

*Central Lake Community
Development District*

Agenda

December 9, 2024

AGENDA

Central Lake

Community Development District

219 E. Livingston Street, Orlando FL, 32801

Phone: 407-841-5524 – Fax: 407-839-1526

December 2, 2024

Board of Supervisors
Central Lake Community
Development District

Dear Board Members:

The meeting of the Board of Supervisors of the Central Lake Community Development District will be held **Monday, December 9, 2024** at 8:00 a.m. at the **Mission Inn Resort, La Paloma Room, 10400 County Road 48, Howey-in-the-Hills, Florida**. Following is the advance agenda for the meeting:

Board of Supervisors Meeting

1. Roll Call
2. Public Comment Period
3. Approval of Minutes of the September 6, 2024 Meeting
4. Consideration of Wholesale Wastewater Agreement with the Town of Howey in the Hills
5. Consideration of Utility Reservation Agreement with Reader & Partners, LLC
6. Review and Acceptance of Fiscal Year 2023 Audit Report
7. Appointment of Audit Committee and Chairman
8. Discussion of Hydrant Testing and Maintenance
9. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. District Manager's Report
 - i. Approval of Check Register
 - ii. Balance Sheet and Income Statement
10. Supervisors Requests
11. Other Business
12. Next Meeting Date
13. Adjournment

Audit Committee Meeting

1. Roll Call
2. Public Comment Period
3. Audit Services
 - A. Approval of Request for Proposals and Selection Criteria
 - B. Approval of Notice of Request for Proposals for Audit Services
 - C. Public Announcement of Opportunity to Provide Audit Services
4. Adjournment

The balance of the agenda will be discussed at the meeting. In the meantime, if you should have any questions, please contact me.

Sincerely,

George S. Flint

George S. Flint
District Manager

Cc: Darrin Mossing, GMS

Enclosures

**BOARD OF SUPERVISORS
MEETING**

MINUTES

MINUTES OF MEETING
CENTRAL LAKE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Central Lake Community Development District was held Friday, September 6, 2024, at 8:00 a.m. at the Mission Inn Real Estate Office, 1080 San Luis, Howey-in-the-Hills, Florida.

Present and constituting a quorum were:

Bud Beucher	Chairman
Michael Clary	Assistant Secretary
Heather Miller	Assistant Secretary

Also present were:

George Flint	Manager
Kevin Stone	Attorney
Derek Kramer	Resident

The following is a summary of the minutes and actions taken at the September 6, 2024 Central Lake Community Development District's regular Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Kramer stated there is a yearly budget and anything that comes under budget goes to the wastewater company. Is that correct?

Mr. Flint stated I think what you are asking is and it is probably a budget item discussion, but we can deal with it now. There is a lease agreement between the CDD and the plant owner and it provides for a monthly lease payment and at the end of the year, net revenue less three months operating. It is a true up payment basically at the end of the year for the lease and that is how that lease is structured.

Mr. Kramer asked is that the norm?

Mr. Flint responded that is how this lease agreement is arranged so we follow the lease agreement.

Mr. Kramer stated in South Florida I had two houses, one in Miami Dade County and one in the Keys. My water bill from Miami Dade County was a fraction of the Keys. In three months that is a monthly fee here but in the Keys it was around \$200 a month so I know some things can be very expensive in some areas and reasonable in other areas. How do our rates compare to competitive rates in Lake County?

Mr. Flint stated this is a public hearing question too, but we can deal with it now if you want. There is a bar chart and graph which shows Central Lake Utility is our utility and Pine Island is Bella Collina and Leesburg and Mount Dora and Tavares bill comparison for 10,000 gallons and 20,000 gallons and you can see how Central Lake compares to the other surrounding Lake County utilities. I think it is the lowest and if not, it is right there with Leesburg and Clermont that have economies of scale. To compare a small utility like this to one like that and be even close is good.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the June 15, 2024 Meeting

On MOTION by Mr. Clary seconded by Ms. Miller with all in favor the minutes of the June 15, 2024 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Public Hearings

Mr. Flint stated you previously approved a proposed budget and set the public hearing for today for its final consideration. We ran notices in accordance with the statutes, we also have a rule hearing after this resolution since there is a proposed increase.

On MOTION by Mr. Beucher seconded by Ms. Miller with all in favor the public hearing was opened.

A. Consideration of Resolution 2024-04 Adopting the Fiscal Year 2025 Budget and Relating to the Annual Appropriations

Mr. Flint stated there are two hearings, the first is to consider adoption of the budget and the second one to consider the proposed rate increases. Is there any public comment at this time on the budget? We had some discussion during public comment. Hearing no public comment we will close the public comment portion of the hearing and bring it back to the Board.

Attached to Resolution 2024-04 is the proposed budget, it contemplates a 7% increase in the water and wastewater rates and that 7% is per the Board's discussion when you approved the proposed budget and is really meant to capture two years of inflation. You didn't have any adjustment last year and the Board decided it would be best if we had a little larger increase than one year's inflation to capture the prior year where there was no adjustment.

The administrative costs have gone up slightly about \$2,000. There is a proposed increase to the management fee, which accounts for most of that. On the operating costs there is an increase in the maintenance and some of the other line items so there is about a \$45,000 increase on the maintenance budget.

Does the Board have any questions on the resolution or proposed budget?

Mr. Beucher stated I see the chemical budget going down.

Mr. Flint stated the chemical budget is lower than our end of the year projected current year. It is possible we will be over on that line item. You do have the capital outlay line if you end up going over in chemicals then we have some other line items we may be under on. If you want to increase chemicals, we will have to decrease one of the other line items. With a 7% increase we have had to make certain assumptions on the expense side to be able to balance it.

Mr. Beucher stated revenues are up and that is good. We discussed in the spring that we couldn't survive anymore without a rate increase.

Mr. Flint stated you can always amend this budget. This budget is effective October 1 but at some point, we are over in one line item you are not required to amend it; if the total expenses are over at the end of the year you have to amend it within 60-days of the end of the fiscal year.

On MOTION by Mr. Beucher seconded by Ms. Miller with all in favor Resolution 2024-04 Adopting the Fiscal Year 2025 Budget and Relating to the Annual Appropriations was approved.

B. Consideration of Resolution 2024-05 Adopting Amendments to the Water and Wastewater Rate Schedule

Mr. Flint stated the next public hearing is a rate hearing and you have Resolution 2024-05 in the agenda. Attached is a table that shows what the proposed rates are, but I have also handed out a table that has the existing and proposed and you can see that per the Board's discussion and direction when you approved the proposed budget it authorized us to advertise the rate hearing. We increased the water and wastewater rates by 7% that is reflected in the proposed schedule

and the comparison chart I provided the Central Lake numbers are the proposed rates, not the existing rates.

It is a public hearing. Are there any comments on the rate hearing?

There being none, Mr. Flint stated I will close the public comment section and bring it back to the Board.

Mr. Beucher asked how do we deal with the possibility of incorporating increases in the future?

Mr. Flint stated you have language in your rules that allow for an inflationary adjustment. We can trigger that in the budget process going forward if the desire is to do an annual inflationary adjustment.

Mr. Beucher stated I don't know how the CDD can survive without annual rate increases.

Mr. Kramer stated in my opinion it is better to do a yearly increase than skip two or three years and do a big one.

On MOTION by Ms. Miller seconded by Mr. Clary with all in favor Resolution 2024-05 Adopting Amendments to the Water and Wastewater Rate Schedule was approved.

On MOTION by Mr. Beucher seconded by Ms. Miller with all in favor the public hearing was closed.

FIFTH ORDER OF BUSINESS

Ratification Items

A. Key Engineering Associates, Inc. for Wastewater Engineering Services

On MOTION by Mr. Beucher seconded by Ms. Miller with all in favor the agreement with Key Engineering Associates was ratified.

B. Waste Management Inc. of Florida for Non-Hazardous Waste Services

On MOTION by Ms. Miller seconded by Mr. Clary with all in favor the agreement with Waste Management was ratified.

SIXTH ORDER OF BUSINESS

Adoption of Goals and Objectives

Mr. Stone stated in this past session the legislature imposed a new requirement on all special Districts in the state that we adopt annual goals and objectives for our District. We also have an obligation to establish the performance measures and standards by which we will

determine whether we met our goals and objectives. The final things we have to do is annually at the end of the year publish a report describing our objectives and whether we met them or not. They did not give us any guidance on what the goals and objectives ought to be and the Department of Economic Opportunity now known as Florida Commerce updated the special District handbook and also did not provide additional guidance. Most special District lawyers such as myself are recommending that we design our own form and George and I both worked on these but we are setting goals that we think we ought to meet, these are things we intend to do anyway.

Mr. Flint stated we tried to come up with some standard goals and objectives for Community Development Districts that could be applied to many different ones and serve as a starting point since these must be adopted by October 1. We have broken them up into three areas: community communication and engagement, infrastructure and facilities maintenance and financial transparency and accountability.

On MOTION by Mr. Beucher seconded by Mr. Clary with all in favor the goals and objectives were approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being no comments, the next item followed.

B. Engineer

There being no comments, the next item followed.

C. Manager

i. Approval of Check Register

Mr. Flint presented the check register from June 10, 2024 through August 29, 2024 in the amount of \$72,032.11.

On MOTION by Ms. Miller seconded by Mr. Clary with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

A copy of the financials was included in the agenda package. No Board action was required.

iii. Approval of Fiscal Year 2025 Meeting Schedule

On MOTION by Ms. Miller seconded by Mr. Beucher with all in favor the Board will meet on an as needed basis in Fiscal Year 2025.

EIGHTH ORDER OF BUSINESS Supervisor’s Requests

There being no comments, the next item followed.

NINTH ORDER OF BUSINESS Other Business

There being no comments, the next item followed.

TENTH ORDER OF BUSINESS Next Meeting Date

Mr. Flint stated we will have a meeting in the April May timeframe and August September timeframe, unless some pressing business comes up before then.

ELEVENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Beucher seconded by Ms. Miller with all in favor the meeting adjourned at 9:36 a.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman

SECTION IV

**Town of Howey-in-the-Hills
and
Central Lake Community Development District**

**AMENDED AND RESTATED
WHOLESALE WASTEWATER TREATMENT AGREEMENT**

THIS AMENDED AND RESTATED WHOLESALE WASTEWATER TREATMENT AGREEMENT (“Agreement”) is made and entered into as of _____, 2024 (“Effective Date”), by and between the **Town of Howey-in-the-Hills**, a Florida municipal corporation (“Howey”), and the **Central Lake Community Development District**, a Florida special district created pursuant to Chapter 190 of the Florida Statutes, (“CDD”), and combines, amends and restates in their entirety:

- i. that certain Wholesale Wastewater Service Agreement between Howey and the CDD dated August 7, 2007 (“2007 Wholesale Agreement”) and
- ii. that certain Wholesale Wastewater Service Agreement between Howey and the CDD dated February 27, 2012 (“2012 Wholesale Agreement” and, together with the 2007 Wholesale Agreement, the “Prior Wholesale Agreements”).

RECITALS

A. **WHEREAS**, Howey is a Florida municipality with home rule authority under Article VIII, Section 2 of the Florida Constitution and Chapter 166, F.S., to provide for the health, safety and welfare of its citizens; and

B. **WHEREAS**, the CDD is a local unit of special-purpose government created by Lake County Board of County Commissioners Ordinance 2001-75 pursuant to Chapter 190, Florida Statutes, and empowered to finance, construct or otherwise acquire, operate and maintain wastewater management facilities within its boundaries or without its boundaries when the project is the subject of an agreement between the CDD and a governmental entity and consistent with the local government’s comprehensive plan; and

C. **WHEREAS**, the CDD leases and operates a wastewater treatment system located in Lake County, Florida (“CDD’s Wastewater System”); and

D. **WHEREAS**, in 2001, before the formation of the 2007 Wholesale Agreement, the CDD entered into an Interlocal Agreement with the County dated May 10, 2001, which agreement was amended in 2006, 2007, and 2015 (as amended, the “County Interlocal Agreement”), which provides authority in accordance with Section 190.011, F.S. for the CDD to

provide utility services outside its geographic boundaries in specified unincorporated portions of Lake County; the service area where the CDD has authority to serve pursuant to the County Interlocal Agreement is depicted in Exhibit “A” to the Third Amendment to Interlocal Agreement dated September 2, 2015 and also attached to this Agreement as Exhibit “A” for convenience; the area depicted in Exhibit “A” is referred to herein as the “CDD Retail Service Territory”; and

E. **WHEREAS**, Howey enacted Ordinance 2003-307 on August 11, 2003, under which Howey created a water and wastewater service area as authorized by Chapter 180, Florida Statutes (“180 Service Area”); and

F. **WHEREAS**, Howey’s 180 Service Area includes the entire town as well as unincorporated areas of Lake County in the general vicinity of Howey as depicted in the Utility Service Area Map attached as Exhibit “B” to this Agreement; and

G. **WHEREAS**, in 2005, before the formation of the 2007 Wholesale Agreement, three developments then known as Mission Rise, The Reserve, and Venezia North and South (collectively the “2007 Developments”) each reserved wastewater treatment capacity at the CDD’s plant by entering into Agreements and Commitments for Utility Service (“CDD Service Agreements”) with the CDD, and the CDD set aside and encumbered capacity in the CDD’s Wastewater System for the treatment and disposal of wastewater to be generated by the land development contemplated to occur within the 2007 Developments; the CDD Service Agreements provided that the CDD would be the sole wastewater utility provider with service to include collection at the customer’s connection, transmission to the treatment plant, treatment, and disposal; and

H. **WHEREAS**, part of Howey’s 180 Service Area overlapped the pre-existing CDD Retail Service Territory and, meanwhile, the 2007 Developments which reserved CDD capacity were outside the CDD Retail Service Territory, with the result that it became difficult to determine the responsibilities between the CDD and Howey to serve particular future developments, leading to the negotiation of the 2007 Wholesale Agreement; and

I. **WHEREAS**, pursuant to the 2007 Wholesale Agreement, the CDD assigned and Howey assumed the obligations under each CDD Service Agreement to provide retail wastewater utility service to each of the 2007 Developments; each of the owners of the 2007 Developments expressly consented in writing to Howey’s assumption the obligation to provide retail wastewater service and released the CDD from the same; in the same Agreement, the CDD allocated Wastewater Treatment Capacity (defined below) to Howey on a wholesale basis to ensure that Howey would have treatment and disposal capacity through the CDD to support its retail service to the 2007 Developments; and

J. **WHEREAS**, after consenting to the 2007 Wholesale Agreement, one of the 2007 Developments, Mission Rise, defaulted in its obligations under its respective CDD Service Agreement, relieved Howey of its obligations under the CDD Service Agreement, and forfeited its reserved treatment and disposal capacity to the CDD; the CDD Service Agreements with The

Reserve (n/k/a Hillside Groves) and with Venezia North (n/k/a Talichet) and Venezia South (“Vested 2007 Developments”) remain in good standing; and

K. **WHEREAS**, pursuant to the 2012 Wholesale Agreement, the CDD agreed to reserve an unspecified amount of Wastewater Treatment Capacity to Howey and to provide wastewater treatment and disposal service on a wholesale basis for the development described therein and known as the Bouis Property (n/k/a Lake Hills PUD (“2012 Development”)); and

L. **WHEREAS**, the 2012 Development has not previously reserved capacity, and the CDD has not previously set aside and encumbered capacity, in the CDD’s Wastewater System for the development contemplated to occur within the 2012 Development, nor was any specific capacity reserved in the 2012 Wholesale Agreement; and

M. **WHEREAS**, in addition to the Prior Wholesale Agreements, Howey, the CDD, and The School Board of Lake County entered into an Interlocal Agreement for Wastewater Service for the ESE Center dated February 25, 2008 (“School Board Agreement”); and

N. **WHEREAS**, prior to the date of this Agreement, Howey and the CDD have without written agreement (but with Howey and the CDD’s mutual consent) connected the “Other Businesses” to the Howey Collection Facilities for delivery to the CDD’s Treatment Facilities, and each of such Other Businesses have already paid for sewer contributions in aid of construction, and the CDD has set aside and encumbered capacity in the CDD’s Wastewater System for the treatment and disposal of wastewater to be generated by the Other Businesses; and

O. **WHEREAS**, prior to the date of this Agreement, Howey has without written agreement (and without the CDD’s consent) connected the Unauthorized Hookups to the Howey Collection Facilities for delivery to the CDD’s Treatment Facilities, and each of such Unauthorized Hookups has not paid for sewer contributions in aid of construction, and the CDD had not set aside and encumbered capacity in the CDD’s Wastewater System for treated and disposal of Wastewater to be generated by the Unauthorized Hookups; and

P. **WHEREAS**, the 2007 Wholesale Agreement, the 2012 Wholesale Agreement, and the School Board Agreement take different approaches to the provision of wholesale wastewater service with regard to issues such as billing and capacity, and there is no agreement that addresses development within the remainder of Howey’s 180 Service Area, some of which has been connected to Howey Collection Facilities (as defined herein) for delivery to the CDD’s Treatment Facilities variously with or without the written consent of the CDD, including the Other Businesses and the Unauthorized Hookups; and

Q. **WHEREAS**, the parties desire to amend and restate in their entirety the Prior Wholesale Agreements so that the provisions of this Agreement will apply to all areas subject to the Prior Wholesale Agreements, together with all areas within the remainder of Howey’s 180 Service Area, but will not apply to the area subject to the School Board Agreement; and

R. **WHEREAS**, the CDD has determined its treatment facilities have 400,000 GPD in unused, unreserved, and available capacity (the “Excess Capacity”) it is willing to provide to Howey for use as provided in this Agreement, in addition to that capacity necessary to serve the Vested Customers.

