

**DEVELOPMENT AGREEMENT BETWEEN PASCO COUNTY, AND
ESTANCIA TAMPA, LLC, AS CONSENTED TO BY LAKESHORE
RANCH COMMUNITY DEVELOPMENT DISTRICT, FOR LAKESHORE
RANCH PHASES 2 & 3**

THIS DEVELOPMENT AGREEMENT (DA) is made and entered into by and between Pasco County, a political subdivision of the State of Florida, by and through its BOARD OF COUNTY COMMISSIONERS, hereinafter called "COUNTY" and ESTANCIA TAMPA, LLC, a Delaware limited liability company, the successor "Developer" and owner of Record for Lakeshore Ranch Phases 2 & 3, a MPUD Master Planned Unit Development, and it assigns, hereinafter called "DEVELOPER," and LAKESHORE RANCH COMMUNITY DEVELOPMENT DISTRICT ("CDD").

W I T N E S S E T H:

WHEREAS, the COUNTY is authorized by the Florida Local Government Development Agreement Act, Sections 163.3220-163.3243, Florida Statutes (F.S.), to enter into a DA with any person having a legal or equitable interest in real property located within its jurisdiction; and

WHEREAS, on July 24, 2007, Pasco County approved the record plat for Lakeshore Ranch Phases 2 & 3 which was recorded on July 25, 2007 in Plat Book 63, Pages 051- 099 of the Public Records of Pasco County, Florida (hereinafter called "Total Project" or "Lakeshore Ranch Phases 2 & 3"); and

WHEREAS, Lakeshore Ranch Phases 2 & 3 consists of Lots 1 through 427, plus all required streets, utilities, stormwater improvements and other infrastructure necessary to adequately serve such lots; and

WHEREAS, Lots 342 through 427, inclusive, of Lakeshore Ranch Phases 2 & 3, including all infrastructure improvements to adequately serve such lots (collectively, the "Completed Lots and Improvements"), have been completed, approved and found to be acceptable by the COUNTY; consequently, such Completed Lots and Improvements are not subject to this DA or included in the improvements subject to the Existing Performance Bond (as described below); and

WHEREAS, Lots 1 through 341, inclusive of Lakeshore Ranch Phases 2 & 3, and the infrastructure improvements needed to adequately serve such lots (collectively, the “Incomplete Lots and Improvements”) have not been completed, approved or found to be acceptable by the COUNTY; consequently, such Incomplete Lots and Improvements are subject to this DA and are included in the improvements subject to the Existing Bond (as described below); and

WHEREAS, for purposes of this DA, all references to the “Project” shall refer to and be defined as the Incomplete Lots and Improvements (i.e., the Total Project less and except the Completed Lots and Improvements); and

WHEREAS, the Developer is the successor in title to Lo Land Assets, LP, the original developer of the Total Project (“Lo Land”), by virtue of that certain Special Warranty Deed from Lo Land to the Developer dated June 29, 2009 as recorded in Official Records Book 8116, Page 1970, Public Records of Pasco County, Florida; and

WHEREAS, as a result of the general decline in the economy and the specific decline in the real estate market the Developer anticipates it will take more time than originally planned by Lo Land to market and sell the Project; and

WHEREAS, the Developer has previously caused K. Hovnanian Windward Homes, LLC (“KHOV Windward”) to deliver to the County a Performance Bond bearing Bond Number 104949959 in the amount of \$11,165,612.38 (the “Existing Performance Bond”); and

WHEREAS, the obligations of Lo Land with respect to the Completed Lots and Improvements were subsequently completed and as a result the County thereafter reduced the amount of the Existing Performance Bond to the amount of \$8,883,447.88 as a guarantee of completion of certain subdivision infrastructure related only to the Incomplete Lots and Improvements (i.e., Lots 1 through 341 and related infrastructure) as set forth below; and

WHEREAS, the Developer is desirous of providing for additional time to not only market and sell said lots within the Project, but also wishes to postpone the installation of required subdivision improvements (“horizontal infrastructure”) and the posting of any required performance guarantees for the installation of such improvements related to Lots 1 through 341 until such time as the Developer intends to sell the Lots 1 through 341 to the general public; and

WHEREAS, the Total Project has received all certificates of capacity required at the time of record platting pursuant to Section 402.3.B.2 of the County’s Land Development Code, which

provides that final certificates of capacity, once issued, shall not expire, and shall constitute a permanent reservation of capacity, subject to the additional review and revocation requirements set forth in the Ordinance relating to modifications to the development; and,

