERRED TO AS "LINE NO. 2"), PARALLEL TO AND 150 FEET FROM LINE NO. 1. TO THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 76; THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING.

F: THAT PORTION OF SAID SECTION 13 BETWEEN STATE ROAD 76 AND THE ST. LUCIE CANAL RIGHT-OF-WAY LYING EAST OF SPILLWAY "A" OF THE ST. LUCIE CANAL.

G: FIVE ACRES, MORE OR LESS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST ONE QUARTER OF SAID SECTION 13 (THE EAST LINE OF SAID SECTION 13 IS ASSUMED TO BEAR NORTH 00° 06' 35" EAST, AND ALL OTHER BEARINGS ARE RELATED THERETO); THENCE SOUTH 89° 50' 06" WEST, ALONG THE SOUTH LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 13 A DISTANCE OF 815.72 FEET TO THE NORTHWEST CORNER OF THE EAST 150.00 FEET OF THE WEST ONE-HALF OF EAST ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 13, THENCE SOUTH 0° 00' 24" WEST ALONG THE WEST LINE OF THE EAST 150.00 FEET OF THE WEST ONE-HALF OF THE EAST ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 13 A DISTANCE OF 588.50 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 58° 12' 48" WEST A DISTANCE OF 330.00 FEET; THENCE NORTH 31° 47' 12" WEST A DISTANCE OF 660.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 76, AS NOW LAID OUT AND IN USE; THENCE NORTH 58° 12' 48" EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 292.63 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 5679.58 FEET A PARTIAL CENTRAL ANGLE OF 0° 22' 37", THENCE EASTERLY ALONG THE ARC OF THE SAID CURVE, A DISTANCE OF 37.37 FEET; THENCE SOUTH 31° 47' 12" EAST A DISTANCE

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OF 659.88 FEET TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT ALL THAT PART OF SAID SECTION 13 LYING SOUTH OF THE ST. LUCIE CANAL SOUTH RIGHT OF WAY LINE AND NORTH OF THE NORTH RIGHT OF WAY LINE OF STATE ROAD 76.

PARCEL 2:

ALL THAT PART OF SAID SECTION 14, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, LYING SOUTH OF THE ST. LUCIE CANAL RIGHT-OF-WAY, LESS RIGHT-OF-WAY FOR STATE ROAD 76.

LESS AND EXCEPT ALL THAT PART OF SAID SECTION 14 LYING SOUTH OF THE ST. LUCIE CANAL SOUTH RIGHT OF WAY LINE AND NORTH OF THE NORTH RIGHT OF WAY LINE FOR STATE ROAD 76.

PARCEL 3:

ALL THAT PART OF THE EAST 1,318 FEET OF SECTION 23, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, THAT LIES SOUTH OF ST. LUCIE CANAL, LESS RIGHT OF WAY FOR STATE ROAD 76.

PARCEL 4:

ALL OF SECTION 24, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA.

PARCEL 5:

NON-EXCLUSIVE EASEMENT RIGHTS FOR DRAINAGE AND IRRIGATION PURPOSES AS SET FORTH IN RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2005, PAGE 1044, AS AMENDED IN OFFICIAL RECORDS BOOK 2196, PAGE 1868, AS FURTHER AMENDED IN THE SECOND AMENDMENT TO RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2301, PAGE 1193, AS FURTHER AMENDED BY THAT THIRD AMENDMENT TO RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2301, PAGE 1201, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

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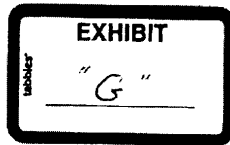
TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR ACCESS FOR INGRESS AND EGRESS, AND FOR ACCESS, INSTALLATION AND MAINTENANCE OF DRAINAGE FOR ACCESS ROADWAY, AND UNDERGROUND UTILITIES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 115, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR EQUESTRIAN, PEDESTRIAN AND BICYCLE INGRESS AND EGRESS PURPOSES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 133, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

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Legal Description of Phase II Property

ALL OF SECTION 25, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

THAT PORTION OF SECTION 26, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, LYING EASTERLY OF THE EAST RIGHT-OF-WAY LINE OF THE FLORIDA EAST COAST RAILROAD.

TOGETHER WITH:

THAT PORTION OF SECTION 23, TOWNSHIP 40 SOUTH, RANGE 37 EAST, MARTIN COUNTY, FLORIDA, LYING EASTERLY OF THE EAST RIGHT-OF-WAY LINE OF THE FLORIDA EAST COAST RAILROAD, AND SOUTH OF THE ST. LUCIE CANAL. LESS THE EAST 1318.00 FEET THEREOF AND LESS RIGHT-OF-WAY FOR STATE ROAD 76.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR ACCESS FOR INGRESS AND EGRESS, AND FOR ACCESS, INSTALLATION AND MAINTENANCE OF DRAINAGE FOR ACCESS ROADWAY, AND UNDERGROUND UTILITIES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 115, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH:

A NON-EXCLUSIVE EASEMENT FOR EQUESTRIAN, PEDESTRIAN AND BICYCLE INGRESS AND EGRESS PURPOSES AS SET FORTH IN EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 2352, PAGE 133, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA.

TOGETHER WITH

RECIPROCAL DRAINAGE AND IRRIGATION EASEMENT RECORDED IN OFFICIAL RECORD BOOK 2005, PAGE 1044 AND AS AMENDED IN OFFICIAL RECORD BOOK 2196, PAGE 1868; OFFICIAL RECORD BOOK 2301, PAGE 1193 AND OFFICIAL RECORD BOOK 2301, PAGE 1201.