NOW THEREFORE, in consideration of the Recitals, covenants, agreement and promises herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

SECTION 1. RECITALS. The above Recitals are true and correct, and form a material part of this Agreement upon which the parties have relied.

SECTION 2. DEFINITIONS. The parties agree that in construing this Agreement, the following words, phrases, and terms shall have the following meanings unless the context indicates otherwise:

2.1. “Agreement” means this Amended and Restated Wholesale Wastewater Treatment Agreement as it may from time to time be modified.

2.2. “Capacity Request Notice” means the written request and notification for additional Wastewater Treatment Capacity provided by Howey to the CDD in the manner set forth in Section 3.4 of this Agreement.

2.3. “CDD Service Agreements” means those certain Agreements and Commitments for Utility Service originally entered between the CDD, as wastewater service provider and the owners of the 2007 Developments.

2.4. “CDD Wastewater System” means the CDD’s wastewater collection, transmission and treatment facilities (including the Treatment Facilities) in which wastewater is treated and disposed of, and which are operated and maintained by the CDD.

2.5. “CDD Retail Service Territory” means the service area where the CDD has authority to serve pursuant to the County Interlocal Agreement is depicted in Exhibit “A” to the County Interlocal Agreement (as adopted by the Third Amendment to Interlocal Agreement dated September 2, 2015) and also attached to this Agreement as Exhibit “A” for convenience. Properties that generate, or when developed will generate, wastewater within the CDD Retail Service Territory are referred to herein as “CDD Retail Customers.”

2.6. “County” means Lake County, a political subdivision of the State of Florida.

2.7. “County Interlocal Agreement” means that certain Interlocal Agreement between the County and the CDD dated May 10, 2001, as amended by that certain First Amendment date November 16, 2006, that certain Second Amendment dated June 26, 2007, and that certain Third Amendment dated September 2, 2015, and authorizing the CDD to provide water and wastewater utility services in certain portions of the County.

2.8. “Certificate of Wastewater Treatment Availability” shall have the meaning set forth in Section 3.4 of the Agreement.

2.9. “Developments” means the Vested Customers and the Future Development.

2.10 “ERU” means Equivalent Residential Unit and, for the purposes of estimating the impact of future Howey Retail Customers, is equal to 250 GPD of wastewater flow.

2.11 “Future Development” means future Howey Retail Customers located in areas within Howey’s 180 Service Area other than the (i) Vested Customers, (ii) the property subject to the School Board Agreement and (iii) CDD’s Retail Service Territory.

2.12. “Howey Collection Facilities” means the lines, pipes, lift stations, meters, and appurtenant equipment owned and operated by Howey to collect Wastewater within the Developments and the area subject to the School Board Agreement and to transmit the same to the Point of Connection with the CDD’s Interconnect Facilities.

2.13 “Howey Retail Service Territory” means the service area within the 180 Service Area but outside the CDD Retail Service Territory. Properties that generate, or when developed will generate, wastewater within the Howey Retail Service Territory are referred to herein as “Howey Retail Customers.” Notwithstanding the foregoing, these definitions exclude the property subject to the School Board Agreement. For the purposes of this Agreement, the Bishops Gate development (“Bishops Gate”) shall be treated as a Howey Retail Customer through the current term of **Howey’s agreement to provide retail service hereunder. Thereafter, Bishops Gate and the utility users in the Bishops Gate development shall be treated as CDD Retail Customers.**

2.14. “Howey Market Property” means the property and improvements at 101 S. Palm Avenue, Howey In The Hills, FL, 34737, (Parcel ID 26-20-25-0100-D01-00100), which prior to the Effective Date of this Agreement was operated as grocery store.

2.15 “Interconnect Facilities” means the wastewater meters and other facilities owned and operated by the CDD at the points of connection between Howey Collection Facilities and the Treatment Facilities.

2.16. “GPD” means gallons per day, on an average annual basis.

2.17. “GPM” means gallons per minute actual flow rate.

2.18. “MGD” means million gallons per day on an annual average basis.

2.19. “Other Businesses” means (i) Boondocks Restaurant (13 ERUs), (ii) Howey’s Town Hall (2 ERUs), (iii) Howey’s Police Station (2 ERUs), (iv) Howey’s Library (6.5 ERUs), Howey’s Water Plant (1 ERU), (v) the office at 107 W. Central Avenue in Howey, (Parcel ID 26-20-25-0100-D01-01400), which is currently being operated as The Clark Clinic Howey (3.3 ERUs), and (vi) Bishops Gate (210 ERUs).

2.20. “Point of Connection” means one or more locations where Howey Collection Facilities connect to the CDD’s Interconnect Facilities. At those points, appropriate metering may be installed by the CDD to measure the flow of wastewater from Howey Collection Facilities.

2.21. “Prior Wholesale Agreements” means the 2007 Wholesale Agreement and the 2012 Wholesale Agreement.

2.22. “Vested 2007 Developments” means the 2007 Developments known as The Reserve (n/k/a Hillside Grove) and Venezia North (n/k/a Talichet) and Venezia South, for which the CDD Service Agreements remain in good standing, and the legal descriptions of which are set forth on the attached Exhibit “C.” [For the avoidance of doubt, the characterization of a 2007 Development as a Vested 2007 Development is not intended to imply that the CIAC for each connection within such 2007 Development has been paid prior to the adoption of this Agreement.](#)

2.23. “Residential Wastewater Strength” means residential and commercial wastewater discharges exhibiting the following characteristics: biochemical oxygen demand of 300 mg/1 or less, suspended solids of 300 mg/1 or less, and pH between 6.0 and 9.0, or such other restrictions as established for residential wastewater strength by the Florida Department of Environmental Protection or its successor. Prohibited discharges include, but are not limited to, constituents that could cause a fire or explosion, solid or viscous substances that could obstruct flow or interfere with the system, and discharges containing toxic pollutants.

2.24. “School Board Agreement” means that certain Interlocal Agreement for Wastewater Service for the ESE Center among Howey, the CDD, and the School Board of Lake County dated February 25, 2008.

2.25. “Treatment Facilities” means those treatment and disposal facilities and rights used by the CDD to treat wastewater and detain, transmit, and dispose of said treated wastewater in accordance with applicable governmental and regulatory requirements.

2.26. “Vested Customers” means the Howey Retail Customers located in areas within the Vested 2007 Developments and the Other Businesses, which have already paid or received credit for sewer contributions in aid of construction as of the adoption of this Agreement. The Vested Customers are identified on Exhibit “E” attached hereto and incorporated herein by reference.

2.27. “Unauthorized Hookups” means the four (4) properties described on Exhibit “F”.

2.28. “Wastewater” means water-carried wastes from residences, business-buildings, institutions, industrial establishments, and other customers, but does not mean or include hazardous or toxic wastes.

2.29. “Wastewater Treatment Capacity” means the volume of wastewater flow measured in GPD, which the CDD has agreed to accept on a continuous basis into its Wastewater System, treat, and dispose of at its plant, and which Howey has reserved from the CDD in accordance with the terms of this Agreement, and which shall include the Excess Capacity.

2.30. “180 Service Area” means the water and wastewater service area created by Howey when it enacted Ordinance 2003-307 on August 11, 2003, as authorized by Chapter 180, Florida Statutes, and which is depicted on the attached Exhibit “B.”

2.31. “2007 Developments” means the residential and commercial land use projects known as Mission Rise, The Reserve (n/k/a Hillside Groves), and Venezia North (n/k/a Talichet) and Venezia South, and originally subject to the 2007 Wholesale Agreement.

2.32. “2007 Wholesale Agreement” means that certain Wholesale Wastewater Service Agreement between Howey and the CDD dated August 7, 2007.

2.33. “2012 Development” means the development known as the Bouis Property (n/k/a Lake Hills), the legal description of which is set forth on the attached Exhibit “C.”

2.34. “2012 Wholesale Agreement” means that certain Wholesale Wastewater Service Agreement between Howey and the CDD dated February 27, 2012.

SECTION 3. PROVISION AND ALLOCATION OF WASTEWATER

TREATMENT CAPACITY. On and after the effective date of this Agreement, as set forth in Section 22, Wastewater Treatment Capacity shall be provided by the CDD to Howey to serve the Developments in the following manner and subject to the following terms and conditions:

3.1. CDD Rights to Serve..

(a) *CDD Retail Service Territory.* The CDD shall have the exclusive right to provide retail wastewater service to all customers which generate wastewater within the CDD Retail Service Territory. This right to serve includes collection, transmission, treatment, and disposal.

(b) *Howey Retail Customers.* The CDD shall have the exclusive right to provide wholesale wastewater treatment and disposal service for Howey Retail Customers located in areas of the Developments, except in certain circumstances related to Future Development as expressly set forth in Section 3.4 of this Agreement.

(c) *Marina Property.* The Marina Property described in the 2012 Agreement lies within the CDD Retail Service Territory and shall be served as a CDD Retail Customer; provided, however, that development in that area may connect to Howey’s nearest lift station and Howey shall allow the wastewater from the Marina Property to flow through the Howey Collection Facilities free of charge to the Point of Connection, so long as any necessary upgrades, upsizing of pipes and pumps, and other needed modifications to accommodate the

wastewater from the Marina Property are paid by the owner of the Marina Property. If and when the Town is required to perform capital repairs to or capital replacements of the Howey Collection Facilities serving the Marina Property, the Town may assess, invoice, bill, or otherwise charge the benefitted CDD Retail Customers a pro-rata share or shares of the capital cost of the repairs or replacements.

3.2 Howey Rights to Serve. Howey shall have the exclusive right to provide retail wastewater service to all customers which generate wastewater within the Howey Retail Service Territory. This right to serve includes collection and transmission to a Point of Connection and, in circumstances described herein, to treat and dispose of wastewater.

3.3 Capacity Reservation and Agreement to Deliver and Accept Wastewater. The CDD represents and warrants to Howey that the CDD has set aside and encumbered capacity in the CDD's Wastewater System for the Vested Customers. Howey shall have no liability for unpaid charges, if any, for the capital costs of capacity at the Treatment Facilities or other capital costs, if any, associated with expanding the CDD's Wastewater System to serve the Vested Customers. The CDD further represents and warrants to Howey that the CDD has set aside and encumbered the Excess Capacity in the CDD's Wastewater System to serve Future Developments, subject to Section 3.4 of the Agreement. Howey and the CDD agree that Excess Capacity shall be first allocated to the following Future Developments: (i) the Howey Market Property (the amount of ERUs to be determined), (ii) the Unauthorized Hookups (4 ERUs), (iii) the Lake Hills development at the 2012 Development (571 ERUs), and (iv) the Grocery Store and retail businesses at the 2012 Development (the amount of ERUs to be determined). Except with respect to the allocation set aside pursuant to the previous sentence, Howey shall facilitate the allocation of the Excess Capacity in the CDD's Wastewater System on a non-discriminatory, first-come first-served basis to a landowner or developer seeking a plat approval, building permit, mass grading permit, Town agreement to provide utility service, or wastewater utility connection, whichever comes first with respect to any Future Development in the Howey Retail Service Territory (events each referred to as a "Development Approval").

3.4 Certificate of Wastewater Treatment Availability for Excess Capacity. To ensure that required contributions in aid of construction have been paid and that the wastewater-treatment demand of land development to be permitted from time to time by Howey within the Future Development does not exceed the treatment and disposal capacity of the CDD's Wastewater Facilities (including the Excess Capacity), Howey shall require, as a condition to the issuance of a Development Approval that the landowner or developer secure from the CDD a certificate assuring Howey that, as required by Section 163.3180 of Florida Statutes, wastewater-treatment and -disposal service will be available concurrent with the new development and that appropriate contributions in aid of construction at the then-prevailing rate, as required by the CDD, have been paid (the "Certificate of Wastewater Treatment Availability").

A landowner or developer seeking a Certificate of Wastewater Treatment Availability must make the request to the CDD at the address designated for notice in this Agreement and supply information in such form as the CDD reasonably requires. Upon the receipt of a request for a Certificate of Wastewater Treatment Availability, the CDD shall reasonably determine in a fair and consistent manner the number of ERUs attributable to the proposed construction, calculate

the contribution in aid of construction (“CIAC”) at the then-prevailing rate, and notify the requesting party of the foregoing within a reasonable time. The notice shall include information regarding any necessary relocation or upsizing of facilities as contemplated in Section 3.5(a) herein.

Upon receipt of the CIAC, an executed capacity reservation agreement with fair and consistent terms reasonably acceptable to the CDD including a commitment to provide for the relocation or upsizing of facilities as contemplated in Section 3.5(a), the CDD shall issue the Certificate of Wastewater Treatment Availability. For the avoidance of doubt, a new certificate shall be required in the event that a new Development Approval is sought for a project that may materially change use or intensity for purposes of wastewater generation, and in such event additional ERUs may be assigned to the project, requiring the payment of additional contributions in aid of construction.

The CDD reserves the right to issue a Certificate of Wastewater Treatment Availability prior to the receipt of 100% of the CIAC with respect to (a) the 2012 Development and/or (b) the Future Development known as the Watermark / Simpson Groves project as negotiations regarding capacity reservation commenced between the CDD and representatives of those projects prior to the adoption of this Agreement.

A customer that pays the CIAC after the date of this Agreement shall thereafter have a vested right to reserved and encumbered treatment and disposal capacity in the CDD Wastewater System and shall be treated as a Vested Customer for a period of three years. If such Vested Customer has not connected to Howey Collection Facilities within three years from the date of the issuance of the Certificate of Wastewater Treatment Availability, the CDD shall have the right, but not the obligation, to at any time thereafter repurchase the reserved and unencumbered capacity by providing written notice to the Vested Customer and repaying the CIAC without interest. In the event that the Vested Customer has failed to pay any charge due to the CDD or otherwise in connection with this Agreement, such amount shall be deducted from the repurchase price together with the maximum rate of interest allowed by law accruing from the date that such charge was due. Upon repayment of the CIAC, the capacity shall become available for allocation and shall be allocated by the Town in accordance with this Agreement, the customer shall no longer be a Vested Customer, and the Town’s grant of any future Development Approval for the property shall again be conditioned upon the issuance of a Certificate of Wastewater Treatment Availability. If the landowner or developer of the property later desires the issuance of a Certificate of Wastewater Treatment Availability and capacity is available, it will be required to pay the CIAC at the then-prevailing rate calculated with respect to the new request.

Howey’s obligation under this section 3.4 to require a certificate as a condition to the issuance of a building permit in the Future Development does not apply under any one or more of the following circumstances:

- i. either all the Excess Capacity is assigned or, with respect to a particular Howey Retail Customer located in the Future Development, the CDD determines upon

receiving a request for a certificate pursuant to this Section 3.4 that the then-remaining amount of Excess Capacity is insufficient to serve the that customer; or

- ii. service to that customer would be technically or economically infeasible; or
- iii. Howey elects to issue a permit or permits for construction within the Future Development with a septic or other on-site system for wastewater treatment.

In no event shall the Town authorize the interconnection of any other utility system with a CDD utility system or any other collection or transmission facility that would result in flows to or from the CDD utility system.

After assignment of all the Excess Capacity, when Howey desires to purchase capacity in the CDD's Wastewater System, the purchase shall occur as follows:

(a) *Request for Capacity.* On each occasion that additional wastewater treatment capacity is to be requested, Howey shall submit a written Capacity Request Notice to the CDD specifying the capacity being requested and the proposed date of delivery of such capacity. Within 30 days of receipt of the Capacity Request Notice the CDD shall notify Howey in writing whether such capacity is then available.

(b) *Capacity Available.* If the CDD notifies Howey that Wastewater Service Capacity in the amount specified in the Capacity Request Notice is currently available, Howey shall confirm its intention to purchase such capacity by tendering a capacity payment to the CDD at the then prevailing rate per ERU.

(c) *Capacity not available.* If the CDD notifies Howey that Wastewater Service Capacity in the amount specified in the Capacity Request Notice is not currently available:

(i) Howey may amend its request (A) to specify a capacity amount that is in increments not less than 435,000 GPD, or a multiple thereof, without the express written consent of the CDD, (B) to specify a proposed capacity delivery date that is not less than 24 full calendar months after the date of delivery of such notice, and (C) to estimate the anticipated increase in the maximum wastewater flow rate in GPM.

(ii) Upon receipt of the amended Capacity Request Notice, the CDD shall have 120 days to verify in writing whether a plant expansion to accommodate the requested increase in treatment capacity, the proposed delivery date, and the maximum wastewater flow rate are technically and economically feasible, including determining whether any adjustment to the CDD's then-prevailing capacity rate per ERU is adequate to cover all design and construction costs of the proposed expansion. The written verification from the CDD to Howey shall advise whether the requested increase in treatment capacity is technically and economically feasible, and if feasible, shall further advise the estimated date by which the requested capacity should be available and the total capacity payment that will be due for the expansion.