WHEREAS, the Developer wishes to retain this permanent reservation of capacity for the Project as the Developer postpones the development of portions of the Project and other marketing and sales efforts in response to the ongoing economic downturn; and,

WHEREAS, the Developer previously satisfied all its transportation concurrency obligations and all other concurrency obligations related to the Total Project as required at the time of recording of the Plat of Lakeshore Ranch Phases 2 & 3; and,

WHEREAS, the Developer has agreed to reasonable limits (as further defined herein) on its ability to sell individual lots within the Project to the general public during this five (5) year extension period (as it may be extended as set forth herein) in order to address the County's concern that the subdivision lots within the Project might otherwise be purchased by members of the general public without assurance of the required infrastructure improvements.

NOW, THEREFORE, in consideration of the mutual covenants and provisions herein contained and other good and valuable consideration, receipt, and sufficiency of which is hereby acknowledged, the COUNTY and the DEVELOPER hereby agree as follows:

1. WHEREAS CLAUSES

The WHEREAS clauses set forth above are incorporated herein by reference and made a part of this DA.

2. PURPOSE

It is the purpose and intent of this DA to further set forth terms and conditions of the development approval of the Project as the same relate to the timing of construction of subdivision improvements, the suspension of any requirement to post performance guarantees, and the payment to the County of an additional transportation concurrency payment. This DA is intended to define the terms and conditions of the COUNTY'S and the DEVELOPER'S agreement authorizing additional time for the completion of subdivision infrastructure of the Project, the Project's retention of its vested concurrency status, and the Developer's obligation for an additional transportation concurrency payment in an amount equal to the annual cost of

providing a performance bond in lieu of actually providing such performance bond to the County. All terms and conditions of this DA shall be interpreted in a manner consistent with, and in furtherance of, the purpose as set forth herein.

3. GENERAL REQUIREMENTS

a. Legal Description: The land (i.e., the Project) subject to this DA is identified as Lots 1 through 341 of the Plat for Lakeshore Ranch Phases 2 & 3 recorded in Plat Book 63, Pages 051 through 099, inclusive, of the Public Records of Pasco County, Florida. The holder of legal title to said lots is DEVELOPER, 2020 Main Street, Suite 1100, Irvine, CA 92614. The holder of legal title to Tracts JJ, PS-1 and PS-2 of said Plat for Lakeshore Ranch Phases 2 & 3 is the COUNTY. The holder of legal title to the remaining Tracts with said Plat for Lakeshore Ranch Phases 2 & 3 is the CDD whose address is c/o District Manager, Rizzetta & Company, Attn: Matthew E. Huber, 5844 Old Pasco Rd., Suite 100, Wesley Chapel, FL 33544. Pursuant to Section 163.3239, F.S., the burdens of this DA shall be binding upon and the benefits of the DA shall inure to all such legal and equitable owners and their successors in interest.

b. Duration and Effective Date: This DA shall be for the duration of eight (8) years, subject to any extensions, conditions precedent or termination provisions herein or mutual agreement, from the effective date of this DA. The effective date of this DA shall be the date of approval of this DA by the COUNTY.

c. Development Uses of Land: The Total Project is currently zoned MPUD Master Planned Unit Development. The MPUD Master Plan Rezoning Petition, as originally approved by the County on July 24, 2004 (Petition No. 6194) and as last modified on March 13, 2007 (Petition No. 6518), sets forth the permitted uses for the Total Project.

d. Public Facilities: Adequate transportation facilities for the Total Project will be provided through transportation facilities required by the Pasco County Land Development Code (LDC) and Comprehensive Plan. Adequate potable water and wastewater services for the Total Project are available through the COUNTY'S existing water and sewer lines subject to a Utilities Services Agreement with the COUNTY, and the MPUD Master Planned Unit Development Conditions of Approval. Adequate disposal services for the Total Project are available through existing licensed collectors and the COUNTY'S Solid Waste Disposal and Resource Recovery System subject to applicable provisions of the Code of

Ordinances and the Comprehensive Plan. All drainage improvements necessary to serve the Total Project will be provided by the DEVELOPER or the CDD in accordance with the terms and conditions of the MPUD Master Planned Unit Development, this DA, the COUNTY'S approved construction plans, and satisfaction of all County, State, and Federal regulations.