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EXHIBIT "H"

FORM OF CONSERVATION EASEMENT

Document prepared by:

Return recorded document to:

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT is given this _____ day of _____, _____, by the South Florida Water Management District, a public corporation of the State of Florida ("Grantor") whose mailing address is P.O. Box 24680, West Palm Beach, Florida 33416-4680, to Martin County, a political subdivision of the State of Florida ("Grantee") whose mailing address is 2401 S.E. Monterey Road, Stuart, Florida 34996. As used herein, the term "Grantor" shall include any and all heirs, successors or assigns of the Grantor, and all subsequent owners of the "Property" (as hereinafter defined) and the term "Grantee" shall include any successor or assignee of Grantee.

WITNESSETH

WHEREAS, Grantor is the owner of certain lands situated in Martin County, Florida, and more specifically described in Exhibit "A" attached hereto and incorporated herein (the "Property"); and

WHEREAS, Grantor desires to donate to Grantee a conservation easement for the purposes described herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, together with other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, Grantor hereby grants, creates, and establishes a perpetual Conservation Easement for and in favor of the Grantee upon the Property, which shall run with the land and be binding upon the Grantor, and shall remain in full force and effect forever.

The scope, nature, and character of this Conservation Easement shall be as follows:

1. Recitals. The recitals hereinabove set forth are true and correct and are hereby incorporated into and made a part of this Conservation Easement.

2. Purpose. It is the purpose of this Conservation Easement to retain land or water areas in their natural, vegetative, hydrologic, scenic, open, agricultural or wooded condition and to retain such areas as suitable habitat for fish, plants or wildlife.

To carry out this purpose, the following rights are conveyed to Grantee by this easement:

a. To enter upon the Property at reasonable times with any necessary equipment or vehicles to enforce the rights herein granted in a manner that will not unreasonably interfere with the use and quiet enjoyment of the Property by Grantor at the time of such entry; and

b. To enjoin any activity on or use of the Property that is inconsistent with this Conservation Easement and to enforce the restoration of such areas or features of the Conservation Easement that may be damaged by any inconsistent activity or use.

3. Prohibited Uses. Except for restoration, creation, enhancement, maintenance and monitoring activities, or surface water management improvements, or other activities described herein that are permitted or required, the following activities are prohibited in or on the Conservation Easement:

a. Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;

b. Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;

c. Removal or destruction of trees, shrubs, or other vegetation, except for the removal of exotic or nuisance vegetation, as determined by Grantor in its reasonable discretion;

d. Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface;

e. Surface use except for purposes that permit the land or water area to remain in its natural or enhanced condition;

f. Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation including, but not limited to, ditching, diking and fencing;

g. Acts or uses detrimental to such aforementioned retention of land or water areas;

h. Acts or uses which are detrimental to the preservation of the structural integrity or physical appearance of sites or properties having historical, archaeological, or cultural significance.

4. Passive Recreational Facilities. Grantor reserves all rights as owner of the Property, including the right to engage in uses of the Property that are not prohibited herein and that are not inconsistent with any applicable law or regulation, and the intent and purposes of this Conservation Easement. Passive recreational uses that are not contrary to the purpose of this Conservation Easement are expressly permitted.

a. The Grantor may conduct limited land clearing for the purpose of constructing such pervious facilities as parking areas, docks, boardwalks or mulched walking trails.

b. The Grantor may install signage to identify the site as a public recreation area and provide information regarding the site, hours, permissible uses, etc.

c. The construction and use of the passive recreational facilities shall be subject to the following conditions:

i. Grantor shall minimize and avoid, to the fullest extent possible, impact to any wetland or upland buffer areas within the Property and shall avoid materially diverting the direction of the natural surface water flow in such area;

ii. Such facilities and improvements shall be constructed and maintained utilizing Best Management Practices;

iii. Adequate containers for litter disposal shall be situated adjacent to such facilities and improvements and periodic inspections shall be instituted by the maintenance entity, to clean any litter from the area surrounding the facilities and improvements; and

iv. This instrument shall not constitute permit authorization for the construction and operation of the passive recreational facilities. Any such work shall be subject to all applicable federal, state or local permitting requirements.

5. No Dedication. No right of access by the general public to any portion of the Property is conveyed by this Conservation Easement.

6. Grantee's Liability. Grantee shall not be responsible for any costs or liabilities related to the operation, upkeep or maintenance of the Property.

7. Property Taxes. To extent applicable, Grantor shall keep the payment of taxes and assessments on the Property current and shall not allow any lien on the Property superior to this

Conservation Easement. In the event Grantor fails to extinguish or obtain a subordination of such lien, in addition to any other remedy, the Grantee may, but shall not be obligated to, elect to pay the lien on behalf of the Grantor and Grantor shall reimburse Grantee for the amount paid by Grantee, together with Grantee's reasonable attorney's fees and costs, with interest at the maximum rate allowed by law, no later than thirty days after such payment. In the event Grantor does not so reimburse the Grantee, the debt owed to Grantee shall constitute a lien against the Property which shall automatically relate back to the recording date of this Conservation Easement. Grantee may foreclose this lien on the Property in the manner provided for mortgages on real property.

8. Enforcement. Enforcement of the terms, provisions and restrictions of this Conservation Easement shall be at the reasonable discretion of Grantee, and any forbearance on behalf of Grantee to exercise its rights hereunder in the event of any breach hereof by Grantor, shall not be deemed or construed to be a waiver of Grantee's rights hereunder.

9. Assignment. Grantee will hold this Conservation Easement exclusively for conservation purposes. Grantee will not assign its rights and obligations under this Conservation Easement except to another organization or entity qualified to hold such interests under the applicable state laws.

10. Severability. If any provision of this Conservation Easement or the application thereof to any person or circumstances is found to be invalid, the remainder of the provisions of this Conservation Easement shall not be affected thereby, as long as the purpose of the Conservation Easement is preserved.

11. Written Notice. All notices, consents, approvals or other communications hereunder shall be in writing and shall be deemed properly given if sent by United States certified mail, return receipt requested, addressed to the appropriate party or successor-in-interest.