(iii) If the CDD's verification advises that the requested increase in treatment capacity is technically and economically feasible, Howey shall have 60 days to confirm its request by tendering the capacity payment to the CDD. Upon receipt of the capacity payment in the amount specified in the CDD's verification to Howey, the CDD shall commence design and construction of an amount of Wastewater Service Capacity, in MGD, as also specified in such verification.

(d) *Capacity payment.* If capacity is determined to be available under Section 3.4(b), then the capacity payment shall be an amount equal to the amount of connection fees, impact fees, or contribution-in-aid-of construction (CIAC) fees that would be payable by a customer within the 180 Service Area to reserve the requested amount of treatment capacity in the CDD's Wastewater System at the time of the CDD's verification to Howey of existing capacity availability. If capacity is not available but expansion is technically and economically feasible, then the capacity payment shall be the estimated cost of the design, permitting, procurement, preconstruction and construction phase professional services, and construction associated with the treatment capacity expansion, including a reasonable contingency. If, during the course of capacity expansion, conditions are discovered, regulatory requirements are imposed, or prevailing costs of labor and/or materials result in an increase in the estimated cost of the capacity expansion, the CDD may reasonably request, and Howey shall pay, a supplemental capacity payment to cover such increased cost. Upon delivery of a capacity payment, and confirmation by the CDD that such payment is adequate to fund design and construction of the requested treatment capacity, Howey shall be deemed to own the right to the collection, transmission, treatment, and disposal of the purchased amount of capacity in the CDD's Wastewater System, and the new capacity shall be deemed additional Wastewater Treatment Capacity. The CDD may earmark, sell, assign, or convey a portion of the purchased capacity only at the direction of Howey or with Howey's consent, which may be granted or withheld at Howey's discretion.

(e) *Delivery of treatment capacity.* The CDD shall deliver the new Wastewater Service Capacity to Howey on a date as close as reasonably practicable to the date requested by Howey in the capacity request notice, but shall not be responsible for delay so long as it has pursued any necessary expansion with reasonable diligence. Upon such capacity becoming available for use by Howey, including completing construction of any required expansion of the Treatment Facilities, the CDD shall provide written notice to Howey of such availability. Without limiting any other provision of this Agreement, the CDD shall be the exclusive wholesale treatment and disposal provider with respect to the customer demand giving rise to the capacity expansion undertaken under this section.

(f) *Limitation.* Notwithstanding any other provision of this Agreement, the CDD may, but shall not be required, to expand the Treatment Facilities beyond a total wastewater treatment capacity of 2.61 MGD.

3.5. Technical and Operation and Maintenance Requirements. The CDD shall determine each Point of Connection of the two systems to serve the Developments.

(a) The CDD will provide to Howey the required system pressures and elevations to connect, along with any other applicable technical requirements for connections. Howey shall

review the proposed Point of Connection based upon the CDD's technical requirements. Should service to a Howey Retail Customer necessitate the CDD relocating or increasing the size of its wastewater main to connect to the Point of Connection, the CDD shall have no obligation to undertake and complete the upsizing unless and until the involved Development and/or Howey pays or otherwise makes arrangement, in a manner acceptable to the CDD, for payment of all costs of such relocation or increase in size.

(b) Both Howey and the CDD acknowledge that each party operates and maintains its own wastewater system on its respective side of the Point of Connection. At the Point of Connection, the CDD may provide appropriate metering and in such case, the maintenance and reading of the Point of Connection meters. If a meter is installed, the meter shall be calibrated as required by law and the results provided to Howey. In the event of meter failure, both Howey and the CDD will mutually develop a method to estimate flows until the meter is repaired.

3.6. Delivery Pressure; Peak Flows; Usage. Howey shall deliver Wastewater through Howey Collection Facilities and to the Interconnect Facilities at a pressure not less than 26 Pounds per Square Inch of fluid pressure (PSI) to enable receipt of Wastewater into the Treatment Facilities without repumping. The CDD shall receive Wastewater flows from Howey at a flow rate not exceeding 1,500 GPM unless increased in conjunction with a purchase of additional wastewater treatment capacity as provided in Section 3.4. If at any time Wastewater flow from Howey exceeds 1,500 GPM or other maximum accepted by the CDD in conjunction with a purchase of additional wastewater treatment capacity, Howey shall, at its expense, plan, construct, operate, and maintain a surge tank as a part of Howey Collection Facilities, in order to reduce Wastewater flows to a rate that is at or below 1,500 GPM or other accepted maximum.

Deleted: 3.3

3.7. Treated Wastewater. Wastewater received by the CDD from Howey through the Interconnect Facilities shall be deemed to be the property of the CDD. Notwithstanding the foregoing sentence, treated wastewater generated from the Excess Capacity used by customers located at the Future Development shall be available for purchase by Howey at the CDD's normal and customary rates.

SECTION 4. PURCHASE OF EXCESS WASTEWATER CAPACITY. In the event that Howey's wastewater usage exceeds its subscribed capacity for three (3) consecutive months, Howey shall either buy additional wastewater capacity from the CDD in the manner provided in Section 3.4 or shall pay the capital costs of providing the additional capacity needed, but only if the CDD provides Howey written notice that wastewater received by the CDD has exceeded Howey's subscribed capacity for a one (1) month period and such notice is received by Howey within fifteen (15) days following the termination of that one (1) month period for which Howey's usage exceeded its subscribed capacity.

SECTION 5. SERVICE STANDARDS. The parties mutually agree that after connection of Howey Collection Facilities to the Interconnect Facilities, the CDD agrees to comply with all state, regional, and federal requirements and rules applicable to the provision of Wastewater Service Capacity to the public. Notwithstanding the above, the CDD does not guaranty or warrant any special service, pressure, quality, capacity, availability, or other facility other than what is required to fulfill a duty of reasonable care to the customers to whom it

provides such Wastewater Service Capacity. Upon connection of Howey Collection Facilities to the Interconnect Facilities, any customers that have connected or will connect into Howey Collection Facilities shall be Howey's retail customers. Howey shall be the party responsible for discontinuing services to customers provided for hereunder if customers fail to pay bills for said services.

SECTION 6. CONSISTENCY OF WASTEWATER. Howey acknowledges and recognizes that in the operation and maintenance of the CDD's Wastewater System, the CDD has certain obligations to protect the health, safety and welfare of the public and to prevent undue burden to the CDD's customers resulting from extraordinary discharges attributable to Howey.

(a) Howey agrees that all Sewage collected by Howey and transmitted to the CDD shall conform to the CDD's published standards prior to introduction into the CDD's Treatment Facilities.

(b) No substance other than Residential Wastewater Strength, including but not limited to hazardous, flammable, toxic, and/or industrial constituents, regardless of the concentrations of such constituents, will be placed into the CDD's Wastewater System and delivered to the Treatment Facilities. Non-domestic wastes from commercial establishments may be introduced into the CDD's Wastewater System only upon prior written approval from the CDD based on the CDD's determination that such non-domestic waste will not harm the Treatment Facilities. Should any non-domestic wastes, grease or oils, including but not limited to, floor wax, paint, chlorides, or salt water be delivered to the Treatment Facilities, Howey will be responsible for payment of the cost and expense required in correcting or repairing any resulting damage to the Treatment Facilities or property of third parties. The CDD shall have the right to sample Howey's sewage to verify compliance with this Agreement.

(c) In the event the CDD determines that property served or to be served by Howey poses a threat of introducing chlorides, salt water, or similar constituents into the Treatment Facilities at levels determined by the CDD, in accordance with current industry standards, to be harmful to the Treatment Facilities, including but not limited to, the Treatment Facilities' ability to provide effluent meeting reuse standards, and its acceptability as an irrigation supply source for vegetation, the CDD has the right to decline or discontinue service, or charge a higher rate due to increased treatment costs if applicable, to such property or customer and to require such pretreatment or other measures as are necessary to protect the integrity of Treatment Facilities. In the event of such declination or discontinuance of service, Howey shall have the right to provide or obtain treatment of the effluent from such property through its own facilities or from a third party.

SECTION 7. WHOLESALE WASTEWATER USER CHARGES.

The CDD agrees to provide transmission, treatment and disposal of Howey's wastewater for a monthly charge per ERU.

(a) The volume may be measured by the CDD at the Point of Connection between the CDD and Howey. After the first of each month, the CDD shall submit an invoice to Howey for treatment services rendered to Howey during the previous month detailing the number of ERUs. Payment of the invoice and the consequences of failure by Howey to pay the invoice timely shall be governed by the Local Government Prompt Payment Act in Part VII of Chapter 218 of Florida Statutes.

(b) The initial rate payable by Howey for customers connected to Howey Collection Facilities shall be **\$28.01 per month per ERU**. This rate shall remain in effect until the first anniversary of effective date of this Agreement. For the first twelve billing cycles after the first anniversary of the effective date of this Agreement, the rate payable by Howey shall be **\$30.01 per month per ERU**. For the year first twelve billing cycles after the second anniversary of the effective date of this Agreement, the rate payable by Howey shall be **\$32.01 per month per ERU**. Thereafter, rates shall be adjusted in accordance with Section 8.

SECTION 8. CHANGE OF RATES. For each year after the expiration of the initial rates established in Section 7, the CDD may increase the wholesale rate paid by Howey either:

(a) by a percentage not exceeding the price-increase-or-decrease index established during that year by the Florida Public Service Commission for wastewater utilities as required by Section 367.081(4)(a) of Florida Statutes; or

(b) in accordance with a rate study conducted by the CDD, at its election and expense, for the entire CDD Wastewater System, both inside and outside the boundaries of Howey. The study shall arrive at a wholesale rate to be paid by Howey, and at the CDD's election, may consider conversion to a metered rate per thousand gallons of wastewater flow. Upon completion of the rate study, that replacement rate shall be charged to Howey. The wholesale rate to be charged to Howey shall be adjusted using the same methodology and applied to those components of the rate base associated with the acceptance of the wastewater in bulk at the Point of Connection for final transmission, treatment and disposal (i.e., not including costs associated with the CDD collection system, billing, or other costs associated exclusively with CDD Retail Customers).

The CDD may, but shall not be required to, convert its rate structure to charge based on a metered volume basis after a rate study is conducted. Nothing herein shall prohibit the CDD from charging customers outside the Howey Retail Service Territory a rate that is higher than, or increasing rates outside the Howey Retail Service Territory by a percentage greater than, the rate or increase imposed on customers within the Howey Retail Service Territory. CDD Retail Customers shall not be charged a wastewater rate that is less than the amount charged by the CDD with respect to each Howey Retail Customer.

SECTION 9. ASSIGNMENT OF CDD RETAIL WASTEWATER AGREEMENTS. The CDD hereby confirms its assignment to Howey by the 2007 Wholesale Agreement of the right to be the retail wastewater service provider for the 2007 Developments and Howey confirms its assumption of such obligations for the 2007 Developments. The CDD retains the right under the CDD Service Agreements to provide wastewater treatment for the

2007 Developments, but only as a wholesale provider to Howey. Howey confirms that the 2007 Developments have purchased and made provision for payment in full of Wastewater Treatment Capacity sufficient for the needs of such customers, and that [other than CIAC for each customer within a 2007 Development \(subject to credits as described in the CDD Service Agreements\)](#), no other or additional wastewater connection fee, impact fee, service availability fee, or other capital charges whatsoever (however characterized by Howey) shall be due from the 2007 Developments for or on account of the provision of wastewater treatment.

SECTION 10. RESERVATION AND MAINTENANCE FEES. The CDD has adopted Reservation and Maintenance Fees (“RAM Fees”) that apply to customers uniformly, both inside and outside the boundaries of Howey. The fees shall be payable by Howey for the amount of Wastewater Treatment Capacity for each ERU reserved under this Agreement that has not been allocated to a connected Howey Retail Customer. The CDD acknowledges and agrees that Howey shall pass RAM Fees on to Vested Customers and any future customers that have been allocated Wastewater Treatment Capacity but are not a connected Howey Retail Customer.

SECTION 11. INDEPENDENT CONTRACTOR RELATIONSHIP; NO LIABILITY FOR HOWEY OR CDD DEBT.

11.1. Neither the CDD nor Howey is or shall be deemed to be an agent of the other, and neither shall have the authority or power to obligate or act for or on behalf of the other. Each is entering into this Agreement as an independent contractor.

11.2. The parties agree expressly that (i) the CDD has no obligation whatsoever to creditors of Howey or other third-parties for any existing or future debts or other obligations of Howey of any type or nature, and (ii) Howey has no obligation whatsoever to creditors of the CDD or other third-parties for any existing or future debts or other obligations of the CDD of any type or nature.

SECTION 12. DISCLAIMER OF THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the formal parties hereto. No right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. To that end, this Agreement is expressly declared to have no third-party beneficiary.

SECTION 13. ASSIGNMENT AND RIGHT OF FIRST REFUSAL.

13.1 Assignment. This Agreement shall be binding on the parties hereto and their representatives, successors, and assigns. Neither party shall assign this Agreement or the rights and obligations to any other party without the prior written consent of the other party hereto, which may not be unreasonably withheld.

13.2 Right of First Refusal.

(a) CDD does hereby grant unto Howey a right of first refusal (hereinafter referred to as the “ROFR”) to purchase all of the CDD’s right, title and interest in and to the CDD’s leasehold interest in the Lease between the CDD and Sewer & Water Plant Investments, LLC, a Florida

limited liability company (“S&WP”) (the “Lease”), and together with any personal property located on or used in connection with said real property which is owned by the CDD (collectively, the “Property”), subject to and upon the terms and conditions hereinafter set forth.

During the term of the Agreement, in the event the CDD receives a bona fide written offer from any third party to purchase the Property, which the CDD desires to accept, Howey may elect to purchase the Property at the price and on the terms as are contained in the written offer. The CDD shall give notice to Howey, including delivery to Howey of a true and exact copy of the written offer, and allow Howey sixty (60) calendar days subsequent to Howey’s receipt of such notice within which Howey may elect to purchase the Property from the CDD; and in the event Howey so elects to purchase the Property, by giving notice of such election to the CDD within the sixty (60) calendar day period, the CDD shall sell the Property to Howey at the price and on the same terms and conditions as are contained in the written offer.

Should Howey, by written notice to the CDD, elect not to exercise the right to purchase, or should Howey fail to notify the CDD of its election to purchase within the aforesaid sixty (60) day calendar period, then, in either of such events, the CDD shall be free to consummate the sale of the Property to the third party submitting the written offer, provided that the sale is closed on and on the same material terms and conditions as are contained in the written offer and provided further that the sale is subject to Section 13.1 above. Should any such sale be consummated, this ROFR shall thereafter be of no further force and effect with respect to the Property subject to the sale. Should any such sale not be consummated as aforesaid, the CDD shall, in the event the CDD subsequently receives any modified or new bona fide written offer from any third party to purchase the Property, again follow the provisions of this Subsection 13.2(a) requiring notice to Howey and opportunity for Howey to purchase the Property. The CDD shall not be obligated to offer to sell or to sell the Property, and the CDD shall not be obligated to disclose to Howey any offer to purchase the Property which the CDD may receive which the CDD, in its sole discretion, does not accept or intend to accept.

Notwithstanding anything herein to the contrary, under no circumstances shall a “bona fide written offer from a third party” be deemed to include or shall this ROFR be triggered by any of the following:

- (i) A transfer to S&WP (or its successor or assign); or
- (ii) Any financing transactions of any nature, including a bond issuance; or
- (iii) Any future expansion or modification of the CDD’s Wastewater System and sale of ERUs generated thereby.

(b) Contemporaneously with the execution of the Agreement, Howey and S&WP have entered into a separate right of first refusal agreement establishing a right of first refusal for Howey with respect to S&WP’s fee simple interest in the Property that is leased to the CDD under the Lease.

SECTION 14. INDEMNIFICATION.

14.1. Neither party hereto waives its sovereign immunity, except that, consistent with applicable Florida law, including, but not limited to Chapter 768, Florida Statutes, each party shall hold the other harmless for the negligent acts of itself and its officers, agents, and employees, but only to the extent permitted by law.

14.2. If service provided hereunder is discontinued to a customer due to failure of the customer to pay for services provided, the party responsible for discontinuing service shall hold the other party harmless as to any and all claims or suits regarding such action.

SECTION 15. DEFAULT.

15.1. Either party to this Agreement, in the event of or act of default by the other, shall have all remedies available to it under the laws of the State of Florida, including but not limited to injunction to prevent default and specific performance to enforce this Agreement. The rights of the parties shall be considered cumulative and shall not be waived now or in the future by the exercise of any rights and remedies provided under the terms of this Agreement and authorized by law.

15.2. In the event of a default by Howey, the CDD agrees that it will not discontinue service to Howey except in the case of an emergency resulting from a substantial and material default under Section 6 of this Agreement, provided all payments for service required hereunder are made by Howey and until such time as a court of competent jurisdiction has rendered an adjudication of default. In the event Howey disputes amounts payable for service pursuant to this Agreement, Howey shall continue to make such payments under protest. Upon resolution of the protest, CDD shall refund any amounts determined to be overpaid, plus interest at the rate established by the Local Government Prompt Payment Act, Part VII of Chapter 218 of Florida Statutes.