e. Reservations or Dedications for Public Purpose: All reservations and dedications for public purposes (right[s]-of-way) for the Total Project have previously been provided in accordance with any MPUD Master Planned Unit Development Conditions of Approval, the COUNTY'S Comprehensive Plan Transportation Corridor Goals, Objectives, Policies, Maps, and Tables, and the COUNTY'S Right-of-Way Preservation Ordinance.

f. Local Development Permits Needed: Prior to the construction of any required improvements for the Project, the DEVELOPER shall obtain any necessary development approvals in accordance with the LDC. This provision does not exempt the DEVELOPER from obtaining all other permits required by agencies with jurisdiction over the Project.

g. Findings: The COUNTY has found that the Total Project, as permitted and platted, is consistent with the portions of the Comprehensive Plan applicable to the Total Project development approvals obtained as of the date of this DA subject to the provisions of the MPUD zoning , preliminary/construction plan approval of March 24, 2005 (DR05-1057), as last amended on February 8, 2007, (DR07-834), and this DA.

h. Requirements Necessary for the Public Health, Safety, and Welfare: The conditions, terms, restrictions, and other requirements determined to be necessary by the COUNTY for the public health, safety, or welfare of its citizens with respect to the Project have been identified and included within the DO conditions and this DA. In addition, the DEVELOPER shall be subject to the MPUD Master Planned Unit Development Conditions of Approval and the other applicable provisions of the LDC, Code of Ordinances, and Comprehensive Plan with respect to the Project that are necessary for the public health, safety, and welfare.

i. Compliance with Legal Requirements and Permitting: The failure of this DA to address a particular permit, condition, term, or restriction with respect to the Project shall not relieve the DEVELOPER of the necessity of complying with the laws governing the said permitting requirement, condition, term, or restriction.

j. Zoning and Comprehensive Plan Issues: The current Comprehensive Plan Future Land Use Map classifications for the Total Project is RES-3. The proposed development of the Total Project is consistent with the applicable provisions of the RES-3 classification; and the Policies of the Comprehensive Plan. The zoning classification for the Total Project is MPUD Master Planned Unit Development.

4. EXTENSION AND ADDITIONAL TRANSPORTATION CONCURRENCY PAYMENT FOR THE PROJECT IN LIEU OF PERFORMANCE GUARANTEE

a. Five Year Extension: For a period of five (5) years, as such period may be extended as set forth below, commencing on the effective date of this DA, the Developer shall not be required to either: (1) construct the subdivision improvements related to Lots 1 through 341 of Lakeshore Ranch Phases 2 & 3; or, (2) post any performance guarantee in favor of the County assuring completion of any such improvements related to said Lots 1 through 341 unless the Developer voluntarily agrees to do so in accordance with the authorizations contained herein. This DA shall not affect bonding or performance guarantee requirements of FDOT, if any.

b. Additional Transportation Concurrency Payment: Within fifteen (15) business days from the effective date of this DA, the COUNTY shall execute such documentation as may be necessary to cancel said Existing Performance Bond, and return said Bond and any accompanying amendments and/or riders in a timely manner after receiving approval from the Board of County Commissioners thereto to KHOV Windward . In exchange for the County's prompt performance of the foregoing and other considerations as set forth in this DA, the Developer agrees to pay to the County annually an "additional transportation concurrency payment" in the amount of \$58,319.42, (indexed annually by 6.6 percent) which is the estimated annual cost of providing a bond to assure completion of the required subdivision improvements each year during the term of this DA ("Payment"). If the Project is developed in phases as herein allowed, the Payment shall be adjusted subject to the County's review and approval of the cost estimate on the uncompleted, remaining phases. The first annual Payment shall be made to the County within 30 days of the County's approval of this DA, and then annually thereafter (including the annual index) on or before each anniversary date of this DA.

c. Right-of-way Conveyance: The Developer has previously satisfied all of its obligations for right-of-way conveyance for the Total Project. The Developer agrees not to

seek a variance, dedication waiver, or otherwise challenge such right-of-way conveyance obligations. If the portion of the Plat related to the Project is vacated pursuant to paragraph 6 or 9.b. hereof, the County shall endeavor not to vacate any dedicated right-of-way tracts and/or any other publicly dedicated tracts and, if needed, the Developer agrees to convey by deed any right-of-way tracts and/or other publicly dedicated tracts to the party to which such tracts were previously conveyed by plat dedication.