12. Modifications. This Conservation Easement may be amended, altered, released or revoked only by written agreement between the parties hereto or their heirs, assigns or successors-in-interest, which shall be filed in the public records in Martin County, Florida.

TO HAVE AND TO HOLD unto Grantee forever. The covenants, terms, conditions, restrictions and purposes imposed with this Conservation Easement shall be binding upon Grantor, and shall continue as a servitude running in perpetuity with the Property.

IN WITNESS WHEREOF, Grantor has hereunto set its authorized hand and seal as of this date and year first above written.

SOUTH FLORIDA WATER MANAGEMENT
DISTRICT, a public corporation of the State of
Florida, By its Governing Board

CORPORATE SEAL

By: _____
Chairman

ATTEST:

_____, Secretary

Form Approved By:

South Florida Water Management _____
District Counsel Date

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, _____, by _____ as Chairman of the Governing Board of the South Florida Water Management District, a public corporation of the State of Florida, on behalf of the corporation, who are personally known to me.

Notary Public
Print Name: _____
Commission Number: _____
My Commission Expires: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, _____, by _____ as Secretary of the Governing Board of the South Florida Water Management District, a public corporation of the State of Florida, on behalf of the corporation, who are personally known to me.

Notary Public
Print Name: _____
Commission Number: _____
My Commission Expires: _____

EXHIBIT "H"

EXHIBIT A

[DESCRIPTION OF PROPERTY]

EXHIBIT "I-1"

Sec. 4.345. Inspection of the site.

The county shall be allowed reasonable access to the property that is the site of the excavation and filling permit for inspection during all times that the permit is valid.
(Ord. No. 549, pt. 1, § 4.8.5, 7-13-2000; Ord. No. 592, pt. 1, § 4.8.5, 7-10-2001)

EXHIBIT "I-2"

Sec. 4.348. Excavation standards.

4.348.A. General standards. All excavations must meet minimum design and construction standards and all water conveyance criteria, where applicable.

1. *Minimum distance from roadways.* No excavation shall be allowed within 20 feet of any road right-of-way or easement as measured from the top of bank of the excavated area unless approved by the County Engineer. The county may require, at permittee's expense, a guardrail or other suitable barrier to be placed between the right-of-way and excavation when indicated by good engineering practice.

2. *Minimum distance from property lines.* No excavation shall be permitted within 50 feet of any property line as measured from the top of bank of the excavated area unless approved by the County Engineer. Excavation for water control conveyances such as swales or ditches or for any purpose consistent with this division shall not be permitted closer than 50 feet from property lines.

3. *Wetland protection.* Water management systems shall be designed and operated such that the natural hydroperiod of wetlands shall not be altered, and wetlands shall be protected from siltation and eutrophication. The permittee shall submit for approval a written plan that includes details of the proposed methods of protecting wetlands during construction and written soil erosion and environmental management plans, including details of proposed methods of monitoring and maintaining the wetlands.

a. Excavation and/or filling shall not occur within wetlands or the buffer zone surrounding the wetlands except in compliance with a PAMP approved by the Growth Management Department.

b. A minimum 200-foot-wide separation shall be maintained between any wetland and any excavation unless an alternative plan utilizing an impermeable barrier is approved.

c. Excavation must be contained to prevent runoff and degradation of buffer zone vegetation within a minimum of 24 hours prior to the work and shall be stabilized with sod or other suitable method within 30 days of vegetation removal.

d. Wetland buffers, buffer protection areas and upland preserve areas shall be protected from excavation, construction and other building maintenance activities as set forth in division 1 of this article, Wetlands Protection.

4. If an excavation that will result in the creation of open surface water is proposed on a lot with an existing well or septic system, the excavation must be set back a minimum of 75 feet from the well or septic system. If a 75-foot setback cannot be achieved on the lot, the maximum setback attainable must be used.

5. Prior to the start of an excavation, all underground utilities shall be located by the applicant through the appropriate agencies. All underground and aboveground utilities shall be protected by the applicant for the duration of the excavation activity. Utility service shall be maintained for the duration of the construction activity. Should an interruption of utility service be required, the interruption shall be coordinated and approved by the owner of the utility.

6. Prior to the start of an excavation that creates an open body of water, the applicant shall post signs warning of the potential hazard created by the excavation. The size, color, location, and wording of the signs shall be shown on the site plan for the project.

4.348.B. Water management standards.

1. *Maximum lake depth.* Lake depth shall not exceed 20 feet as measured from the control elevation to the lake bottom. For any excavation proposed to exceed 15 feet

below the control elevation, soil and geological assessments shall be provided to fully determine the subsurface soils and groundwater conditions, to determine the proximity to subsurface aquifers and confining layers and to address the potential impacts upon the water quality of the aquifers and surrounding wells. All such information shall be prepared by a State of Florida registered engineer qualified to provide the required information.

2. *Side slopes of artificially created water bodies.* All lakes shall comply with all other applicable governmental agency standards for wet detention/retention areas unless such rules are less restrictive than those of the county.

a. The maximum slope of lake areas from top of bank to a depth of three feet below the control elevation shall not exceed one foot vertical to four feet horizontal.

b. The slope of lake area below a depth of three feet from the control elevation shall not exceed one foot vertical to two feet horizontal.

3. *[Maximum side slope for ditches.]* The maximum side slope for ditches shall not exceed one foot vertical to two feet horizontal.

4. *Swale design.* All swale drainage shall be conducted via wide vegetated areas which meander where possible to maximize nutrient removal. Such swales shall not directly discharge to a receiving body.

5. *Preserve area requirements.* Excavation and fill projects shall conform with all applicable upland preservation requirements.