15.3. In the event of default by the CDD, Howey is entitled both to all remedies available to customers of the CDD's water and sewer system, as well as all remedies otherwise provided under this Agreement.

15.4. Each of the parties hereto must give the other party written notice of any defaults hereunder and shall allow the defaulting party 30 days from the date of receipt to cure such defaults and shall otherwise comply with state law related to resolving disputes between local governments. If the default cannot be cured within 30 days the defaulting party shall commence the cure within such period and shall complete such cure within a reasonable period thereafter.

SECTION 16. NOTICES. Any notice required or allowed to be delivered hereunder shall be in writing and be deemed to be delivered when either (1) hand-delivered to the official hereinafter designated, or (2) upon receipt of such notice when deposited in the U.S. mail, postage prepaid, certified mail, return-receipt requested, addressed to a party at the address set forth opposite the party's name below, or at such other address as the party's name below, or at such other address as the party shall have specified by written notice to the other party delivered in accordance herewith:

*Howey edits
10-22-2024
tracked*

CDD: Mr. Bud Beucher
Central Lake Community Development District
219 East Livingston Street
Orlando, Florida 32801

with a copy to: George S. Flint
District Manager
Central Lake Community Development District
219 East Livingston Street
Orlando, Florida 32801

and: District Counsel
Stone & Gerken, P.A.
4850 N. Hwy 19A
Mount Dora, Florida 32757

HOWEY: Sean O'Keefe
Town Manager
(101 North Palm Ave. 34737)
P. O. Box 128
Howey-in-the-Hills, Florida 34737

with a copy to: Thomas J. Wilkes
GrayRobinson, P.A.
(301 E. Pine Street, Suite 1400 32801)
P. O. Box 3068
Orlando, Florida 32802

SECTION 17. SEVERABILITY. If any part of this Agreement is found invalid or unenforceable by any court, such invalidity or unenforceability shall not affect the other parts of the Agreement if the rights and obligations of the parties contained herein are not materially prejudiced and if the intentions of the parties can continue to be effected. To that end, this Agreement is declared severable.

SECTION 18. RECORDATION. The parties hereto agree that an executed copy of this Agreement and Exhibits attached hereto shall be recorded in the Public Records of Lake County at the expense of the parties, said expense to be shared equally.

SECTION 19. TIME OF THE ESSENCE. Time is hereby declared to be of the essence to the lawful performance of the duties and obligations contained in this Agreement.

SECTION 20. APPLICABLE LAW. This Agreement shall be construed, controlled, and interpreted according to the laws of the State of Florida. Venue for disputes, if any, must be the Circuit Court of the Fifth Judicial Circuit of Florida, in Lake County, Florida.

SECTION 21. FORCE MAJEURE. In the event that the performance of this Agreement by either party is prevented or interrupted in consequence of any cause beyond the control of either party, including but not limited to an Act of God or of the public enemy, war, state or national emergency, material governmental restrictions upon the use or availability of labor or materials, rationing, civil insurrection, riot, racial or civil rights disorder or demonstration, strike, embargo, flood, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, earthquake, pandemic, or other casualty or disaster or catastrophe, governmental rules or acts or orders or restrictions or regulations or requirements, or order or decree or judgment or restraining order or injunction of any court, such party shall not be liable for such non-performance.

SECTION 22. EFFECTIVE DATE, TERM, AND TERMINATION. This Agreement shall take effect as of the date first above written (“Effective Date”). This Agreement shall continue in full force and effect in perpetuity unless and until a party exercises its right to terminate this Agreement as follows:

- 22.1 Neither party may terminate this Agreement effective as of a date prior to September 30, 2060.
- 22.2 Howey may terminate this Agreement as of the date stated in a written notice of the termination delivered by Howey to the CDD no less than 60 full calendar months before the stated date of termination.
- 22.3 The CDD may terminate this Agreement as of the date stated in a written notice of the termination delivered by the CDD to Howey no less than 120 full calendar months before the stated date of termination.

As of the date of such termination, both parties shall be fully discharged from obligations under this Agreement except for amounts payable and remaining unpaid as of the date of termination.

SECTION 23. ENTIRE AGREEMENT; EFFECT ON PRIOR AGREEMENT. The 2007 Wastewater Agreement and the 2012 Wastewater Agreement are terminated. This instrument constitutes the amended and restated agreement between the parties in its entirety and supersedes all previous discussions, understandings, and agreements between the parties relating to the subject matter of this Agreement except the School Board Agreement, which remains in effect. Amendments to and waivers of the provisions herein may be made only by the parties in writing, by formal waiver or amendment approved by majority vote of both Howey’s Town Council and the CDD’s Board of Supervisors.

SECTION 24. EXERCISE OF POLICE POWER. This Agreement must not be construed to require Howey to exercise its police power. Nothing herein acts as a waiver of Howey’s authority to require a permit, license, certificate, rezoning, exception, variance, or other approval under Howey’s Town Charter, Code of Ordinances, and Land Development Code.

SECTION 25. EFFORTS OF PARTIES. The CDD and Howey will each use good faith in their dealings to give effect to the intent of this Agreement. Howey shall enact such

*Howey edits
10-22-2024
tracked*

ordinances and resolutions, and the CDD shall enact such resolutions and rules, as are necessary or desirable to achieve the purposes hereof including, but not limited to, establishing the payment of contributions in aid of construction as a condition to issuance of certain development approvals as described herein. Neither Party shall enter into an interlocal agreement, interlocal service boundary agreement, joint planning agreement, or similar arrangement, nor enforce a provision of any of the foregoing which may now be in effect, which is contrary to the purposes and intent of this Agreement.

SECTION 26. PUBLIC RECORDS. The CDD and Howey both shall comply fully with all applicable requirements of Chapter 119 of Florida Statutes regarding public records.

SECTION 27. NO EXCLUSIVITY. Except as set forth herein, the Town may provide wastewater treatment and disposal services, or may contract with others to provide wastewater treatment and disposal services, to the Future Development. The CDD has no right of exclusivity in providing such services except as expressly set forth in this Agreement.

SECTION 28. ANNEXATION OF PARCELS SERVED. Howey may desire to require, as a condition precedent to providing wastewater service to a prospective Howey Retail Customer that desires to connect property to the Howey Collection Facilities, an agreement under which the prospective Howey Retail Customer petitions for and consents to annexation of the subject property into the Town. The existence of this Agreement shall not be construed to limit Howey's discretion to condition service to a prospective Howey Retail Customer on its agreement to annex.

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

[Signatures on the following page]

*Howey edits
10-22-2024
tracked*

ATTEST:

By: _____

**CENTRAL LAKE COMMUNITY
DEVELOPMENT DISTRICT**
By: Board of Supervisors

By: _____
Mr. Bud Beucher, Chairman

Approved as to form and correctness:

Print Name: _____

ATTEST WITH SEAL

By: _____
John Brock, Town Clerk

TOWN OF HOWEY-IN-THE-HILLS
By: its Town Council

By: _____
Mayor Martha Macfarlane

Approved as to form and legality
(for the use and reliance of the Town only)

Town Attorney

*Howey edits
10-22-2024
tracked*

STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this ___ day of _____, 2024, by BUD BEUCHER as Chairman of CENTRAL LAKE COMMUNITY DEVELOPMENT DISTRICT, Board of Supervisors. He is personally known to me or has produced _____ as identification.

NOTARY PUBLIC—STATE OF FLORIDA
Printed Name: _____
My Commission Expires: _____

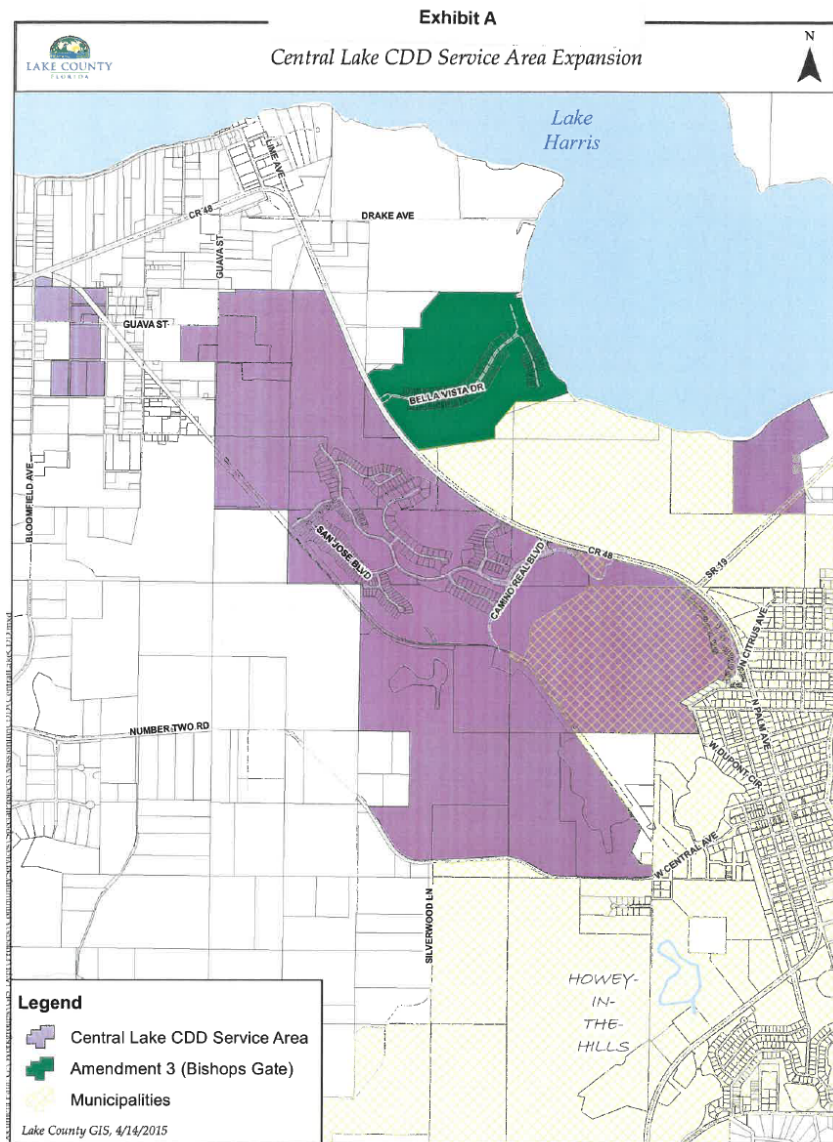
STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this ___ day of _____, 2024, by MAYOR MARTHA MACFARLANE as Mayor of TOWN OF HOWEY-IN-THE-HILLS, Town Council. She is personally known to me or has produced _____ as identification.

NOTARY PUBLIC—STATE OF FLORIDA
Printed Name: _____
My Commission Expires: _____

EXHIBIT A

[Map of CDD Retail Service Territory]



*Howey edits
10-22-2024
tracked*

EXHIBIT B

[Map of Howey 180 Utility Service Area]

EXHIBIT C

[Legal descriptions of the Vested 2007 Developments]

EXHIBIT D

[Legal Description of the 2012 Development]

EXHIBIT E

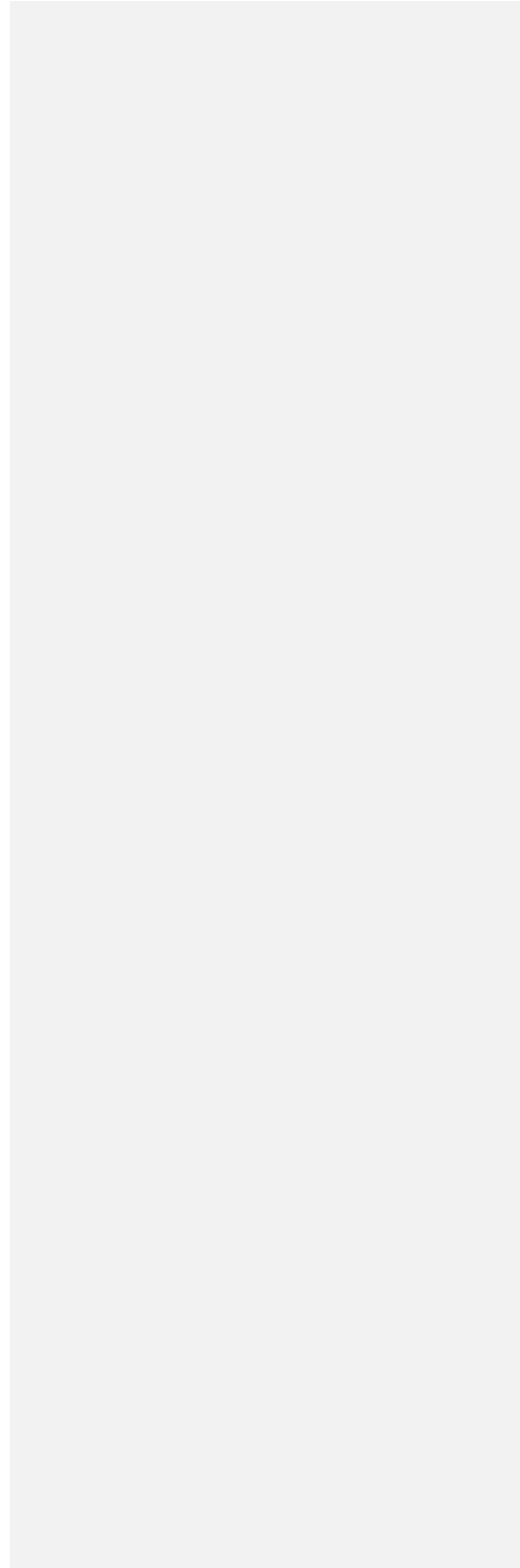
[Vested Developments and Reserved Capacity]

EXHIBIT F

[Unauthorized Hookups]

#45374066 v19

*Howey edits
10-22-2024
tracked*



SECTION V

**WASTEWATER CAPACITY COMMITMENT AND SERVICE AGREEMENT
(LAKE HILLS PUD)**

This **WASTEWATER CAPACITY COMMITMENT AND SERVICE AGREEMENT** (the “Agreement”) is entered into this ____ day of _____, 2024 (the “Effective Date”), by and between **READER & PARTNERS, LLC**, a Florida limited liability company, whose address is 5850 T.G. Lee Boulevard, Suite 200, Orlando, Florida 32822 (“Developer”), and **CENTRAL LAKE COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special purpose government created pursuant to Chapter 190, Florida Statutes, whose address is 10400 CR 48 Howey-the-Hills, FL 34737 (the “District”).

RECITALS

A. **WHEREAS**, the District was established by an ordinance adopted by the Board of County Commissioners of Lake County, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, and is validly existing under the Constitution and laws of the State of Florida for the purpose of constructing, operating, and maintaining certain wastewater and water (potable and non-potable) infrastructure improvements within and without its boundaries.

B. **WHEREAS**, the District leases and operates a wastewater treatment and disposal system located in unincorporated Lake County, Florida pursuant to its authority granted by Chapter 190, F.S.

C. **WHEREAS**, the Developer is, or is authorized to enter into this on behalf of, the owner of certain real property located in the Town of Howey-In-The-Hills (the “Town”) in Lake County, Florida, as more particularly described in **Exhibit "A"** attached hereto and made a part hereof by reference (the “Property”).

D. **WHEREAS**, The Property has zoning and other approvals from the Town for approximately 571 residential units, comprised of a mix of single family and multi-family age-restricted units and related uses and amenities, including, but not limited to, a fitness facility and clubhouse (collectively, the “Project”) which in aggregate will equal 571 Equivalent Residential Units (the “Wastewater Service Capacity”). The Developer intends to develop the Property in a manner consistent with the approved Project.

E. **WHEREAS**, Developer desires that the District provide treatment and disposal services with respect to wastewater generated at the Property for the Project and collected by the Town (the “Utility Services”).

F. **WHEREAS**, the Town enacted Ordinance 2003-307 on August 11, 2003, under which the Town created a water and wastewater service area as authorized by Chapter 180, Florida Statutes (the “180 Service Area”) which includes the Property.

G. **WHEREAS**, the District and the Town have previously entered into a Wholesale Wastewater Service Agreement for Bouis Property dated February 27, 2012 (the “2012 Wholesale Agreement”) which contemplated the District’s provision of wholesale wastewater treatment and disposal services for an area including the Property, and are currently working to enter into an

updated agreement, under which it is anticipated that the District will agree to sell wastewater service capacity to the Town on a wholesale basis for certain developments inside Howey's 180 Service Area, including the Property (the "Anticipated Wholesale Agreement").

H. **WHEREAS**, Under the terms of the Anticipated Wholesale Agreement, the District will collect and retain the contribution-in-aid-of construction ("CIAC") payment for wastewater treatment and disposal capacity directly from the relevant developer(s) in order to receive retail wastewater treatment service from the Town, which is served by the District's wastewater treatment and disposal system.

I. **WHEREAS**, the District and Developer further acknowledge and agree that the Developer and the Town may enter into a developer agreement in order to address further relevant terms and conditions of wastewater service and delivery by the Town to the Developer's Property, including technical and operation and maintenance requirements, point(s) of connection with the Town's existing collection system, delivery pressures, peak flows, usage, consistency of wastewater, user charges/rates, reservation and maintenance fees and the estimated capacity delivery date.