d. Vesting for Concurrency Purposes: The County acknowledges and agrees that the Total Project is currently vested for purposes of concurrency under Section 402 of the Pasco County Land Development Code and that the Project shall remain vested for concurrency purposes during the full term of this DA as long as the Developer has met all material obligations imposed upon it hereunder. Nothing contained herein shall affect the vesting of the Completed Lots and Improvements.

e. Option to Renew for One Additional Year: The Developer shall have the option, in its discretion, to renew the extension set forth in paragraph 4.a above three (3) periods of one (1) additional year each by paying to the County the Payment for each such one (1) additional year. This option may be exercised by the Developer notifying the County in writing at least ninety (90) days prior to the expiration of the initial five (5) year period above, or each one (1) year extension period, as appropriate, and submitting at the same time the Payment set forth above attributable to the applicable one (1) year extension. The one-year extensions shall be subject to the same limitations set forth in paragraph 5 below.

f. Use of the Additional Transportation Concurrency Payments: The County shall utilize each Payment set forth in this DA for design, right-of-way acquisition or construction of short or long-term capacity or mobility improvements that benefit U.S. 41, Ridge Road, SR 54 and/or SR 52, as more specifically identified in the County's Capital Improvement Plan and Capital Improvement Element. This obligation shall not affect the expenditure of transportation impact fees paid for the Project, which may be expended in accordance with the County's adopted transportation impact fee ordinance ("TIF Ordinance").

5. LIMITATIONS ON LOT SALES DURING PENDENCY OF AGREEMENT

a. Sale of Individual Lots: The Developer agrees and acknowledge a copy of this DA shall be recorded in the public records of Pasco County and that during the five (5) year extension authorized pursuant to paragraph 4. a. above, as it may be extended as set forth

above, no individual lots included in the Project will be sold to members of the general public and no building permits will be issued by the County for single family home construction within the Project unless the Developer has specifically complied with the requirements of paragraph 5.c. below.

b. Transfer to Another Developer: Notwithstanding the foregoing, the Developer may sell or transfer some or all the lots within the Project to a successor developer provided the Developer has provided a copy of this DA to the successor developer prior to any sale and the successor developer agrees in writing to be bound by the terms of conditions of this DA. For purposes of this DA, the term “successor developer” shall not include home builders who do not have primary responsibility for the construction of the horizontal infrastructure required for the subdivision; the sale of lots to such homebuilders shall be governed by paragraphs 5.a. and 5.c.

c. Release of Lots for Sale to Public: The Developer shall have the right to remove a portion of the lots within the Project from the restriction set forth in paragraph 5.a. above by acquiring the County’s approval for a sub-phase consisting of all the lots to be removed from the restriction and by either constructing all necessary subdivision improvements required by the County to adequately serve the sub-phase, or posting an acceptable performance guarantee for the necessary improvements for the sub-phase as required by Section of 306.14 of the Pasco County Land Development Code. The release of such lots shall not affect the Developer’s obligation to make the Payments required by paragraph 4.b. The Payments shall be adjusted as set forth above upon the phased development of the Project.

d. Any lots within the Project that are removed from the restrictions pursuant to paragraph 5.c. above shall thereafter be considered to be part of the Completed Lots and Improvements, and shall be removed from the definition of “Project”, but shall remain part of the Total Project. Upon such removal from said restrictions, the Developer and others who may own title to or build homes on said released lots, shall have the right to sell and convey said released lots, and subject to compliance with all applicable County and governmental requirements may obtain building permits and certificates of occupancy with respect to said released lots..

e. Nothing contained in this DA shall affect the ability of the Developer and others who may own title to or build homes on Lots 342 through 427, inclusive of Lakeshore

Ranch Phases 2 & 3, to sell or convey said lots, and to obtain building permits and/or certificates of occupancy with respect thereto.