6. *Wet season water table.* The wet season water table shall be the highest water table described in either the "Detailed Soil Map Units" section or table 17, "Water Features," of the USDA Soil Survey of Martin County Area, Florida. A different water table elevation may be used if competent evidence prepared by a Florida registered engineer demonstrates, to the satisfaction of the PSD director, that the water table is different from that shown in the soil survey.

7. *Littoral upland and transitional buffer zones.* Permanent plantings consisting of native vegetation shall be established and maintained as part of the surface water management system. All landscaping, revegetation, and lake management plans shall be approved by the Growth Management Director and comply with all other applicable governmental agency permitting. Such plans shall contain designs which include:

a. The species and number of plants to be used; the location and dimensions of the littoral, upland and transitional areas; typical cross section of planted littoral, upland and transitional areas and the methods for planting and ensuring survival of the plants.

b. Description of how vegetation is to be established including the extent, method, type, and timing of any planting provided.

c. Description of the water management procedures to be followed to assure the continued viability and health of the plantings.

d. A written strategy that identifies who shall be responsible for regular monitoring and removal of noxious, pest plant, and exotic species in order to assure a continued healthy diversity in littoral zone vegetation.

4.348.C. *Reclamation.* All disturbed mining/excavation areas shall be reclaimed, and reclamation shall begin immediately following excavation or each phase of excavation, whichever occurs first. All disturbed and reclaimed areas shall be planted or seeded with a permanent native ground cover to reduce the loss of topsoil due to water and wind erosion, to prevent the establishment of prohibited plant species and to provide adequate growing conditions for reclamation planting requirements.

1. Planting of excavated lakes or ponds shall occur no later than 30 days after the completion of the excavation. The applicant shall provide as part of the PAMP a phasing plan for planting large-scale lake systems or interconnected multilake systems that

would allow lake planting to be phased. For lakes within single lots, the planting shall begin within 30 days of completion of the excavation.

2. The littoral zone shall include a total area of at least ten square feet per linear foot of lake perimeter. The lake perimeter shall be measured at the control elevation of the lake. The littoral zone planting area consists of that area between one foot above control water elevation to four feet below control water elevation. With some exceptions predicated on species and exposure, extended littoral zone shelves should be located in pocketed areas of the lake and/or in areas of the lake which receive direct drainage outfall from adjacent development.

a. Slopes for planted littoral zones shall be no steeper than ten feet horizontal to one foot vertical to a distance of five feet waterward of the designated planted littoral zone area. Shallower slopes are encouraged to promote greater success of the littoral zone plantings.

b. The littoral zone shall be provided with a minimum of six inches of an organic topsoil mix to promote vegetative growth for those areas that do not have adequate soil conditions to ensure plant survivorship. The littoral zone shall be planted with at least five species of appropriate native wetland vegetation with an average spacing of two feet on center. Submergent vegetation, such as underwater grasses, as well as emergent vegetation may be used to satisfy the littoral planting requirement. The design and species used shall have an anticipated minimal 80 percent coverage. The Growth Management Department shall maintain a list of acceptable plant species for use in appropriate elevations within the littoral zones.

c. A minimum of one tree for every 500 square feet of littoral zone area is required. The trees must be a minimum of eight feet in height and consist of native freshwater wetland and transitional varieties.

3. *Upland and transitional zone planting area requirement.* The native upland and transitional zone buffer area shall also include a total area of at least ten square feet per linear foot of lake perimeter. The native upland and transitional zone planting area consists of that area immediately beyond the landward extent of the littoral zone planting area. The native upland and transitional zone buffer may consist of preserved or planted vegetation but shall include trees, understory and ground cover of native species only. The native upland and transitional zone and the adjacent littoral zone shall be designed and maintained to provide a continuous compatible habitat area.

a. The upland and transitional zone shall be planted with at least five native plant species which shall include trees with a minimum height of eight feet and understory seedlings with a minimum height of 18 inches. Existing native vegetation in the upland transitional zone shall qualify to help fulfill this requirement. Plants are required to be installed in accordance with the applicable standards provided in division 1 of this article. The design and species used shall have an anticipated minimum 80 percent coverage.

b. A minimum of one tree shall be planted for every 500 square feet of upland and transitional zone area. The trees must be a minimum of eight feet in height and native upland and transitional varieties.

4.348.D. *Adjacent habitat and islands.* The required area of littoral zones and upland buffer zones may be created by utilizing contiguous areas adjacent to the lake or by creating "habitat islands" within the water body to the extent that no less than 25 percent of the lake shoreline is provided with littoral zones and adjacent upland buffers a minimum of ten feet wide. Utilization of islands with native littoral zone and upland vegetation are encouraged to meet this requirement. Where habitat islands are not included in the construction of the lake, a minimum of 50 percent of the lake perimeter

will be provided with a vegetated extended littoral zone shelf and upland and transitional zone.

4.348.E. *Wetland protection.* Wetlands shall be protected from any negative impacts which may result from construction, excavation, maintenance or monitoring activities.

4.348.F. *Construction period drainage.* Drainage related to the excavation shall be retained entirely on-site during construction.

4.348.G. *Siltation avoidance.* Water management systems such as swales and interconnected wetlands and lakes shall be specifically designed to inhibit siltation of the lakes and wetlands and the eutrophication process. The permittee shall submit for approval by the PDS and PSD directors a written environmental management and lake monitoring plan specifying system monitoring methods and corrective actions should siltation or eutrophication occur.

4.348.H. *Maintenance easement.* An easement acceptable to the county and a minimum of 20 feet wide shall be provided for access and maintenance of control structures. This maintenance easement shall be measured from the top of bank landward and have a slope no steeper than one foot vertical to four feet horizontal. Access to the maintenance easement from adjacent roadways is required.