J. **WHEREAS**, the District is willing to commit to provide Utility Services in accordance with the conditions and provisions of this Agreement.

K. **WHEREAS**, The Developer, at its sole cost and expense, is willing to design, permit, construct install and/or upgrade all on- and off-site wastewater system improvements, which may include but are not limited to, a force main(s), lift station(s), sewage pumping station(s), gravity sewer mains, manholes, laterals, and other required improvements and appurtenances to provide, together with the Town's existing facilities as the same may be upgraded by the Developer to accommodate the Project's requirements, a complete collection and transmission system (the "Collection System") from the Project to a connection to the District's wastewater system at the Point of Connection (as defined herein); upon completion, the Collection System shall be owned, operated, and maintained by the Town.

L. **WHEREAS**, The Developer, at its sole cost and expense, is willing to design, permit, construct and install wastewater system improvements as are necessary for transmission of wastewater anticipated to be generated by the Project from the Point of Connection to the District's wastewater treatment plant (the "Transmission Upgrades"), but only to the extent set forth in this Agreement; upon completion, the Transmission Upgrades shall be owned, operated, and maintained by the District.

M. **WHEREAS**, at this time the parties wish to set forth their agreement as stated below.

NOW, THEREFORE, for and in consideration of the premises, the mutual undertakings and agreements herein contained and assumed, Developer and District hereby covenant and agree as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Agreement as if fully set forth herein.

2. District Obligations.

2.1 The District covenants and agrees that it will provide Utility Services to the Property and the Project, and that wastewater sufficient capacity is hereby reserved by the District to serve **571 equivalent residential units** including associated parks and amenity spaces for the Project. The District's obligation to reserve wastewater capacity for the Project is subject to the terms of this Agreement and further subject to the condition that the Developer closes on the purchase of the Property on or before June 30, 2025.

2.2 In the event that the Developer fails to close on the purchase of the Property on or before June 30, 2025, then the Developer or the District shall have the right to terminate this Agreement by providing written notice of such termination to the other parties prior to the date that the Developer actually closes on the purchase of the Property. Any references to the "Developer" as contained in this Agreement shall mean and refer to the Developer or its successor or assignee.

2.3 The District covenants and agrees that it will provide Wastewater Service Capacity to the Property and the Project through connection of the Collection System with the Town's wastewater collection system, and that wastewater capacity is hereby reserved in quantities sufficient for the Project (in reliance on descriptions and information provided by the Developer), subject to the terms of this Agreement.

2.4 The District covenants and agrees that they will allow the Developer to connect the Collection System to the central facilities of the District at the Point of Connection, in accordance with the terms and intent of this Agreement upon:

a. The Developer's completion of the final design and permitting by all applicable governmental agencies having jurisdiction of the necessary wastewater facilities required to provide Utility Services to the Property for the Project, including but not limited to the Transmission Upgrades;

b. The Developer's provision, prior to commencement of the construction of Transmission Upgrades, of a performance guaranty in the form of a performance bond or letter of credit issued by a prime institution in a form acceptable to the District;

c. The designation by mutual agreement of the Developer, the District, and the Town, of the point at which the Collection System will be connected to the District's treatment and disposal system (the "Point of Connection"); The Point of Connection is anticipated to be located at the southeastern corner of CR 48 and San Luis Boulevard.

d. the completion of construction and acceptance by the Town of the Collection System in accordance with plans and specifications approved by the Town and the District, all at Developer's sole expense except as provided herein;

e. the completion of construction and acceptance by the District of the Transmission Upgrades generally described in Exhibit "C" attached hereto and incorporated herein by reference, all at Developer's sole expense except as provided herein;

f. the inspection and approval by the District and all applicable governmental agencies having jurisdiction of the Transmission Upgrades during construction and the furnishing of a complete set of as-built plans in a form acceptable to the District for all such facilities constructed by the Developer;

g. the issuance of the final letter of acceptance by the District (which the District will promptly issue upon the Developer's satisfaction of the other requirements prescribed in this Section 2.4), subject to the warranty and guarantee by either the Developer and/or the Developer's contractor running in favor of District as required below;

h. the compliance by the Developer with all of the other terms of this Agreement, including the payment of such fees and charges when due as set forth herein;

i. The District has obtained an amendment to the 2012 Wholesale Agreement, by entry into the Anticipated Wholesale Agreement, confirming the District to be the exclusive provider of Utility Services, and for the Town to be the retail provider, to the Property;

j. The Developer obtaining for the District, at no cost to the District, (i) if necessary, an amendment to the Infrastructure Easement Agreement dated December 8, 2022 between the District and SJ Mission Inn, LLC, and (ii) an easement agreement from Packing House By-Products Co. (or its successor) for the construction, access and maintenance of the Transmission Upgrades on a portion of the 7.41 acre parcel of land adjacent to hole # 1 of the Las Colinas golf course, all in locations and on terms reasonably acceptable to the District to allow construction of the Transmission Upgrades; and

k. The Developer obtaining, at its sole cost, an easement, right of way utilization permit, or similar rights, to cross the CR 48 right of way, in a location and on terms reasonably acceptable to Developer to allow construction of the Collection System and for such Collection System to connect to District's treatment and disposal system at the Point of Connection.

2.5 All connections to District's central wastewater facilities shall, at all times, be in accordance with rules, regulations and orders of the applicable governmental authorities and of the duly promulgated rules and specifications of the District. Rates and other terms and conditions for retail wastewater services are established pursuant to act of the Town Commission.

3. CIAC and RAM Fees.

3.1 The District has established a Contribution-In-Aid-of-Construction ("CIAC") fee generally designed to recover its capital investment in the treatment and disposal facilities which will be used in providing the Utility Services. Pursuant to the Anticipated Wholesale Agreement, the CIAC is collected by the District as a condition to providing a Certificate of Wastewater Treatment Availability (the "Certificate"). The Certificate will be issued in the form attached hereto as Exhibit "E" upon execution of this Agreement and payment of the CIAC as set forth herein.

a. Developer agrees to pay to the CIAC fee for each residential unit in the Project. Unless otherwise agreed in writing, the CIAC shall be paid in accordance with Addendum 1 attached hereto and made a part hereof by reference.

b. Notwithstanding the schedule provided above, the Developer may prepay any or all of the annual installments of the Purchase Price in advance. At such time as the Developer has paid the applicable installment(s) of the Purchase Price, wastewater capacity shall be reserved for the applicable units.

c. The CIAC fee shall be based on the duly promulgated rate in effect at the time of payment, which rate is currently **\$4,574.25** per residential unit. The Developer may elect to pay the CIAC fee sooner for any reason.

d. Upon receipt of payment of a CIAC fee for a residential unit in the Project, the District will issue a Certificate to the Developer.

3.2 In addition to the charges set forth above, the Developer acknowledges that the District imposes a duly promulgated Reservation and Maintenance Fee ("RAM Fee") for each ERU that has reserved or purchased capacity but is not yet paying for Utility Services. It is anticipated that the Town will collect the RAM Fee, but in the event that the Town fails or refuses to collect the RAM Fee, it shall be remitted by the Developer directly to the District.

3.3 In the event that the Developer fails to receive a certificate of occupancy for an ERU **seventy (70)** months after the completion of the Transmission Upgrades then the wastewater capacity reservation for each such ERU shall become subject to the right of the District to repurchase by refund of the CIAC.

4. Developer Obligations.

4.1 *Design.* The Developer, at its sole cost and expense, shall be responsible for designing and preparing the plans and specifications for the Collection System and Transmission Upgrades and for obtaining all necessary and required permits from all regulatory agencies for such improvements. The Developer shall provide copies of such plans and specifications for Transmission Upgrades to the District for its review and approval (not to be unreasonably withheld, conditioned or delayed), prior to the submittal of same to any other governmental authority. District shall respond to a request for approval within twenty (20) days, otherwise such submittal shall be deemed approved. Unless otherwise agreed by the Developer and the District in writing, the specifications shall be based on projected flow rates of up to **150** gallons per day per active adult residential unit for on-site facilities and off-site facilities, which projected flow rate also includes projected flows for onsite amenities including the clubhouse, swim facility and fitness center for the Project. The projected flow rates of 150 gallons per day are used for purposes of designing and engineering the Transmission Upgrades, notwithstanding that the purchase of capacity (in terms of ERUs), RAM fees, CIAC fees, and monthly user fees are based on a different calculation such as a per dwelling-unit price. For purposes of this Agreement, the term "Plans" shall mean and refer to the plans and specifications for the Transmission Upgrades and Collection System as approved by the District and all other governmental authorities with jurisdiction.

4.2 *Construction; Cost-Sharing of Transmission Upgrades.*

a. The Developer shall complete construction of the Collection System and Transmission Upgrades in accordance with the Plans, at no cost to the District except as provided herein. The Developer acknowledges that Transmission Upgrades may require the acquisition of easements or other interests in land for the use of the District at Developer's expense. The Developer shall perform the construction of the Transmission Upgrades subject to and in full compliance with the terms and conditions set forth in the easements referenced in Section 2.4j of this Agreement. Prior to the commencement of construction of the Transmission Upgrades, (i) Developer (and its contractor) shall, at its own cost, obtain and maintain at all times during construction, commercial general liability insurance, including without limitation, builder's risk, protecting against loss of life, bodily injury, and property damages, in the amount of \$2,000,000 per incident and \$5,000,000 in the aggregate, and which shall name District, SJ Mission Inn, LLC, Packing House By Products Co, and Sewer & Water Plant Investments, LLC (collectively, the "Interested Parties") as additional insureds, and (ii) Developer and the Interested Parties shall, acting reasonably and in good faith, agree on ways to mitigate the impact that construction of the Transmission Upgrades will have on each of the Interested Parties' business or property. Developer shall not permit (and shall promptly satisfy or bond) any construction mechanic's lien or encumbrance against any Interested Parties' property.

b. *Cost-Sharing of Transmission Upgrades.* Certain Transmission Upgrades may have been previously constructed, or will be constructed, by one or more performing developers other than the Developer for developments other than the Project and "upsized" for the benefit of development at the Property pursuant to "pioneering" type arrangements. Those arrangements may require that the performing developers be reimbursed by the District upon the use of the upsized capacity through development of the Property. Accordingly, in addition to the CIAC, the Developer shall pay the District the amount to be reimbursed to the performing developer(s) without markup, and the District will pay the funds over to the performing developer or its successors and assigns. This cost sharing payment shall be considered part of the Developer's required Transmission Upgrades and shall be a condition precedent to the acceptance by the District of the Transmission Upgrades. If such arrangements are in place as of the effective date of this Agreement, they are described as follows:

[None]

c. *Pioneering by Developer.* To the extent described in this subparagraph, the District and Developer have agreed that certain Transmission Upgrades include "upsizing" for the benefit of developments other than the Project such that the Developer will be a performing developer in a "pioneering" type arrangement. Upon turnover of the Transmission Upgrades to the District, a right shall be reserved in favor of the Developer to receive payment, in whole or in part, to reimbursement by contributing properties for their proportionate share of the cost of such upsizing. The Developer shall provide an engineer's certification of final cost of the Transmission Upgrades and will update the calculation in Exhibit D-1 demonstrating the cost allocation projected for contributing properties. The District shall collect or facilitate the Developer's collection of such reimbursement prior to acceptance of wastewater from contributing properties based on the proportion of capacity of the upsized facility (on an ERU basis) to be used by such contributing property as defined in the engineer's certification of final cost of the

Transmission Upgrades for the contributing property(s) calculated cost allocation. This reimbursement shall include cost of carry increase based on the consumer price index to be added from the date of the engineer's certification of final cost of the Transmission Upgrades until such time payment is made to the Developer for a contributing property(s) upsize allocation. The Developer's entitlement to reimbursement with respect to one or more contributing properties prior to use of the upsized Transmission Upgrades by development upon such contributing properties shall not be deemed to be an obligation or indebtedness of the District. The Developer shall not be entitled to reimbursement after the fifteenth anniversary of the turnover of the Transmission Upgrades or in the event that a court of competent jurisdiction or government agency with regulatory authority determines that a contributing property must be provided with utility services notwithstanding nonpayment of its proportionate share. If arrangements pursuant to this subparagraph are in place as of the effective date of this Agreement, they are described as follows:

Upsized Transmission Upgrades are Described on Exhibit D

4.3 *Inspections.* The Developer, at its sole cost and expense, shall retain the services of a Florida registered professional engineer for the purposes of inspecting and supervising the construction and installation of the Collection System and Transmission Upgrades to ensure compliance with accepted civil engineering practices and the approved plans and specifications. Prior to the Developer conveying the Transmission Upgrades as constructed to the District, the engineer shall certify in writing that the construction and installation of the Transmission Upgrades comply with the accepted civil engineering practices and are in substantial conformance with the approved plans and specifications. The District shall have the right but not the obligation to make inspections of all of the construction work performed by or for the Developer in connection with the Transmission Upgrades. Inspections by the District shall not be construed to constitute any guarantee by the District as to materials or workmanship, nor shall they relieve the Developer of the responsibility for the proper construction of said facilities in accordance with the requirements of this Agreement, nor shall the inspections, if undertaken, abrogate any warranties made by the Developer as to the quality and condition of the materials and workmanship. The District shall not delay the performance of work relating to the Transmission Upgrades nor cause any damage to the Property or improvements thereon. All inspections conducted by the District shall be at the District's sole risk and expense.

5. Ownership of System.

5.1 *Ownership.* The Developer will transfer and convey to the District or the Town, those portions of the Transmission Upgrades and Collection System, respectively, for which the District and the Town have agreed to accept ownership. Transmission Upgrades conveyed to the District shall thereafter remain the sole, complete and exclusive ownership of the District, its successors and assigns. The Developer will ensure that the District also receives an access and maintenance easement for the Collection System.

5.2 *Conveyance.*

a. Upon completion and acceptance of the Transmission Upgrades, the Developer shall, at no cost to the District, convey to the District, its successors or assigns, all of

the right, title and interest of the Developer in and to such Transmission Upgrades pursuant to this Agreement free and clear of all liens and encumbrances.

b. The Developer shall deliver to the District a No Lien Affidavit and Waiver and Release of Lien from all contractors, subcontractors and suppliers of materials or labor in connection with the Transmission Upgrades being conveyed to the District.

c. The Developer or its contractor shall deliver to the District a warranty on a form provided by and approved by the District warranting all Transmission Upgrades conveyed to the District in accordance with this Agreement.

6. Warranties. The Developer or its contractor shall warrant that all Transmission Upgrades conveyed to the District shall be free from defects in materials and workmanship. Said warranty shall remain in full force and effect for a period of one year from the date of final acceptance of such Transmission Upgrades by the District, at the end of which time the warranties shall expire and be of no further force or effect. In the event it becomes necessary to repair and/or replace any of such Transmission Upgrades during the initial one-year period, then the warranty as to those items repaired and/or replaced shall continue to remain in effect for an additional period of one year from the date of final acceptance by the District of those repairs and/or replacements. The form of warranty or guarantee shall be in a form acceptable to the District.

7. Exclusive Provider. The Developer agrees that it shall not engage in the business or businesses of providing Utility Services to the Property during the period of time the District provides Utility Services to the Property on either a wholesale or retail basis, it being the intention of the parties hereto that the District shall have the sole and exclusive right and privilege to provide Utility Services to the Property on either a wholesale or retail basis. Notwithstanding the foregoing, if at any time the District defaults on its obligation to provide sufficient Utility Services to the Property, the Developer, in addition to such other remedies and actions as may be available to it, shall have the right, after providing notice to the District at least sixty (60) days in advance, temporarily to secure the Utility Services from other sources; provided, however, that Developer shall again obtain such Utility Services from the District after the District provides Utility Services to the Property.

8. Force Majeure. In the event that the performance of this is prevented or interrupted by reason of Force Majeure, then the party suffering the Force Majeure event shall be excused from such performance for such period as may be reasonably required to overcome the cause of the delay. [By way of example, if the Developer is prevented or interrupted by reason of Force Majeure from commencing construction of the Off-Site Force Main on or before the Commencement Date, or from completing the Transmission Upgrades on or before the Completion Date, then such Commencement Date or Completion Date, as applicable, shall be automatically extended for such period of time as may be reasonably required for the Developer to overcome the cause of the delay.] For purposes of this Agreement, the term "Force Majeure" shall mean and refer to acts of God or of the public enemy; strikes; war; national emergency; declarations of emergency, governmental restrictions upon the use or availability of labor or materials; rationing; epidemics; civil insurrection, riot, racial or civil rights disorder or demonstration; embargo; flood; tidal wave; fire; explosion; bomb detonation; nuclear fallout; windstorm; hurricane; earthquake; sinkhole or other casualty or disaster or catastrophe; failure to obtain necessary materials, supplies,

labor, permits, or governmental approvals due to unforeseeable governmental rules, acts, orders, restrictions, regulations or requirements; or any judgment or restraining order or injunction of any court.

9. Indemnification. The Developer agrees to indemnify and hold the Interested Parties harmless from all damages, liability, cost and expenses, including reasonable attorney's fees, arising out of acts or omissions relating to this Agreement or any breach hereof to the extent caused in whole or in part by the Developer, its officers, agents, contractors (including sub-contractors at any level) and employees.