6. OBLIGATIONS AT END OF EXTENSION

a. Within the later of ninety (90) days of the expiration of the five (5) year extension identified in paragraph 4.a., or within ninety (90) days of the expiration of any additional one (1) year renewal period set forth in paragraph 4.e above, if that option is exercised, the Developer shall either (i) submit to the County a performance guarantee as required by Section 306.14 of the Pasco County Land Development Code covering the costs of completing all remaining uncompleted subdivision improvements within the Project, or (ii) construct all necessary subdivision improvements required by the County to adequately serve the Project or any the sub-phase thereof. However, if at the end of the five (5) year extension (as it may be extended for up to three (3) one (1) year periods) the Developer does not wish to retain or extend its vested concurrency status as to all, or a portion, of the platted lots within the Project, then the Developer shall have the right to seek a vacation of those portions of the plat of Lakeshore Ranch Phases 2 & 3 that it no longer wants vested for purposes of concurrency and upon such vacation the amount of the performance guarantee will be adjusted to reflect the cost of the remaining uncompleted subdivision improvements. for the portions of the Project which remain platted.

b. The Developer recognizes that the Payments required by this DA are to ensure a reservation of transportation capacity/concurrency with respect to the Project for the five (5) year extension period identified in paragraph 4.a., and for any additional one (1) year renewal period set forth in paragraph 4.e. Accordingly, even if the Developer elects to vacate a portion of the plat and lose its vested concurrency status for the vacated portion, the Payments required by this DA, and the previously conveyed right-of-way contributions, shall be non-refundable.

7. TRANSPORTATION IMPACT FEES AND CREDITS

a. Transportation Impact Fees: The DEVELOPER and Project shall be assessed transportation impact fees in accordance with the COUNTY'S adopted TIF Ordinance as amended and this DA.

b. Transportation Impact Fee Credits: The Developer shall not be entitled to transportation impact fee credits for the Payments made hereunder or for any previously conveyed right of way contribution.

c. Other Impact Fees: Nothing contained in this DA shall excuse the payment of any other non TIF'S required to be paid in accordance with the laws and ordinances of the COUNTY as may be amended.

8. INDEMNIFICATION AND INSURANCE

For and in consideration of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the DEVELOPER shall indemnify, defend, and hold harmless the COUNTY and all of its agents and employees from and against any and all claim, liability, loss, damage, cost, attorney's fee, charge, or expense of whatever kind or nature which the COUNTY may sustain, suffer, or incur, or be required to pay arising out of any act, action, neglect, or omission by the DEVELOPER during the performance of this DA, any work under this DA, or any part thereof, whether direct or indirect; or by reason or result of injury caused by the DEVELOPER'S negligent maintenance of the property over which the DEVELOPER has control; or by reason of a judgment over and above the limits provided by the insurance required under this DA;, except that the DEVELOPER will not be liable under this provision for damages arising out of the injury or damage to persons or property directly caused or resulting from the sole negligence of the COUNTY or any of their agents or employees. The DEVELOPER'S obligation to indemnify, defend, hold harmless as described hereinabove, shall arise within seven (7) days of receipt by the DEVELOPER of the COUNTY'S written notice of claim for indemnification to the DEVELOPER. The notice of claim for indemnification shall be served pursuant to the notice provisions contained in Paragraph 9.g. The DEVELOPER'S obligation to defend and indemnify within seven (7) days of receipt of such written notice shall not be excused because of the DEVELOPER'S inability to evaluate liability or because the DEVELOPER evaluates liability and determines the DEVELOPER is not liable or determines the COUNTY is solely negligent. Only a final, adjudicated judgment finding the COUNTY solely negligent shall excuse performance of this provision by the DEVELOPER. If a judgment finding the COUNTY solely negligent is appealed and the finding of sole negligence is reversed, the DEVELOPER shall be obligated to indemnify the COUNTY for the cost of the appeal(s). The DEVELOPER shall pay all costs and fees related to this obligation and its enforcement by the COUNTY.

9. GENERAL PROVISIONS

a. Independent Capacity: The DEVELOPER and any consultants, contractors, or agents are and shall be, in the performance of all work, services, and activities under this DA, independent contractors and not employees, agents, or servants of the COUNTY or joint ventures with the COUNTY. The DEVELOPER does not have the power or authority to bind the COUNTY in any promise, agreement, or representation other than specifically provided for in this DA. The COUNTY shall not be liable to any person, firm, or corporation who contracts with or provides goods or services to the DEVELOPER in connection with the horizontal infrastructure improvements, or for debts or claims accruing to such parties against the DEVELOPER. There is no contractual relationship expressed or implied between the COUNTY and any other person, firm, or corporation supplying any work, labor, services, goods, or materials to the DEVELOPER as a result of the horizontal infrastructure improvements.

b. Default By Developer:

(i) If the DEVELOPER fails to meet any of the time frames set forth herein, unless extended pursuant to this DA, and such default continues for thirty (30) days after Developer's receipt of written notice thereof, then it shall be considered a default of this DA entitling the COUNTY to require the Developer to post the performance guarantee for the Project required by Section 306.14 of the Land Development Code, or entitling the County to exercise any other remedy allowed by law, provided however, that if such default is a non-monetary default and the DEVELOPER has, in the opinion of the COUNTY reasonably exercised, initiated good faith efforts to remedy such default, then the COUNTY shall provide the DEVELOPER with a reasonable amount of additional time to cure such non-monetary default.