4.348.I. *Structural intrusions.* Lakes shall have their littoral zones increased on a one to-one ratio to compensate for littoral space lost due to permanent structures constructed to the top of, or over, the bank of the lake. Approvals are required by the PDS and PSD directors and all other applicable governmental agencies. Maintenance easements are not required in areas around the lake where permanent structures occur. The maximum amount of shoreline that can be used for such construction shall be 40 percent of the lake frontage. Access to all easements will be required.
(Ord. No. 549, pt. 1, § 4.8.8, 7-13-2000; Ord. No. 570, pt. 1, 6-13-2000; Ord. No. 592, pt. 1, § 4.8.8, 7-10-2001)

EXHIBIT "I-3"

Sec. 4.349. Mining standards.

An application for mining shall comply with the major or other conditional development provisions of article 10 and the applicable excavation and filling standards. An annual progress report shall be submitted to the PDS within 30 days of the anniversary date of the permit for all mining permits that have a duration of more than one year. The report shall be prepared by a Florida registered engineer, shall demonstrate that the permit criteria have been met to date and that the project is in compliance with all other applicable permits. The annual progress report shall include record ("as-built") drawings of all work done to the date of the report.

(Ord. No. 549, pt. 1, § 4.8.9, 7-13-2000; Ord. No. 592, pt. 1, § 4.8.9, 7-10-2001)

EXHIBIT "I-4"

Sec. 4.351. Compliance certification.

Within 30 days of the completion of the excavation and/or filling or mining, a Florida registered professional engineer, a Florida registered professional surveyor and mapper, or a Florida registered professional landscape architect shall certify that the excavation was constructed in substantial conformance with the plans and specifications approved by the county. The following certification statement must also appear on the certification report:

I hereby notify Martin County of the completion of all excavation and filling for the above referenced project and certify that they have been constructed in conformance with the plans and specifications permitted by the county including, but not limited to, all area and quantities of vegetated littoral and upland buffer zones, all excavation and fill material quantities, excavation depths, and natural resources protection. (A copy of the approved permit drawings is attached.) I hereby affix my seal this _____ day of _____, 20_____.

(Signature)

(Seal)

(Printed name)

Florida Registration No. _____
(Ord. No. 549, pt. 1, § 4.8.11, 7-13-2000; Ord. No. 592, pt. 1, § 4.8.11, 7-10-2001)
Secs. 4.352–4.380. Reserved.

ethanl@bsbfirm.com
February 6, 2013

Via Email

Krista A. Storey
Senior Assistant County Attorney
Martin County, Florida
2401 SE Monterey Road
Stuart, Florida 34996

Re: Public Records Request of February 5, 2013

Dear Ms. Storey:

After the February 5, 2013 public hearing before the Board of County Commissioners regarding the Lake Point Project, I submitted a public records request seeking all public records that were used by, considered by, prepared by, shown to, or were before the commissioners during the meeting. This request was made after my observations of the commissioners, including Commissioners Heard and Scott, having prepared notes for the meeting. In addition, it was obvious that all of the commissioners took notes in response to the events that transpired during the meeting.

You responded to me yesterday by claiming the requested documents were not public records. You had no valid justification to claim that the requested documents were somehow exempt under the public records law other than your assertion that the requested documents were not part of the agenda packet. As you know, documents available under the public records law are not limited to the agenda packet. Please immediately reconsider your position.

In order to avoid a civil lawsuit and other legal ramifications available under Florida law, please produce the requested documents by the close of business on February 8, 2013. The time for response is not unreasonable given that the documents requested can simply be run through a copy machine and provided to me via United States Mail or Electronic Mail. If it is easier for you, I will have a courier pick them up at your office.

Letter to Krista Storey, Esq.

February 6, 2013


Page 2

Should you refuse to produce these documents by the date requested above, I will assume that you seek to escalate this matter further. Furthermore, should you, or your client, destroy these requested documents, we will seek all remedies available related to spoliation of evidence.

I remain,

Sincerely,

BRICKLEMYER SMOLKER P.A.

By: 
Ethan J. Loeb

BRICKLEMYER
SMOLKER
ATTORNEYS AT LAW

ethanl@bsbfirm.com

February 7, 2013

Sarah Heard, Chair
Martin County BOCC
2401 SE Monterey Road
Stuart, Florida 34996

Anne Scott, County Commissioner
Martin County BOCC
2401 SE Monterey Road
Stuart, Florida 34996

Ed Fielding, County Commissioner
Martin County BOCC
2401 SE Monterey Road
Stuart, Florida 34996

Re: PUBLIC RECORDS REQUEST

To Whom It May Concern:

In accordance with Chapter 119, Florida Statutes (2013), I hereby request that you produce all public records¹, including e-mails, regarding the following:

1. All communications between you and Maggy Hurchalla;
 2. All notes related to meetings, discussions and conferences with Maggy Hurchalla;
- and
3. All calendars related to meetings, discussions and conferences with Maggy Hurchalla.

Please provide the requested documents to my office no later than February 14, 2013. If you need to charge for copying, please feel free to do so and forward the invoice along with the documents.

For the Firm,

BRICKLEMYER SMOLKER, P.A.

By: 

Ethan J. Loeb

¹ Pursuant to section 119.011(1), Florida Statutes (2013) public records means all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings or other material, regardless of physical form or characteristics, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.

BRICKLEMYER
SMOLKER
ATTORNEYS AT LAW

ethanl@bsbfirm.com

February 14, 2013

VIA ELECTRONIC MAIL

Sarah Heard, Chair
Martin County BOCC
2401 SE Monterey Road
Stuart, Florida 34996

Re: PUBLIC RECORDS REQUEST

Dear Commissioner Heard:

I am in receipt of your response to the attached public records request (Attachment "A"). After inspecting such records, it appears that you use a personal email account to conduct public business (i.e, pockethouse@yahoo.com). Under Florida law, any and all public records sent to or received by you from the account of pockethouse@yahoo.com would qualify for production. In accordance with Chapter 119, Florida Statutes (2013), please produce all public records¹, including e-mails, from the account of pockethouse@yahoo.com, as well. I am copying Assistant County Attorney David Acton on this request.