10. Assignment. The Developer may not assign its rights, duties or obligations under this Agreement without the express written consent of the District, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the Developer may, without obtaining the District's consent, assign its rights, duties or obligations under this Agreement to an affiliate of the Developer who acquires or has acquired the Property and to any other successor owner of the Property. Provided that the Transmission Upgrades have been completed and accepted by the District, the Developer shall be released from its other obligations under this Agreement to the extent such obligations are assumed in writing by its assignee.

11. Default. In the event of a default of this Agreement by a party, the non-defaulting party shall have all rights and remedies available to such party in law or in equity, including, but not limited to, the right of specific performance. A Party shall not be deemed to be in default of this Agreement except as follows:

11.1 The Party fails to pay, within fifteen (15) days after receipt of notice thereof from the other Party, any sums, fees, charges, costs or expenses which are payable under this Agreement; or

11.2 The Party fails to perform any of its other obligations under this Agreement, within thirty (30) days after receipt of notice thereof from the other Party, provided that, if the Party's failure cannot reasonably be remedied within thirty (30) days, then it shall be permitted reasonable additional time to remedy the default for as long as the such Party exercises reasonable diligence.

The rights of the parties shall be considered cumulative and shall not be waived now or in the future by the exercise of any rights and remedies provided under the terms of this Agreement and authorized by law.

12. Notices. Any notice required or allowed to be delivered hereunder shall be in writing and be deemed to be delivered when either (1) hand-delivered to the official hereinafter designated, or (2) upon receipt of such notice when deposited in the U.S. mail, postage prepaid, certified mail, return-receipt requested, addressed to a party at the address set forth opposite the party's name below, or at such other address as the party's name below, or at such other address as the party shall have specified by written notice to the other party delivered in accordance herewith:

District: Mr. Bud Beucher

Central Lake Community Development District
219 East Livingston Street
Orlando, Florida 32801

with a copy to: George S. Flint
District Manager
Central Lake Community Development District
219 East Livingston Street
Orlando, Florida 32801
gflint@gmscfl.com

and: Kevin Stone
Stone & Gerken, P.A.
4850 N. Highway 19A
Mount Dora, FL 32757
kevin@stoneandgerken.com

Developer: Jeff Reader & Dean Barberree
Reader Communities
5850 T.G. Lee Boulevard Suite 200
Orlando, FL 32822
jeff@readercommunities.com
dean@readercommunities.com

With copies to: Mark Watts
Cobb Cole
231 North Woodland Boulevard
DeLand, FL 32720
Mark.watts@cobbcole.com

13. **Binding Effect.** All terms and provisions of this Agreement are binding upon the parties hereto and their respective successors and assigns. **[However, this Agreement shall not be binding upon, nor constitute an encumbrance upon, the Property until such time as the Developer becomes the owner of the Property. Upon the Developer becoming the owner of the Property, all terms and provisions of this Agreement and all rights, privileges, benefits, and burdens created hereunder will be covenants running with the Property.]**

14. **Miscellaneous Provision.**

14.1 This Agreement and the Provisions contained herein shall be construed, controlled, and interpreted according to the laws of the state of Florida. The sole venue for any action arising out of this agreement shall be the circuit or county court in and for Lake County, Florida.

14.2 This Agreement constitutes the entire agreement between the parties for all matters contained herein and shall supersede all previous agreements or representations either oral or in writing with respect to all matters contained herein.

14.3 **[Upon the Developer becoming the owner of the Property, this Agreement or a memorandum thereof]** shall be recorded in the Public Records of Lake County, Florida, to put all parties on record as to the obligations of the Developer and its successors and assigns as contained herein.

14.4 In the event of any litigation arising from this Agreement, the prevailing party shall be awarded reasonable attorney's fees and costs through and including any appeal.

14.5 Except to the extent this Agreement expressly provides otherwise, the District shall exercise its rights to approve, consent, or exercise other discretion reasonably. Without limiting the foregoing, the District shall not unreasonably withhold, condition, or delay any consent, approval, or other exercise of discretion under this Agreement, except as this Agreement expressly provides otherwise.

14.6 The District warrants and represents that this Agreement does not violate any law, regulation, statute, ordinance, or other governmental requirement in effect as of the date of this Agreement and applicable to the District. The District shall employ its best efforts to obtain all governmental approvals and consents that may be required in order for the District to perform its obligations and covenants under this Agreement.

14.7 This Agreement may be executed in one or more counterparts, each of which upon delivery shall be deemed an original, and all of which together shall constitute one and the same instrument.

[Signatures on following page]

IN WITNESS WHEREOF, District and Developer have executed or caused this Agreement to be duly executed on the day and year first above written.

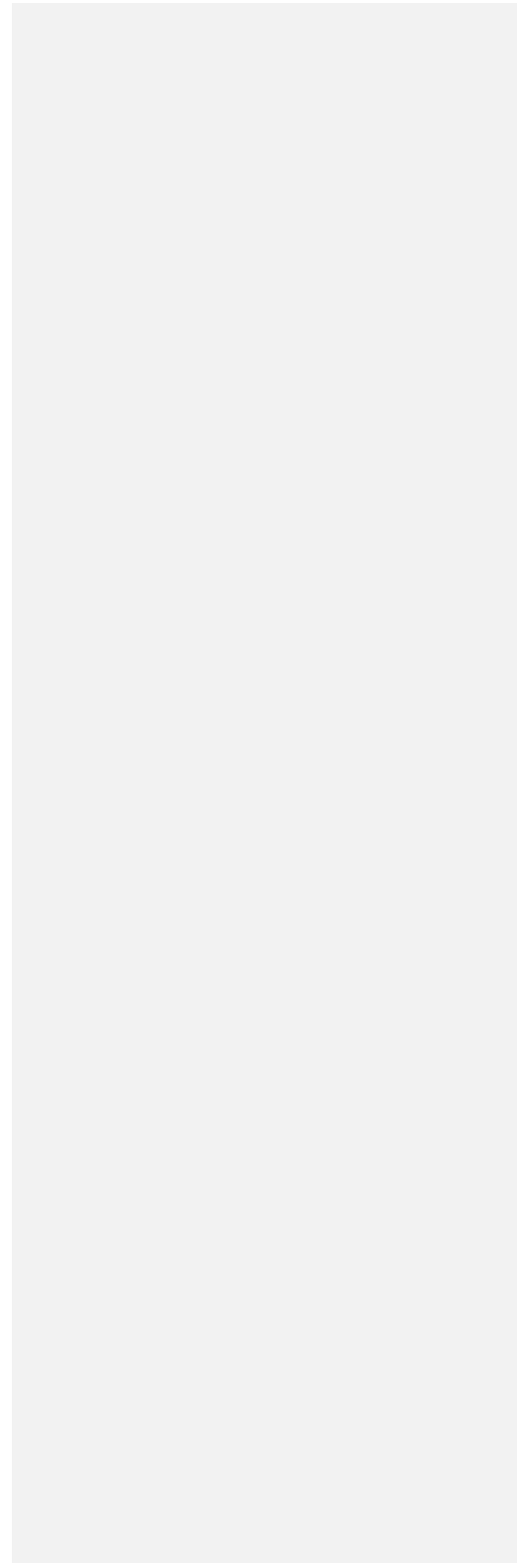
DISTRICT:

CENTRAL LAKE COMMUNITY DEVELOPMENT DISTRICT, a local unit of special purpose government created pursuant to Chapter 190, Florida Statutes

By: _____

Print Name: _____

Its: _____



DEVELOPER:

Witnesses:

READER & PARTNERS LLC, a Florida
limited liability company

Printed Name: _____
Address: _____

By: _____
As its Manager

Printed Name: _____
Address: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was executed, sworn to, and acknowledged before me this ____
day of _____, 2024, by _____, Manager of READER
& PARTNERS, LLC, a Florida limited liability company, on their behalf.

(SEAL)

Signature of Notary Public

Name of Notary Public
(Typed, Printed, or stamped)

Personally Known ____ OR Produced Identification ____
Type of Identification Produced: _____

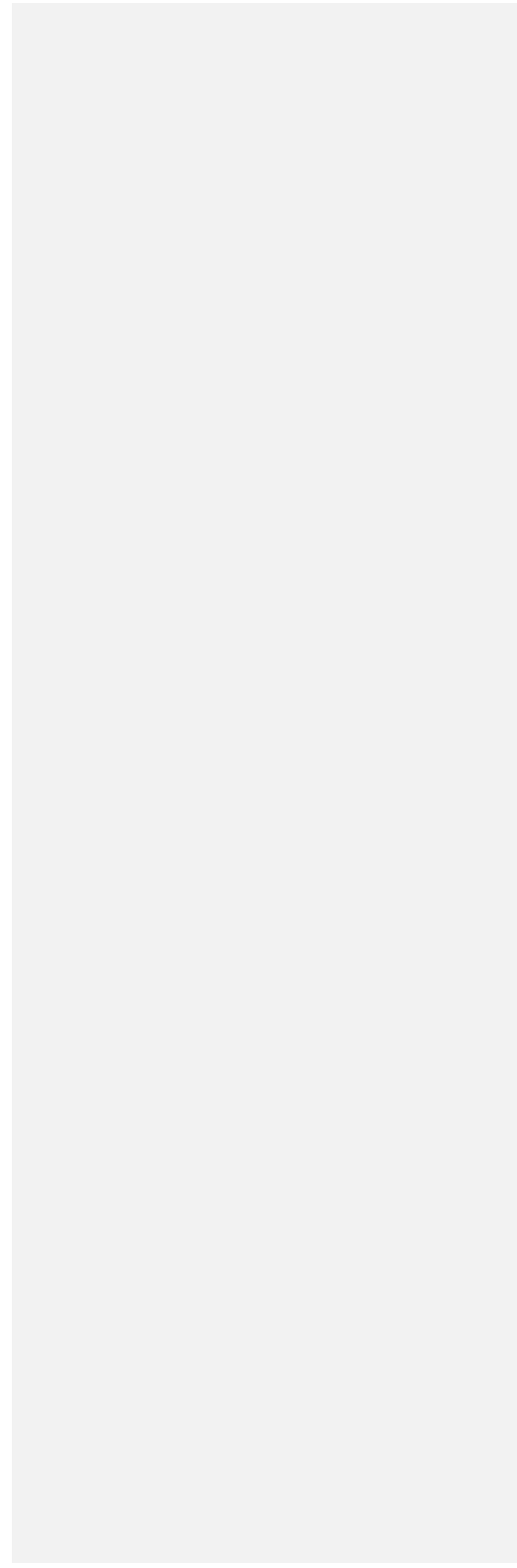


EXHIBIT "A"

legal description of Property

DESCRIPTION: (As per Title Commitment 11166639 issued by Fidelity National Title Insurance Company bearing an effective date of May 24, 2023, at 8:00 AM with Revision 1 dated June 6, 2023)

PARCEL 1:

GOVERNMENT LOTS 2, 4, 5, 6, 7, 8 AND 9, LYING NORTH OF HIGHWAY 48 AND THE WESTERLY OF HIGHWAY 19, ALL LYING IN SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA, LESS THE FOLLOWING DESCRIBED PARCEL OF LAND: BEGIN AT SOUTHEAST CORNER OF THE NORTHWEST ¼ OF THE SOUTHEAST ¼ OF SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA, AND RUN NORTH 00°04'21" EAST 1314.20 FEET, MORE OR LESS, TO THE SOUTHERLY WATERS EDGE OF LAKE HARRIS AND A POINT HEREBY DESIGNATED AS POINT "A"; RETURN TO THE POINT OF BEGINNING AND RUN SOUTH 89°35'28" WEST ALONG THE SOUTH LINE OF THE NORTHWEST ¼ OF THE SOUTHEAST ¼ OF SECTION 23 A DISTANCE OF 1100.00 FEET; THENCE NORTH 00°27'54" EAST 1484.76 FEET, MORE OR LESS, TO THE SOUTHERLY WATERS EDGE OF LAKE HARRIS; THENCE EASTERLY ALONG SAID SOUTHERLY WATERS EDGE OF LAKE HARRIS TO POINT "A".

LESS any portion conveyed in those certain deeds recorded in Official Records Book 6019, Page 212 and Official Records Book 6068, Page 2222.

LESS AND EXCEPT COMMERCIAL 1

A PORTION OF GOVERNMENT LOTS 2, 8, AND 9 LYING WESTERLY OF HIGHWAY 19, ALL LYING IN SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: AS A POINT OF REFERENCE COMMENCE AT SOUTHWEST CORNER OF THE SOUTHWEST ¼ OF SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA AND PROCEED N 00°53'14" E, ALONG THE WEST BOUNDARY OF THE SOUTHWEST 1/4 OF SAID SECTION 23, A DISTANCE OF 1171.08 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF COUNTY ROAD 48 SAID POINT LYING ON A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 5679.58 FEET AND A CHORD BEARING AND DISTANCE OF S 69°35'43" E, A DISTANCE OF 1186.12 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE LEFT AND SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 1188.29 FEET; THENCE S 75°35'20" E, ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 1460.31 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 2341.83 FEET AND A CHORD BEARING AND DISTANCE OF S 72°35'58" E, A DISTANCE OF 223.25 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT AND ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 223.33 FEET; THENCE LEAVING SAID NORTHERLY RIGHT OF WAY LINE, N 15°36'38" E, A DISTANCE OF 52.62 FEET; THENCE N 75°08'12" E, A DISTANCE OF 258.80 FEET TO THE POINT OF BEGINNING; THENCE N 15°36'16" E, A DISTANCE OF 306.32 FEET; THENCE N 60°15'03" E, A DISTANCE OF 218.37 FEET; THENCE N 46°59'01" E, A DISTANCE OF

705.92 FEET; THENCE S 43°00'59" E, A DISTANCE OF 404.25 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 100.00 FEET AND A CHORD BEARING AND DISTANCE OF S 27°52'48" E, A DISTANCE OF 52.22 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT, A DISTANCE OF 52.84 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 120.00 FEET AND A CHORD BEARING AND DISTANCE OF S 27°52'48" E, A DISTANCE OF 62.67 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE LEFT, A DISTANCE OF 63.40 FEET; THENCE S 43°00'59" E, A DISTANCE OF 125.00 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF STATE ROAD 19; THENCE S 46°59'01" W, ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 650.20 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF STATE ROAD 19; THENCE S 75°06'54" W, ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 210.88; THENCE LEAVING SAID NORTHERLY RIGHT OF WAY LINE, N 41°20'52" W, A DISTANCE OF 270.98 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 133.42 FEET AND A CHORD BEARING AND DISTANCE OF S 62°15'27" W, A DISTANCE OF 62.77 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT, A DISTANCE OF 63.36 FEET; THENCE S 75°51'45" W, A DISTANCE OF 298.03 FEET; THENCE S 75°08'12" W, A DISTANCE OF 229.89 FEET; THENCE S 15°36'38" W, A DISTANCE OF 28.52 FEET TO A POINT ON THE AFOREMENTIONED NORTHERLY RIGHT OF WAY LINE OF COUNTY ROAD 48 AND A POINT ON A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 2341.83 FEET AND A CHORD BEARING AND DISTANCE OF N 69°15'12" W, A DISTANCE OF 50.20 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE LEFT AND ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 50.20 FEET TO THE POINT OF BEGINNING.
SAID PARCEL CONTAINING 630854 SQUARE FEET OR 14.48 ACRES MORE OR LESS.

LESS AND EXCEPT COMMERCIAL 2

A PORTION OF GOVERNMENT LOT 9 LYING WESTERLY OF HIGHWAY 19, ALL LYING IN SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: AS A POINT OF REFERENCE COMMENCE AT SOUTHWEST CORNER OF THE SOUTHWEST ¼ OF SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA AND PROCEED N 00°53'14" E, ALONG THE WEST BOUNDARY OF THE SOUTHWEST 1/4 OF SAID SECTION 23, A DISTANCE OF 1171.08 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF COUNTY ROAD 48 SAID POINT LYING ON A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 5679.58 FEET AND A CHORD BEARING AND DISTANCE OF S 69°35'43" E, A DISTANCE OF 1186.12 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE LEFT AND SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 1188.29 FEET; THENCE S 75°35'20" E, ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 1460.31 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 2341.83 FEET AND A CHORD BEARING AND DISTANCE OF S 68°56'00" E, A DISTANCE OF 521.94 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT AND ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 523.03 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF STATE ROAD 19; THENCE N

75°06'54" E, ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 742.75 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF STATE ROAD 19; THENCE N 46°59'01" E, ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 1328.28 TO THE POINT OF BEGINNING; THENCE LEAVING SAID WESTERLY RIGHT OF WAY LINE, N 89°48'40" W, A DISTANCE OF 738.20; THENCE S 46°59'01" W, A DISTANCE OF 50.00 FEET; THENCE S 43°00'59" E, A DISTANCE OF 269.48 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 100.00 FEET AND A CHORD BEARING AND DISTANCE OF S 58°09'10" E, A DISTANCE OF 52.22 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE LEFT, A DISTANCE OF 52.84 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 120.00 FEET AND A CHORD BEARING AND DISTANCE OF S 58°09'10" E, A DISTANCE OF 62.67 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT, A DISTANCE OF 63.40 FEET; THENCE S 43°00'59" E, A DISTANCE OF 125.00 FEET TO A POINT ON THE AFOREMENTIONED WESTERLY RIGHT OF WAY OF STATE ROAD 19; THENCE N 46°59'01" E, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 558.08 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 155,772 SQUARE FEET OR 3.58 ACRES MORE OR LESS.