(ii) In the event of a default pursuant to this DA that has not been cured within the applicable time frames set forth herein, this DA shall be considered the DEVELOPER'S application for, and consent to, County vacation pursuant to Section 177.101, Florida Statutes, of that portion of the Plat of Lakeshore Ranch Phases 2 & 3 constituting the Project at the time of such default provided however, the County reserves the right not to vacate dedicated rights-of-way and/or any other publicly dedicated Tract(s) within said plat. In addition, upon the said default, the issuance of building permits and other development approvals with respect to the Project shall cease until the default has been cured to the reasonable satisfaction of the COUNTY.

(iii) A default hereunder shall have no affect on Lots 342 through 427, inclusive of Lakeshore Ranch Phases 2 & 3, or any Lots which have been removed from the restrictions pursuant to paragraph 5.c. above, and are no longer considered to be part of the Project.

c. Time Extensions: In the event the DEVELOPER is unable to meet a deadline as set forth in this DA, the DEVELOPER may, prior to the deadline, submit a request to the County Administrator for an amendment to this DA to extend the deadline, and the County Administrator agrees to submit such requests to the COUNTY within thirty (30) days unless the DEVELOPER agrees to extend the said submitted time period beyond thirty (30) days.

d. Termination: The COUNTY may terminate this DA upon the DEVELOPER'S failure to comply with the terms and conditions of this DA. The COUNTY shall provide the DEVELOPER with a written Notice of Termination, stating the COUNTY'S intent to terminate and describing those terms and conditions with which the DEVELOPER has failed to comply. If the DEVELOPER has not remedied the failure or initiated good faith efforts to remedy the failure within thirty (30) days after receiving the Notice of Termination, or thereafter is not proceeding with due diligence to remedy the failure, then the COUNTY may terminate this DA immediately without further notice, and the DEVELOPER shall not thereafter be entitled to any reimbursement or compensation for the proportionate share payments or right of way contributions made prior to the termination. This paragraph is not intended to replace any other legal or equitable remedies available to COUNTY under Florida law, but it is in addition thereto. Such termination shall have no affect on Lots 342 through 427, inclusive of Lakeshore Ranch Phases 2 & 3, or any Lots which have been removed from the restrictions pursuant to paragraph 5.c. above, and are no longer considered to be part of the Project.

e. Notice: Whenever one (1) party gives notice to the other party concerning any of the provisions of this DA, including notice of termination, such notice shall be given by overnight delivery service for next business day delivery. The said notice shall be deemed given on the business day following delivery to such overnight delivery service for next business day delivery. Notices shall be addressed as follows: (i) Estancia Tampa, LLC, 2020 Main Street, Suite 1100, Irvine, CA 92614 and 2711 Centerville Road, Suite 400, Wilmington, DE 19808; (ii) Lakeshore Ranch Community Development District, Rizetta & Company, Attn: Matthew E. Huber, 5844 Old Pasco Rd., Suite 100, Wesley Chapel, 33544, and (iii) Pasco County, c/o Bipin Parikh, P.E., Assistant County Administrator (Development Services), West

Pasco Government Center, 7530 Little Road, Suite 320, New Port Richey, Florida 34654, with a copy to David A. Goldstein, Chief Assistant County Attorney, West Pasco Government Center, 7530 Little Road, Suite 340, New Port Richey, Florida 34654. These addresses may be changed by giving notice as provided for in this paragraph. Additionally, until such time as the Existing Performance Bond has been cancelled and returned to KHOV Windward as provided in Section 4.b of this DA, a copy of any and all notices delivered under this DA shall also be given to KHOV Windward as follows: K. Hovnanian Windward Homes, LLC, 5439 Beaumont Center Blvd., Suite 1010, Tampa, FL 33634, Attention Vice President – Tampa Division, with a copy to Lee E. Nelson, Esq., Shutts & Bowen LLP, 100 South Ashley Drive, Suite 1500, Tampa, FL 333602.