Thank you in advance for your cooperation. Please provide the requested documents to my office no later than February 19, 2013. If you need to charge for copying, please feel free to do so and forward the invoice along with the documents.

For the Firm,

BRICKLEMYER SMOLKER, P.A.

By: 

Ethan J. Loeb

cc: David Acton, Assistant County Attorney

¹ Pursuant to section 119.011(1), Florida Statutes (2013) public records means all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings or other material, regardless of physical form or characteristics, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.

BRICKLEMYER
SMOLKER
ATTORNEYS AT LAW

ethanl@bsbfirm.com

February 7, 2013

Sarah Heard, Chair
Martin County BOCC
2401 SE Monterey Road
Stuart, Florida 34996

Anne Scott, County Commissioner
Martin County BOCC
2401 SE Monterey Road
Stuart, Florida 34996

Ed Fielding, County Commissioner
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Subject: Re: mess

Date: Thursday, November 21, 2013 6:32:58 PM Eastern Standard Time

From: Ethan J. Loeb

To: Tom Mullin

CC: John Fumero

Let me make really clear what we want. We want ALL emails in their native format from Maggy to Commissioner Fielding and his responses. I ask that you personally get involved in the review of these emails for responsive documents. And of course this request is not limited just to Commissioner Fielding. It includes all to/from emails for all the Commissioners' email accounts in their native format.

Ethan

Ethan J. Loeb

Smolker Bartlett Schlosser Loeb & Hinds, P.A.

ethanl@smolkerbartlett.com

On Nov 21, 2013, at 5:55 PM, "Tom Mullin" <tmullin@sfflaw.com> wrote:

From: Michael Durham [<mailto:mdurham@martin.fl.us>]

Sent: Thursday, November 21, 2013 11:43 AM

To: Tom Mullin; John Fumero

Subject: Fwd: mess

Michael D. Durham

Sent from Email

Begin forwarded message:

From: Ed Fielding <evf7660@gmail.com>

Date: November 19, 2013, 7:01:19 PM EST

To: <mdurham@Martin.FL.US>

Subject: Fwd: mess

----- Forwarded message -----

From: **Maggy Hurchalla** <mhurchalla@hotmail.com>

Date: Sat, Jan 12, 2013 at 11:31 AM

Subject: mess

To: Ed Fielding <evf7660@gmail.com>

Lake Point mess.

Lake Pt is on the agenda Tuesday to accept \$44,000 they should have given you for the "environmental fund"
DON'T DO IT!

If you accept the money it can be argued that the Interlocal agreement with SFWMD and the County is in effect.

IT IS NOT.

Most simply, it does not go into effect until the property is transferred.
The property has not been transferred.

INSTEAD ask staff to bring back an agenda item terminating the Interlocal agreement.

The agreement does not do what the county was promised:

- it does not require the owner to build anything
- it does not guarantee any benefits to the county
- it appears to declare the the project a "county public works project." It is not and cannot qualify under the comp plan. Place the comp plan exception in the record.

Avoid discussion of other issues. Don't complicate things. Just set up a meeting to legally void that contract.

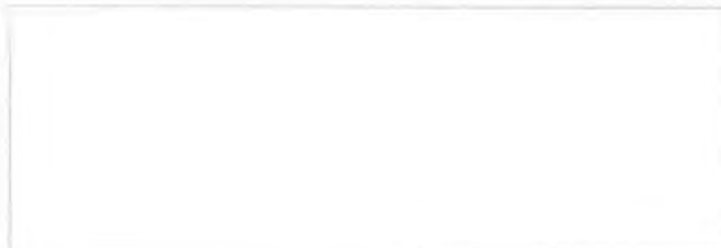
After that has been done staff can be directed to continue to follow up on violations of the county rules for the Lake Pt. SD.

DON'T issue any cease and desist on the mining. Get the contract canceled and wait for staff to come back.

Doug will scream that you are missing an opportunity to save the river and giving up money due the county. Engineering will back him up. Donaldson is Doug's man. Simply point out this is a badly drawn contract that does not protect the county. After it is voided, if the SFWMD and the owner can come back with a contract that does benefit Martin County, we can negotiate a new contract.

I will be home Monday evening 287-0478
Going to Ecuador Wednesday.

Deep Rockpit



"The comments and opinions expressed herein are those of the author of this message and may not reflect the policies of the Martin County Board of County Commissioners. Under Florida Law, email addresses are public records. If you do not want your email address released in response to a public records request do not send electronic mail to this entity. Instead, contact this office by phone or in writing."

←
To, from or subject line
information has been deleted
from email

Maggy Hurchalla <mhurchalla@hotmail.com>

Jan 12

Lake Point mess.

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I will be home Monday evening 287-0478
Going to Ecuador Wednesday.

Deep Rockpit

Jan 12

Ed Fielding <evf7660@gmail.com>

←
Newer email is at the bottom of
email thread instead of top

to Maggy

Maggy, hope it is a most enjoyable trip. Thanks for your observations. Ed

EXHIBIT "E"

EFEMAIL110813-00000001

Sarah Heard

From: Maggy Hurchalla <mhurchalla@hotmail.com>
Sent: Thursday, September 27, 2012 4:11 PM
To: Sarah Heard
Subject: RE: water

Importance: High



Email from Maggy Hurchalla to Sara Heard references Deb as the recipient instead of "Sarah" or "Commissioner Heard"

Deb,
\$445,111.94 has been paid to Martin County thus far for the "per cubic yard fee." It is monitored. Can you tell me the dimensions of the lake at this point? Number of acres in the property? Acres set aside for STAs? No wetland impacts have occurred on this property. The agreement by the county exempted the project from wetland protection under 10.1.E.2e. of the LDRs. Have no wetlands been destroyed because the wetland in the middle of the property was preserved? Or was it deemed "not a wetland"?
RESPONSE: Yes, this can occur as per agreement (after FDEP issues permit, which has occurred), but the transfer has not yet happened. No, the 150 acre conservation area has not been dedicated to the SFWMD or Martin County.
You say "this can occur". Isn't it a requirement? When were mining approvals final? When is the deed to the county due under the agreement?
RESPONSE: Activities to date only include excavation.
The first phase STA was to be dedicated in 3 years. Has work started on the STA?