LESS AND EXCEPT ACCESS EASEMENT

COMMENCE AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 SECTION 23-20-25; THENCE SOUTH 00°28'42" WEST ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SECTION 25, A DISTANCE OF 765.11 FEET TO THE NORTHERLY RIGHT OF WAY OF STATE ROAD 19; THENCE SOUTH 46°59'01" WEST ALONG THE NORTHERLY RIGHT OF WAY, A DISTANCE OF 1,350.12 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 46°59'01" WEST, A DISTANCE OF 120.00 FEET; THENCE NORTH 43°00'59" WEST, A DISTANCE OF 125.00 FEET; TO A POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 120.00 FEET AND A CHORD WHICH BEARS NORTH 27°52'48" WEST, A DISTANCE 62.67 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT, A DISTANCE OF 63.40 FEET; TO A POINT OF REVERSE CURVATURE OF A CURVE HAVING A RADIUS OF 100.00 FEET AND A CHORD WHICH BEARS NORTH 27°52'48" WEST, AND A DISTANCE OF 52.22 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE LEFT, A DISTANCE OF 52.84 FEET; THENCE NORTH 43°00'59" WEST, A DISTANCE OF 404.25 FEET; THENCE NORTH 46°59'01" EAST, A DISTANCE OF 60.00 FEET; THENCE SOUTH 43°00'59" EAST, A DISTANCE OF 404.25 FEET; TO A POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 100.00 FEET AND A CHORD WHICH BEARS SOUTH 58°09'10" EAST, A DISTANCE 52.22 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE LEFT, A DISTANCE OF 52.84 FEET; TO A POINT OF REVERSE CURVATURE OF A CURVE HAVING A RADIUS OF 120.00 FEET AND A CHORD WHICH BEARS SOUTH 58°09'10" EAST, AND A DISTANCE OF 62.67 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT, A DISTANCE OF 63.40 FEET; THENCE SOUTH 43°00'59" EAST, A DISTANCE OF 125.00 FEE; TO THE POINT OF BEGINNING.

CONTAINING 49,343.34 SQUARE FEET OR 1.13 ACRES, MORE OR LESS.

PARCEL 2:

BEGIN AT THE NORTHEAST CORNER OF THE SOUTHEAST ¼ OF SECTION 22, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA, RUN SOUTH 89°09'42" WEST ALONG THE NORTH LINE OF THE SOUTHEAST ¼ A DISTANCE OF 330 FEET; THENCE SOUTH 81°15'42" WEST TO THE EAST LINE OF TRACT "I", OF DRAKE POINT PARK REPLAT, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 10, PAGE 63, OF THE PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; THENCE CONTINUE SOUTH 81°15'42" WEST TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF STATE ROAD 48; THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF STATE ROAD 48 TO THE EAST LINE OF THE SOUTHEAST ¼ OF SECTION 22; THENCE NORTH ALONG THE EAST LINE OF THE SOUTHEAST ¼ TO THE POINT OF BEGINNING.

PARCEL 3:

FROM THE SOUTHEAST CORNER OF THE NORTHEAST ¼ OF SECTION 22, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA, RUN SOUTH 89°09'42" WEST ALONG THE SOUTH LINE OF THE NORTHEAST ¼ A DISTANCE OF 330 FEET; THENCE NORTH 00°15'45" WEST 210 FEET; THENCE NORTH 38°44'24" EAST 583.17 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 89°10'02" EAST 1177 FEET TO THE WATERS OF LAKE HARRIS; THENCE SOUTHEASTERLY ALONG SAID WATERS OF LAKE HARRIS TO A POINT ON THE EAST LINE OF THE NORTHWEST ¼ OF SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA; THENCE SOUTH ALONG THE EAST LINE OF THE NORTHWEST ¼ TO THE SOUTHEAST CORNER OF THE NORTHWEST ¼ OF SECTION 23; THENCE WEST ALONG THE SOUTH LINE OF THE NORTHWEST ¼ TO THE SOUTHWEST CORNER OF THE NORTHWEST ¼ OF SECTION 23, SAID POINT HEREBY DESIGNATED AS POINT "A", RETURN TO THE POINT OF BEGINNING AND RUN SOUTH 38°44'24" WEST TO A POINT ON THE WEST LINE OF THE NORTHWEST ¼ OF SAID SECTION 23; THENCE SOUTH ALONG THE WEST LINE OF THE NORTHWEST ¼ TO POINT "A". LESS AND EXCEPT THAT PORTION DESCRIBED IN THAT CERTAIN CORRECTIVE WARRANTY DEED RECORDED IN BOOK 4103, PAGE 313, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA.

PARCEL 4:

THAT PART OF THE N.W. 1/4 OF THE S.E. 1/4 OF SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, IN LAKE COUNTY, FLORIDA, BOUNDED AND DESCRIBED AS FOLLOWS: BEGIN AT A CONCRETE MONUMENT (NO NUMBER) AT THE SOUTHEAST CORNER OF THE N.W. 1/4 OF THE S.E. 1/4 OF SAID SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, AND RUN N.00°04'21"E ALONG THE EAST LINE OF THE N.W. 1/4 OF THE S.E. 1/4 A DISTANCE OF 1202.20 FEET TO AN IRON PIN LABELED L.B. 707; THENCE CONTINUE N.00°04'21"E ALONG THE EAST LINE OF THE N.W. 1/4 OF THE S.E. 1/4 A DISTANCE OF 112 FEET, MORE OR LESS, TO A POINT ON THE SOUTHERLY WATERS EDGE OF LAKE HARRIS AND A POINT HEREBY DESIGNATED AS POINT "A", RETURN TO THE POINT OF BEGINNING AND RUN S.89°35'28"W. ALONG THE SOUTH LINE OF THE N.W. 1/4 OF THE S.E. 1/4 OF SAID SECTION 23 A DISTANCE OF 1100.00 FEET TO AN IRON PIN LABELED L.B. 707; THENCE N.00°27'54"E. 1451.76 FEET TO AN IRON ROD PIN LABELED L.B. 707; THENCE CONTINUE N00°27'54"E, 33 FEET, MORE OR LESS, TO A POINT ON THE SOUTHERLY WATERS EDGE OF LAKE HARRIS;

THENCE EASTERLY ALONG AND WITH SAID SOUTHERLY WATERS EDGE OF LAKE HARRIS TO INTERSECT THE AFOREMENTIONED POINT "A".

SUBJECT TO AND TOGETHER WITH AN EASEMENT FOR INGRESS AND EGRESS LYING OVER, UPON AND THROUGH THE FOLLOWING DESCRIBED PARCEL OF LAND; THE NORTH 50 FEET OF THE S.E. 1/4 OF THE S.E. 1/4 OF SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, IN LAKE COUNTY, FLORIDA LYING WEST OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY NO. 19, AND AN EASEMENT FOR INGRESS AND EGRESS LYING OVER, UPON AND THROUGH THE FOLLOWING DESCRIBED PARCEL OF LAND: BEGIN AT THE SOUTHEAST CORNER OF THE N.W. 1/4 OF THE S.E. 1/4 OF SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, IN LAKE COUNTY, FLORIDA AND RUN S.00°04'21"W, ALONG THE EAST LINE OF THE N.W. 1/4 OF THE S.E. 1/4 OF SAID SECTION 23 A DISTANCE OF 50.00 FEET TO A POINT AT THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 100.00 FEET AND A RADIAL BEARING OF S.00°02'52"W.; THENCE WESTERLY AND NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 28°35'47" AN ARC LENGTH OF 49.91 FEET TO THE END OF SAID CURVE AND THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 100.00 FEET; THENCE NORTHWESTERLY AND WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 28°35'47" AN ARC LENGTH OF 49.91 FEET TO THE END OF SAID CURVE; THENCE S.89°35'28" W., PARALLEL WITH THE SOUTH LINE OF THE N.W. 1/4 OF THE S.E. 1/4 OF THE AFOREMENTIONED SECTION 23 A DISTANCE OF 1029.81 FEET; THENCE N.00°27'54"E., 1510 FEET, MORE OR LESS TO A POINT ON THE SOUTHERLY WATERS EDGE OF LAKE HARRIS AND A POINT HEREBY DESIGNATED AS POINT "A"; RETURN TO THE POINT OF BEGINNING AND RUN N.00°04'21"E LONG THE EAST LINE OF THE N.W. 1/4 OF THE S.E. 1/4 OF THE AFOREMENTIONED SECTION 23 A DISTANCE OF 25.00 FEET; THENCE S.89°35'28"W., PARALLEL WITH THE SOUTH LINE OF THE N.W. 1/4 OF THE S.E. 1/4 A DISTANCE OF 1074.82 FEET; THENCE N.00°27'54"E., 1459 FEET, MORE OR LESS, TO A POINT ON THE SOUTHERLY WATERS EDGE OF LAKE HARRIS; THENCE WESTERLY ALONG AND WITH SAID SOUTHERLY WATERS EDGE OF LAKE HARRIS TO INTERSECT THE AFOREMENTIONED POINT "A".

PARCEL 5:

BEGIN AT THE SOUTHEAST CORNER OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA, RUN SOUTH 89°09'42" WEST ALONG THE SOUTH LINE OF THE NORTHEAST 1/4 A DISTANCE OF 330 FEET; THENCE NORTH 00°15'45" WEST, 210 FEET; THENCE NORTH 38°44'24" EAST TO A POINT ON THE EAST LINE OF THE NORTHEAST 1/4 OF SECTION 22; THENCE SOUTH ALONG THE EAST LINE OF THE NORTHEAST 1/4 TO THE POINT OF BEGINNING. LESS AND EXCEPT THAT PORTION DESCRIBED IN THAT CERTAIN CORRECTIVE WARRANTY DEED RECORDED IN BOOK 4103, PAGE 313, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA.

PARCEL 6:

THAT PART OF SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, IN LAKE COUNTY, FLORIDA, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCE AT A CONCRETE MONUMENT (NO NUMBER) AT THE SOUTHEAST CORNER OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 20 SOUTH, RANGE 25 EAST, IN LAKE

COUNTY, FLORIDA, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, IN LAKE COUNTY, FLORIDA, RUN S.89°52'11" W. ALONG THE SOUTH LINE OF THE NORTHEAST 1/4 OF SECTION 22, A DISTANCE OF 330.00 FEET TO AN IRON PIPE LABELED LB707; THENCE N.00°09'33"E., 210.05 FEET TO A CONCRETE MONUMENT LABELED LS1916; THENCE N.39°31'51" E., 583.79 FEET TO AN IRON PIN LABELED LB7514; THENCE N.89°52'31"E., 468.45 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION, FROM SAID POINT OF BEGINNING RUN N.70°57'18"E., 519 FEET MORE OR LESS TO A POINT ON THE SOUTHWESTERLY WATERS EDGE OF LAKE HARRIS AND A POINT HEREBY DESIGNATED AS POINT "A", RETURN TO THE POINT OF BEGINNING AND RUN N.89°52'31"E., 708.81 FEET TO AN IRON PIN LABELED LB7514; THENCE CONTINUE N.89°52'31"E., 30 FEET MORE OR LESS TO A POINT ON THE SOUTHWESTERLY WATERS EDGE OF LAKE HARRIS; THENCE NORTHWESTERLY ALONG AND WITH SAID SOUTHWESTERLY WATERS EDGE OF LAKE HARRIS TO INTERSECT THE AFOREMENTIONED POINT "A".

EXHIBIT B- GENERAL DESCRIPTION OF WORK – COLLECTION SYSTEM

Construction of the wastewater collection system, including gravity lines, lift station and force main on the Property connecting to the point of connection where the scope of the transmission upgrade begins.

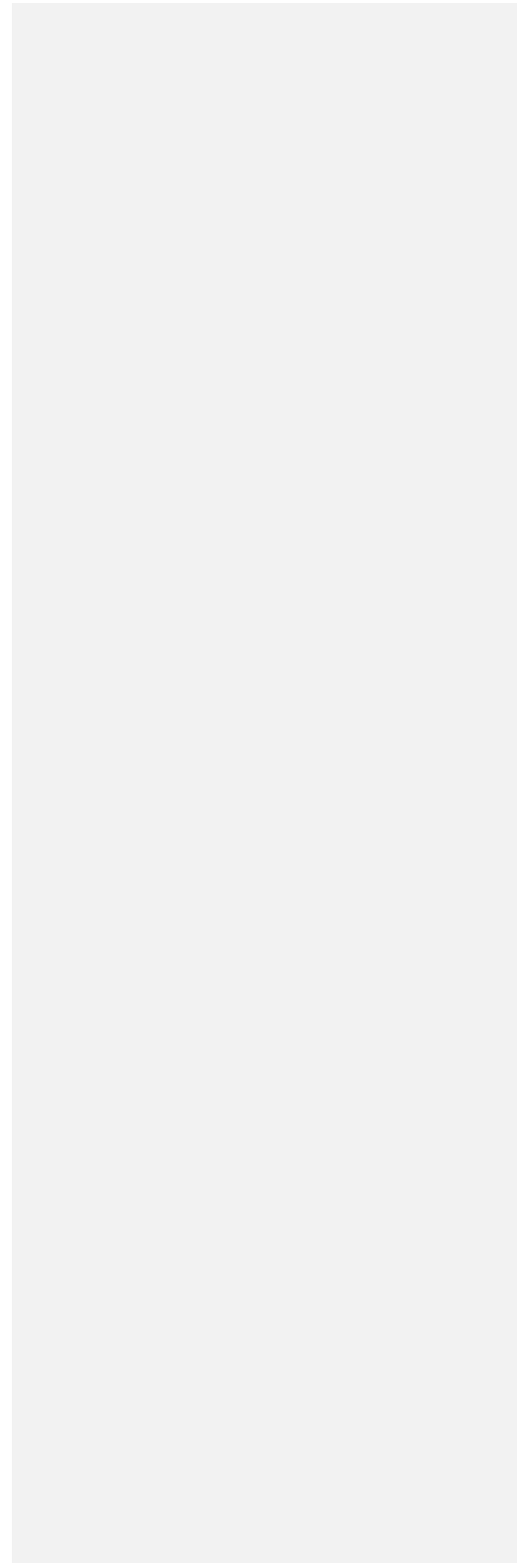


EXHIBIT C – GENERAL DESCRIPTION OF WORK – TRANSMISSION UPGRADES

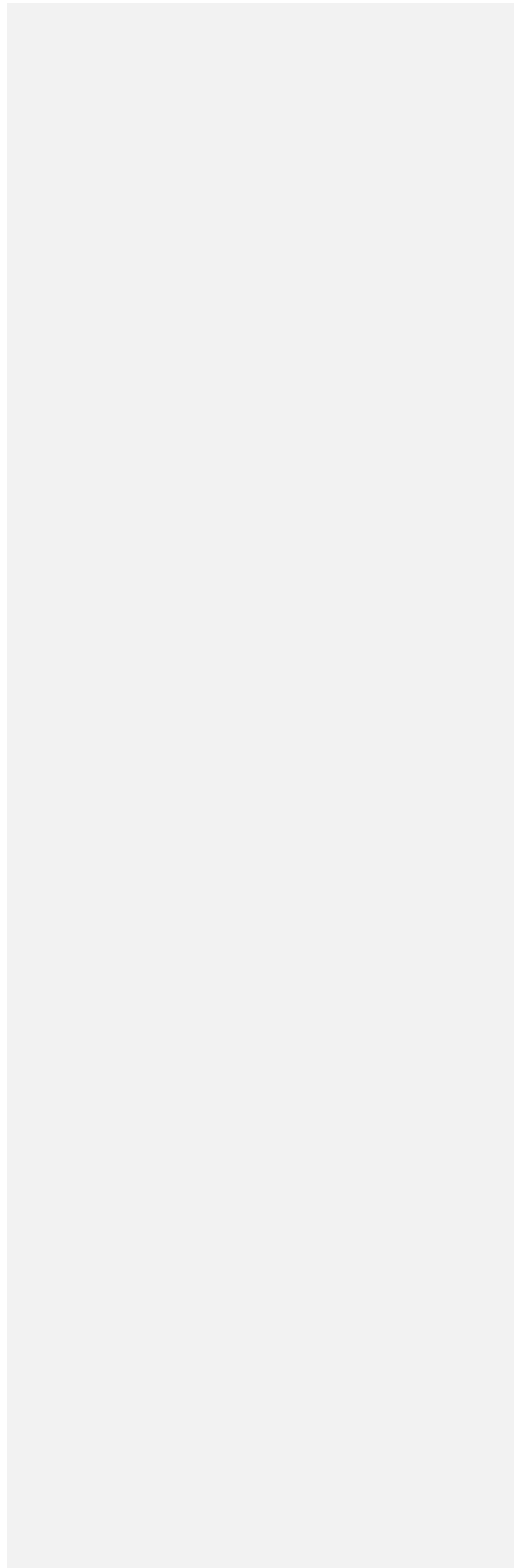
For purposes of this Agreement, the term "Off-Site Force Main" shall mean and refer to the off-site force main component of the Transmission Upgrades extending from the Point of Connection to the District's central treatment plant. Within twelve (12) months of the Effective Date, the Developer shall, using reasonable commercial efforts, obtain the easements, right of way utilization permit, or other similar rights, set forth in Sections 2.4j and 2.4k of this Agreement. (Collectively the "Conditions"). If any of the Conditions are not completed within twelve (12) months of the Effective Date, either the party may terminate this Agreement. Upon the date when the Conditions are completed, and provided that the Developer has closed on its purchase and become the owner of the Property, Developer shall commence construction of the Off-Site Force Main and shall use reasonable commercial efforts to complete construction of the Off-Site Force Main within twenty-four (24) months thereafter, or the District may either (i) call upon the Developer's bond or performance guarantee to finalize construction of the Off-Site Force Main, or (ii) terminate this Agreement.