f. Entire Agreement: This DA embodies and constitutes the entire understanding and agreement between the parties with respect to the transactions contemplated herein, and this DA supersedes all prior and contemporaneous agreements, understandings, representations, communications, and statements, either oral or written; provided, however, that nothing shall relieve the DEVELOPER of any development approval requirements or conditions previously imposed or authorized to be imposed under the COUNTY'S LDC or Comprehensive Plan for future permits required by the DEVELOPER; and provided further that nothing contained herein shall be deemed to modify the terms of the Utilities Services Agreement with the COUNTY.

g. Modification and Amendment: Neither this DA, nor any portion hereof, may be waived, modified, amended, discharged, nor terminated, except as authorized by law pursuant to an instrument in writing, signed by the party against which the enforcement of such waiver, modification, amendment, discharge, or termination is sought and then only to the extent set forth in such instrument.

h. Waiver: The failure of any party to this DA to object to or to take affirmative action with respect to any conduct of the other which is in violation of the terms of this DA shall not be construed as a waiver of the violation or breach or of any future violation, breach, or wrongful conduct.

i. Contract Execution: This DA may be executed in several counterparts, each constituting a duplicate original, but all such counterparts shall constitute one (1) and the same agreement.

j. Gender: Whenever the contract hereof shall so require, the singular shall include the plural, the male gender shall include the female gender and the neuter and vice versa.

k. Headings: All article and descriptive headings of paragraphs in this DA are inserted for convenience only and shall not affect the construction or interpretation hereof.

l. Severability: Each provision of this DA is material to the Board of County Commissioners' approval of this DA. Accordingly, the provisions are not severable. In the event any section, sentence, clause, or provision of this DA is declared illegal or invalid by a body with jurisdiction to make such determination, the remainder of this DA with respect to the Project shall be suspended until such time the Board of County Commissioners modifies the DA to address the illegal or invalid provision; provided however, such determination shall not affect the validity of Project entitlements for which a complete application for Building Permit or Certificate of Occupancy has been made, or any proportionate share payments or right of way contributions made, as of the date the determination is made. DEVELOPER requested amendments to this DA shall not be considered challenges to this DA and decisions by the Board of County Commissioners regarding any DEVELOPER-requested amendments, or the like, shall not have the effect of suspending this DA under any circumstances. Notwithstanding the foregoing, if a third party challenges any section, subsection, sentence, clause, or provision of the DA and the challenged portion of the DA is subsequently declared illegal or invalid, this DA shall not be suspended, and shall remain in full force and effect except for that portion declared illegal or invalid. If any section, subsection, sentence, clause, or provision of this DA is declared illegal or invalid as the result of a third party challenge, the DEVELOPER shall cooperate with the COUNTY to amend this DA to address the portion which has been declared invalid or illegal.

m. Construction: The parties hereby agree that each has played an equal part in the negotiation and drafting of this DA and, in the event any ambiguity should be realized in the construction or interpretation of this DA, the result of such ambiguity shall be equally assumed and realized by each of the parties to this DA.

n. Cancellation: This DA may be canceled by mutual consent of the parties to the DA.

o. Third Party Beneficiaries: Nothing in this DA shall be construed to benefit any person or entity not a party to this DA other than KHOV Windward who shall be an intended third party beneficiary for purposes set forth above in 4.b. and any other provisions to allow KHOV Windward to obtain the release and cancellation of the Existing Performance Bond.

p. Strict Compliance with Laws: The DEVELOPER agrees that acts to be performed by it in connection with this DA shall be performed in strict conformity with all applicable Federal, State, and local laws, rules, regulations, standards, and guidelines.

q. Nondiscrimination: The DEVELOPER will not discriminate against any employee employed in the performance of this DA or against any applicant for employment because of race, creed, color, handicap, national origin, or sex. The DEVELOPER shall insert a similar provision in all contracts for the horizontal improvements.

r. Signatories Authority: By the execution hereof, the parties covenant that the provisions of this DA have been duly approved and signatories hereto are duly authorized to execute this DA.

s. Right-of-Way Use Permit: If applicable, the DEVELOPER shall obtain an appropriate Right-of-Way Use Permit from the COUNTY or FDOT.