Document appears to have been cut and pasted as there is no transmittal information from Heard to Hurchalla

Commissioner Heard:

We realize that you have had some communication with Melissa Meeker regarding your questions on Lake Point. The Engineering Department and County Attorney's Office have developed some responses (embedded in email below) to hopefully assist in clarifying some of the statements and issues raised in your email.

We are available for any further discussions on this project and related issues as needed.

Thank you,
Deb Drum

From: Sarah Heard
Sent: Monday, September 10, 2012 2:31 PM
To: Don Donaldson; Nicki VanVonne; Taryn Kryzda
Cc: 'Melissa.Meeker@dep.state.fl.us'
Subject: FW: water

Can someone tell me what's going on here? (see PBPost article below on Lindeman proposing to sell Martin County water to West Palm Beach.)

Please correct me where I'm wrong, but it was my understanding that:

1. Martin County allowed the developer to destroy wetlands because this was a county drainage project. It was supposed to help CERP. It was never mentioned that this was a private project to sell Martin County water to Palm Beach County
RESPONSE: No wetland impacts have occurred on this property.

2. The land was to be deeded to Martin County and the SFWMD.

RESPONSE: Yes, this can occur as per agreement (after FDEP issues permit, which has occurred), but the transfer has not yet happened.

3. The 700 acre preserve was to be deeded to Martin County within a year. Has it been?

RESPONSE: No, the 150 acre conservation area has not been dedicated to the SFWMD or Martin County.

4. After initially claiming that the rockpit had unique geology like the Palm Beach Aggregate rockpits, the WMD and the applicant agreed that it was not a water storage reservoir. It is a hole in the ground that fills up with water from the shallow aquifer. It is across SR 76 from the St. Lucie Canal so whenever canal levels are higher than the reservoir level, seepage, through the aquifer will make water levels the same in the rockpit and the canal. Seepage will also balance levels if the rockpit has higher water levels than the canal.

RESPONSE: The SFWMD can better speak to the technical issues related to water management, operational issues, seepage, etc.

5. Because the aquifer surrounding the rockpit is porous, whenever water is pumped into it, it will seep out to the canal and the surrounding aquifer.

RESPONSE: The SFWMD can better speak to the technical issues related to water management, seepage, etc.

6. The developer was to deed the preserve area to Martin County, create a flow through marsh to recirculate water from the canal through the rockpit and marsh and back into the canal and give the District an easement to connect to L8. Besides digging up rock and selling it, has anything else been done?

RESPONSE: Activities to date only include excavation.

7. The District was supporting the project because it allowed a connection of the St. Lucie Canal and the L8 canal and could provide low flows to the Loxahatchee when the St. Lucie Canal had excess water. There were no modeling studies to show how often the St. Lucie Canal would be discharging excess water when the Loxahatchee needed water.

RESPONSE: The SFWMD can better speak to the technical issues related to water management, seepage, etc.

8. It was not mentioned that the L8 connection also allowed increased water flows to Palm Beach County from Lake Okeechobee when the Lake was too low to flow through Palm Beach County connections. When the Lake is above 15ft, the locks at Port Mayaca are closed and the Lake is cut off from the St. Lucie Canal. When the Lake is 15ft or below, the Port Mayaca locks are open and the St. Lucie Canal is basically an extension of Lake Okeechobee.

RESPONSE: The SFWMD can better speak to the technical issues related to water management, seepage, etc.

9. It is not clear what water the rockpit owner proposes to sell.

- Is it to be withdrawn from the surrounding aquifer and by seepage from the St. Lucie Canal?

- Is it to be pumped from the St. Lucie Canal?

- Will this source be used only when the St. Lucie Canal is discharging at the St. Lucie Locks? How often does that happen and does it ever happen when West Palm Beach needs water?

- Will the source be a direct connection to Lake Okeechobee when the Lake is at or below 15ft? Have additional withdrawals from the Lake been permitted by the SFWMD? Have they been included in CERP calculations?

RESPONSE: There is no reference in the current agreement, nor any additional agreements, that address "selling water." Martin County has not participated in any discussions regarding any plans for "selling water."

10. The rockpit was supposed to pay a per cubic yard fee to Martin County. Have we monitored digging? Do we know the current dimensions of the rockpit and how much fill was removed? What is the rate per yard Martin County receives and how much have we been paid so far?

RESPONSE: \$445,111.94 has been paid to Martin County thus far for the "per cubic yard fee." It is monitored.

11. Have wetlands been destroyed? How many acres? What mitigation has taken place?

RESPONSE: No wetlands have been destroyed.

Thanks.

Sarah Heard

Private companies lobby to dig reservoirs and sell water to West Palm

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By Christine Stapleton and Andrew Abramson

Palm Beach Post Staff Writer

Although West Palm Beach water officials say they don't need help from outsiders to buttress their supply, two rock-mining companies want the city to buy into their plans to build reservoirs and then sell the water to the city.

Plans to build reservoirs and sell water to thirsty communities have been discussed for years. But the city has recently become the darling of the mining companies — Palm Beach Aggregates LLC and Lake Point Restoration — as officials look for ways to drought-proof the city after last year's record-breaking dry spell. The city's antiquated and unreliable water supply system left the city with just a 60-day supply of water during the peak of the drought. Since then, city staff has been working to develop its own plan to ensure the city has enough water. By adding nine wells, capturing more water that would otherwise flow to tide and improving storage and pumps, the city should have enough water, according to Jim Andersen, a hydrogeologist at JLA Geosciences in Jupiter, which has been working with the city on water supply issues.

"In summary and the bottom line is that the city's existing water supply plan provides enough water through 2032, even during a 1-in-100-year drought," Andersen told commissioners before both mining companies presented their reservoir plans at an Aug. 20 workshop on the city's long-term water supply.

Building reservoirs and selling water would allow the mining companies to expand their product bases. Demand for shellrock has varied, especially as the economy tanked and road and construction projects have been cut. However, the demand for water is projected to grow and there is only so much water that can be sucked from aquifers and wells. Reservoirs offer the promise of storing stormwater that is currently flushed into waterways and of avoiding water wars like those being waged in other communities around Florida and the nation.

"We're not seeing that right now, but I think with pretty good certainty it's coming to us," commissioner Kimberly Mitchell said during the workshop. "We have got to build and really pay attention to a good reservoir system for sustainability into the future."

Earlier this year Palm Beach Aggregates LLC — a partnership between Florida Crystals and Palm Beach Aggregates — watched a reservoir plan it had been working on fizzle, as many public water utilities in Palm Beach and Broward counties it hoped would chip in declined to pay for a \$755 million project they wouldn't need for decades.

Meanwhile, in western Martin County, Lake Point Restoration began looking at other opportunities for its 1,005-acre mining operation. The company purchased the land, located on the edge of Lake Okeechobee, in January 2008 for \$29.5 million. Today, it's assessed value is \$6.2 million.

Lake Point has most of the canals needed to send water to the city and has a tentative plan to partner with American Water, the county's largest investor-owned water and wastewater service provider.

"I see this as an additional source of revenue for the city," said commissioner Shanon Materio, who described the public-private partnership with Lake Point as a "wonderful opportunity. "There's an opportunity for us to sell water, not just to Palm Beach but to other communities."

Unlike other large cities in South Florida, which have reliable water supplies from wells, West Palm Beach relies on surface water — much of it travelling down 20 miles of canals, as it makes its way from Lake Okeechobee to Clear Lake in West Palm. The antiquated system is susceptible to drought, as the city learned last year, when Lake Okeechobee was so low that gravity would not pull its water into the canals and wetlands that feed Lake Mangonia and Clear Lake — the final stops before the water reaches the city's treatment plant on Australian Avenue.

That vulnerability has made the city the target of the mining companies' lobbying efforts. They know that West Palm Beach, more than any other city on the coast, has the least reliable water supply and that after the 2011 drought city commissioners vowed to find a more plentiful source of water — fast. In response, city water officials came up with their own plan, which includes dredging Clear Lake and re-positioning pumps that draw water from Clear Lake.

The plan also calls for drilling 10 wells, which would produce as much as 14.4 million gallons per day, and storing water in a well that was drilled 14 years ago but never used. Those improvements would provide enough water through 2032, even during a severe drought that could be expected to occur once every 100 years, according to city staff.

Mayor Jeri Muoio said she views reliance on a reservoir as an insurance policy.

"We have a really good plan for a one-in-100-year drought," Muoio said at the meeting. "The question I think we all, as a commission, need to answer is, if this is enough insurance or do we need more insurance ... What's the policy we all want to have?"

Palm Beach Aggregates got into the reservoir business in 2003, after convincing the South Florida Water Management District that its pits off Southern Boulevard could store 15 billion gallons of water. The district, the agency responsible for the region's water supply, purchased the pits for \$217 million. However, ancient sea water trapped in the limestone pits contaminated the reservoir, called the L-8 Reservoir, making its water undrinkable and unfit for recharging wetlands.

Ernie Cox, Palm Beach Aggregates' project manager for the newly proposed reservoir, called the C-51 Reservoir, told city commissioners that contamination would not be a problem because the proposed reservoir is much shallower than the one that got contaminated. Stormwater stored in it would reduce the amount of water flushed to tide via the C-51 canal and would instead be sent south, to communities that needed it.

The Lake Worth Drainage District would oversee the C-51 project and communities would pay for as much water as they needed, under the Palm Beach Aggregates plan. Support was strong, until utilities were told they needed to pony up \$25,000 in good-faith money. Most cities backed out, saying they could not justify spending money for water they would not need for decades. Palm Beach Aggregates has since diced the project into phases to be built when the need arises.

Cox said the company will not begin phase one until enough cities have signed up to use the 35 million gallons a day that the phase one reservoir could produce. West Palm Beach needs 28 million gallons of water a day. As of now, no cities have signed on, Cox said.

"It's not dependent on West Palm Beach or one city," Cox said. "If there are enough utilities to say, 'we need phase one,' we will build phase one."

Lake Point Restoration, by contrast, has no other potential customers besides West Palm Beach but anticipates there could be in the future. "There are, sadly, many others with needs," said Honey Randy, spokesperson for the project. Palm Beach County Utilities Director Bevin Beaudet, however, said after meeting with Lake Point Restoration officials and reviewing their plans that he was not convinced the reservoir could meet water needs during a drought.

For now the companies and the city are waiting for more information.

Lake Point Restoration says it needs more data from the city regarding the workings of the existing system and future demand before it can project what the reservoir's water would cost. The city is waiting for Palm Beach Aggregates to provide cost estimates based on building the project in phases. Palm Beach Aggregates is waiting for its consultants to detail the phase one plan.

No decisions have been made. No deadlines have been set. But the city has decided to put out a request for proposals to allow others to come forward with other water supply plans.

"I can see how a private partnership is enticing and would work in some situations," said Davide Carbone, CEO of St. Mary's Medical Center and also a member of the Mayor's task force on water. "Still, you are always at risk. Ultimately, the rate payer pays the bill."

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