t. Controlling Law: This DA shall be governed by and construed in accordance with the laws of the State of Florida. Venue for any litigation arising from this DA shall be in Pasco County, Florida.

u. Successors and Assigns: The terms of this DA shall run with the land and be binding upon the DEVELOPER and its successors and assigns. Subject to the restrictions set forth in paragraph 5. above, the DEVELOPER may assign this DA and all its rights and obligations hereunder to any person, firm, corporation, or other entity and any such assignee shall be entitled to all the rights and powers of such participation hereunder. Upon any such assignment, such assignee shall succeed to all the rights and obligations of the assignor hereto, and shall, for purposes of specific rights and/or obligations assigned, or otherwise, all purposes hereof, be substituted for such participant.

v. Force Majeure: In the event the DEVELOPER'S or COUNTY'S performance of this DA is prevented or interrupted by consequent act of God, or of the public enemy, or national emergency, or a governmental restriction upon the use or availability of labor or materials, or civil insurrection, riot, racial or civil rights disorders or demonstration, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, sinkholes, earthquake, or other casualty, disaster, or catastrophe, or judgment, or a restraining order or injunction of any court, the DEVELOPER or COUNTY shall not be liable for such nonperformance, and the time of performance shall be extended for the number of days that the force majeure event prevents or interrupts the DEVELOPER'S or COUNTY'S performance of this DA as reasonably determined by the other party. This paragraph shall not apply to force majeure events caused by the DEVELOPER or under the DEVELOPER'S control, or caused by the COUNTY or under the COUNTY'S control, as applicable. In the event that performance by the DEVELOPER or COUNTY of the commitments set forth in this DA shall be interrupted or delayed in connection with acquisition of necessary governmental permits or approvals which interruption or delay is caused through no fault of the party with a delayed performance, then the party with a delayed performance shall submit documentation to the other party regarding such event for review and concurrence. If such documentation shows that such event(s) have taken place, then the party with a delayed performance shall be excused from such performance for such period of time as is reasonably necessary after such occurrence to remedy the effects thereof, provided, however, in no event shall any such extension exceed three (3) months. Any requested extensions beyond such three (3) month period may only be accomplished by an amendment to this DA.

w. Execution: The CDD is executing this DA for the limited purposes of evidencing its consent and acknowledgement to its terms to the extent it applies to the CDD's ownership of any portion of the Project, including but not limited to the agreement of the CDD to the vacation of the Project or portions of the Project as set forth in this DA. Nothing contained herein shall be construed to place on the CDD any of the obligations of the DEVELOPER under this DA.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this DA on the dates set forth below.

(SEAL)

BOARD OF COUNTY COMMISSIONERS OF
PASCO COUNTY, FLORIDA

ATTEST:

PAULA S. O'NEIL, Ph.D. CLERK

ANN HILDEBRAND, CHAIRMAN

Date:

ESTANCIA TAMPA, LLC,
a Delaware limited liability company

Print Name: _____

By: ESTANCIA EAST, LLC
a Delaware limited liability company
its managing member

Print Name: _____

By: _____

Print Name: _____

Title: _____

Date: _____

STATE OF _____)
COUNTY _____)

The foregoing instrument was acknowledged before me this _____, 2011.
by _____ name of person acknowledging), who is personally known
to me or who has produced _____ (type of identification) as
identification.

Seal:

NOTARY PUBLIC

State of _____)
County of _____)

On this day, the _____ of _____, 2011, before me,
_____, notary public, personally appeared
_____, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

(Seal)

The undersigned Lakeshore Ranch Community Development District, as an owner of a portion of the Project, hereby executes this DA to evidence its consent and acknowledgement to its terms to the extent it applies to its ownership of such Project.

Witnesses:

LAKESHORE RANCH COMMUNITY
DEVELOPMENT DISTRICT

Print Name: _____

By: _____

Print Name: _____
Chairman, Board of Supervisors

Print Name: _____

Date: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____ as Chairman of the Board of Supervisors of the Lakeshore Ranch Community Development District. He/she is personally known to me or has produced _____ as identification.

(Seal)

NOTARY PUBLIC

EXHIBIT

A. Project Legal Description

EXHIBIT A

LAKESHORE RANCH PHASES 2 & 3

PROJECT

LEGAL DESCRIPTION

Lakeshore Ranch Phases 2 & 3 as recorded in plat book 63, pages 051-099.