Commented [DB1]: Need commitment to serve.

EXHIBIT D PIONEERING TRANSMISSION UPGRADES

As part of the construction, the Developer agrees to upsize the Off-Site Force Main utilizing a pipe sized to provide Utility Services to the Property for the Project and sized for certain other properties and their projected flows as shown on **Exhibit “D-1” Contributing Properties**) attached hereto and incorporated herein] (the "Off-Site Force Main Work"). Due to such upsizing, the District agrees to reimburse the Developer for the construction costs (excluding design, permitting, or inspection costs) incurred by the Developer to complete the Off-Site Force Main Work. The District's reimbursement for the Off-Site Force Main Work shall be based on the percentage of capacity used by each of the Contributing Properties and the District shall be entitled to collect the cost of such reimbursement directly from the owners or developers of the Contributing Properties as a condition of their capacity reservations and shall be paid to Developer upon receipt. The total reimbursement to the Developer for the Off-Site Force Main Work shall not exceed the Developers proportionate responsibility for the construction costs versus the other Contributing Properties, plus interest based on the lesser of the [consumer price index] or the documented cost of Developer's construction loan funding. For informational purposes only, it is acknowledged that the District's share of the construction cost of the Off-Site Force Main as provided herein was calculated based on projected flows from the Contributing Properties excluding the Property and the Bishops Gate property for which costs the Developer is responsible. It is further acknowledged and agreed by the parties that nothing in this Agreement is intended to require the Developer to be responsible for providing any additional facilities (such as lateral lines or pumping stations), or property interests (such as easements), that may be required in order for any of the properties shown on Exhibit "D-1," other than the Property, to connect to the upsized Off-Site Force Main.

EXHIBIT D-1 CONTRIBUTING PROPERTIES



Properties that are the basis of the upsizing calculation for the Off-Site Force Main

Commented [DB2]: DEAN TO GET FROM Engineer

<u>Name of Property</u>	<u>Alt Key Numbers</u>	<u>Projected FM Design Flow</u>	<u>Percentage Allocation</u>
LAKE HARRIS (ORLANDO) ASLI VII OWNER #1 LLC Et Al; (The Property - Lake Hills Residential)	3815447; 2923954; 1780438; 2923946; 3881538; 1801770	571 ERUs x 150 gpd = 86,650 gpd (Active Adult GPD)	38%
PUBLIX SUPER MARKETS INC (Lake Hills Commercial)	3954259; 3954260; 3954261	[NEED]	%
SCHOOL BOARD OF LAKE COUNTY (Lake Hills Civic)	3936592	Elementary Schools = [NEED] gpd	%
PRESBYTERIAN RETIREMENT COMMUNITIES, INC	1780446	300 Continuing Care Retirement Facility Units (Multi-Family) x XXX gpd = XXX gpd	%
BISHOPS GATE PROPERTY COMPANY LLC	2923911 (+ All Lot Parcels)	210 ERUs x 250 gpd = 52,500 gpd	%
THOMPSON PATRICIA BOUIS ET AL	3692756; 1301912; 1209081	200 ERUs x 250 gpd = 50,000 gpd	%
Totals		gpd	100%

ADDENDUM 1 – SCHEDULE OF CIAC PAYMENT

The Project is a three-phased development.

For the first phase of the Project, the CIAC shall be paid by the developer at the time of building permits for the first 20 lots. Thereafter the CIAC will be paid in blocks of 50.

For the second and third phases of the Project, the CIAC shall be paid upon sale of raw land to a third party. In the event Developer chooses to develop either or both of the second or third phases itself or with a joint venture partner (regardless of form or structure), then payment of the CIAC for the full phase shall be paid at the time of the first building permit for such phase.

EXHIBIT E FORM OF
Certificate of Wastewater Treatment Availability
[CDD to Add]

Commented [DB3]: Kevin Can you Add?

SECTION VI

Central Lake Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2023

Central Lake Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2023

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Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Central Lake Community Development District
Lake County, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the Enterprise Fund of Central Lake Community Development District (the "District"), as of and for the year ended September 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Enterprise Fund of Central Lake Community Development District as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

To the Board of Supervisors
Central Lake Community Development District

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including currently known information that may raise substantial doubt thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To the Board of Supervisors
Central Lake Community Development District

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 6, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Lake Community Development District's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 6, 2024

**Central Lake Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

Management's Discussion and Analysis (MD&A) of Central Lake Community Development District (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise two components; 1) *Financial statements*, 2) *Notes to financial statements*. The *financial statements* present financial information for the District's major fund. The *Notes to financial statements* provide additional information concerning the District's finances that are not disclosed in the financial statements.

The *District financial statements* consist of three basic financial statements: the **Statement of Net Position**, the **Statement of Revenues, Expenses and Changes in Net Position** and the **Statement of Cash Flows**. These statements provide information on the District as a whole and present a long-term view of the District's Finances.

The Management's Discussion and Analysis, Financial Statements and accompanying Notes are prepared in accordance with the appropriate Governmental Accounting Standards Board (GASB) pronouncements.

The **Statement of Net Position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted and 3) unrestricted.

Assets

Total assets of the District at September 30, 2023 were \$3,236,227. Total assets increased by \$100,690 or 3.21% from the prior fiscal year primarily due to a increase in cash and investments. Total non-current assets net of depreciation and amortization was \$2,749,733.

Liabilities

Total liabilities of the District at September 30, 2023 were \$3,149,717, a decrease of \$(10,604) or (.34)% decrease from the prior year. This decrease is primarily attributed to a decrease in other current liabilities at fiscal year-end.

**Central Lake Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets, and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2023.

- The District's total liabilities exceeded total assets by \$86,510 (net position).
- The Enterprise Fund had \$923,367 in revenues and \$812,073 in expenses.

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

Net Position

	Enterprise Fund	
	2023	2022
Current assets	\$ 486,494	\$ 284,475
Capital assets	2,749,733	2,851,062
Total Assets	3,236,227	3,135,537
Current liabilities	100,575	83,743
Non-current liabilities	3,049,142	3,076,578
Total Liabilities	3,149,717	3,160,321
Net Position		
Net investment in capital assets	(326,845)	131,118
Net position - unrestricted	413,355	(155,902)
Total Net Position	\$ 86,510	\$ (24,784)

The decrease in capital assets is related to depreciation/amortization exceeding the equipment additions in the current year.

The decrease in liabilities is related to the decrease in other liabilities in the current year.

**Central Lake Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

Change in Net Position

	Enterprise Fund	
	2023	2022
Program Revenues		
Charges for services	\$ 712,719	\$ 593,515
General Revenues		
Investment earnings	691	177
Miscellaneous	209,957	119,094
Total Revenues	923,367	712,786
Expenses		
General government	161,774	171,000
Water and sewer	526,661	387,289
Interest and other charges	123,638	124,670
Total Expenses	812,073	682,959
Change in Net Position	111,294	29,827
Net Position - Beginning of Year	(24,784)	(54,611)
Net Position - End of Year	\$ 86,510	\$ (24,784)

The increase in charges for services is primarily related to the increase in water and sewer revenues in the current year.

The increase in miscellaneous revenues is due to more utility expansion fees collected in the current year.

The decrease in total expenses is related to decreases in engineering, and repairs and maintenance expenses in the current year.

**Central Lake Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets at September 30, 2023 and 2022.

<u>Description</u>	<u>Enterprise Fund</u>	
	<u>2023</u>	<u>2022</u>
Right-to-use asset, net	\$ 2,658,127	\$ 2,719,944
Equipment	204,063	204,063
Accumulated depreciation	<u>(112,457)</u>	<u>(72,944)</u>
Total Capital Assets (Net)	<u>\$ 2,749,733</u>	<u>\$ 2,851,063</u>

The Enterprise Fund had depreciation/amortization of \$101,330.

Economic Factors and Next Year's Budget

Central Lake Community Development District does not expect any economic factors to have a significant effect on the financial position or results of operations of the water and sewer operation of the District in fiscal year 2024.

Request for Information

The financial report is designed to provide a general overview of Central Lake Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Central Lake Community Development District, Government Management Services-CF, LLC, 219 East Livingston Street, Orlando, Florida 32801.

Central Lake Community Development District
STATEMENT OF NET POSITION – ENTERPRISE FUND
September 30, 2023

	Water and Sewer Fund
ASSETS	
Current Assets	
Cash	\$ 384,043
Investments	12,932
Accounts receivable	63,463
Prepaid expenses	26,056
Total Current Assets	486,494
Non-current Assets	
Capital assets, being depreciated:	
Right-to-use-asset, net	2,658,127
Equipment	204,063
Accumulated depreciation	(112,457)
Total Non-current Assets	2,749,733
Total Assets	3,236,227
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	48,139
Other current liabilities	25,000
Lease payable	27,436
Total Current Liabilities	100,575
Non-current Liabilities	
Lease payable	3,049,142
Total Liabilities	3,149,717
NET POSITION	
Net investment in capital assets	(326,845)
Unrestricted	413,355
Total Net Position	\$ 86,510

See accompanying notes.

Central Lake Community Development District
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION – ENTERPRISE FUND
For the Year Ended September 30, 2023

	Water and Sewer Fund
Operating Revenues	
Water and sewer charges	\$ 606,963
Reservation and maintenance fees	105,756
Miscellaneous revenues	209,957
Total Operating Revenues	922,676
Operating Expenses	
General and administrative	161,774
Cost of sales and services	526,661
Total Operating Expenses	688,435
Operating Income/(Loss)	234,241
Non-operating revenues/(expenses)	
Interest and other charges	(123,638)
Interest income	691
Total Non-operating revenues/(expenses)	(122,947)
Change In Net Position	111,294
Net Position - October 1, 2022	(24,784)
Net Position - September 30, 2023	\$ 86,510

See accompanying notes.

Central Lake Community Development District
STATEMENT OF CASH FLOWS – ENTERPRISE FUND
For the Year Ended September 30, 2023

	Water and Sewer Fund
Cash Flows From Operating Activities	
Cash received from customers	\$ 676,586
Cash received from other sources	209,957
Cash paid to suppliers	(571,783)
Net Cash Provided By Operating Activities	314,760
Cash Flows From Capital and Related Financing Activities:	
Lease principal payments	(26,362)
Lease interest payments	(123,638)
Net Cash (Used) by Capital and Related Financing Activities	(150,000)
Cash Flows From Investing Activities:	
Proceeds from sale of investments	4,300
Purchases of investments	(692)
Interest income	691
Net Cash Provided by Investing Activities	4,299
Net increase in cash and cash equivalents	169,059
Cash and equivalents - October 1, 2022	214,984
Cash and equivalents - September 30, 2023	\$ 384,043
Reconciliation of Net Operating income to Net Cash Provided By Operating Activities	
Cash Flows From Operating Activities	
Operating income/(loss)	\$ 234,241
Adjustments to reconcile operating income to net cash (used) by operating activities	
Depreciation/amortization	101,330
Changes in assets and liabilities	
Increase in accounts receivable	(30,343)
Increase in prepaid expenses	(6,225)
Increase in accounts payable and accrued liabilities	21,547
Decrease in other current liabilities	(5,790)
Total Adjustments	80,519
Net Cash Provided By Operating Activities	\$ 314,760

See accompanying notes.

Central Lake Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Central Lake Community Development District (the "District"), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

1. Reporting Entity

The District was established on May 11, 2001 pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by an Ordinance #2001-75 of the Board of County Commissioners of Lake County, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the water and wastewater system necessary for community development within its jurisdiction. The District is governed by a five-member Board of Supervisors who are elected by qualified electors of the District. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Central Lake Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria, the District has identified no component units.

Central Lake Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation

The Water and Sewer Fund is an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expense including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, meter fees and connection fees, or (b) where the governing body has decided that periodic determination of revenues earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise fund operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues result from non-exchange transactions or ancillary activities.

3. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool, whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Negotiable direct or indirect obligations which are secured by the United States Government;
2. The Local Government Surplus Funds Trust as created by Section 218.415, Florida Statutes;
3. Interest-bearing time deposits or savings accounts in authorized financial institutions;
4. Obligations guaranteed by the Government National Mortgage Association or similarly structured and secured associations or corporations.

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Central Lake Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Assets, Liabilities, and Net Position or Equity (Continued)

b. Restricted Assets

Certain net position of the District is classified as restricted net position on the Statement of Net Position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

c. Capital Assets

Capital assets, which includes equipment, are reported in the Statement of Net Position.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Equipment	5 years
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d. Leases

The District determines if an arrangement is a lease at inception. Lessee arrangements for governmental funds are included as right-to-use lease assets and lease liabilities in the Statement of Net Position. Lessee arrangements for proprietary funds are included as right-to-use lease assets and lease liabilities in the Statement of Net Position.

Payment for short-term leases with a lease term of twelve months or less are recognized as expenses as incurred. The District has a \$25,000 threshold, for total lease payments, for leases subject to GASB 87. Short-term leases and leases under the threshold are not included as lease liabilities or right-to-use lease assets on the Statement of Net Position. The right-to-use assets are amortized on a straight-line basis over the terms of the related leases.

Central Lake Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE B – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2023, the District's deposits had a bank balance of \$408,361 and a carrying value of \$384,043. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Investments

As of September 30, 2023, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Florida PRIME	35 days*	<u>\$ 12,932</u>

*Weighted average maturity

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most realizable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtained quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the District did not have any investment subject to the fair value hierarchy.

Central Lake Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that would limit daily access to 100 percent of the account value.

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2023, Florida PRIME was rated AAAM by Standard & Poor's.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk

The District places no limit on the amount it may invest. The investments in the Florida PRIME represents 100% of the Districts total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2023 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

Central Lake Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE C – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
<u>Enterprise Fund</u>				
Capital assets, being depreciated:				
Right to use asset	\$ 2,719,944	\$ -	\$ (61,817)	\$ 2,658,127
Equipment	204,063	-	-	204,063
Total capital assets, depreciated	<u>2,924,007</u>	<u>-</u>	<u>(61,817)</u>	<u>2,862,190</u>
Less accumulated depreciation for:				
Equipment	<u>(72,944)</u>	<u>(39,513)</u>	<u>-</u>	<u>(112,457)</u>
Capital Assets, Net	<u>\$ 2,851,063</u>	<u>\$ (39,513)</u>	<u>\$ (61,817)</u>	<u>\$ 2,749,733</u>

Depreciation charged to the water and sewer function was \$39,513.

NOTE D – RAM FEES

The District began assessing a \$2 per month Reserve and Maintenance (“RAM”) fee on each equivalent residential connection (“ERC”) of undeveloped lands in December 2014. The fee increased to \$4 per month in April 2016. The Board held a public hearing and adopted the fee via motion at the beginning of fiscal year 2015. The fees are to cover maintenance costs for the idle sewer plant which is not yet being used due to undeveloped units. RAM fees totaled \$105,296 during the year-end September 30, 2023, which includes a receivable balance of \$209.

Central Lake Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – LEASES

Business-type Activities

The District, as lessee, entered into an agreement to lease a water and wastewater facility from a related party. The agreement qualifies as a lease under GASB 87 and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. In addition, in accordance with the implementation of GASB 87, the District has recorded a right-to-use asset for the leased facility.

In July 2002, the initial agreement was executed to lease a water and wastewater facility and requires 60 monthly base payments of \$15,000. In August 2006, the original lease was amended to provide the District with six optional 10-year renewals. In January 2013, the lease was amended to decrease the monthly base amount to \$12,500. The District has exercised two of the six optional renewals, and it is reasonably likely that the remaining renewal options will be exercised. The lease liability was measured at a discount rate of 4%, which is the District's incremental borrowing rate. In addition to monthly base payments, the District recognized variable lease payments for facility maintenance costs totaling \$38,909 for the year-end September 30, 2023. As a result of the lease, the District reported a right-to-use asset with a net book value of \$2,658,127 at September 30, 2023.

The future minimum payments under these lease agreements and the present value of the minimum payments as of September 30, 2023, were as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 27,436	\$ 122,564	\$ 150,000
2025	28,554	121,446	150,000
2026	29,717	120,283	150,000
2027	30,928	119,072	150,000
2028	32,188	117,812	150,000
2029-2033	181,713	568,287	750,000
2034-2038	221,871	528,129	750,000
2039-2043	270,904	479,096	750,000
2044-2048	330,773	419,227	750,000
2049-2053	403,873	346,127	750,000
2054-2058	493,128	256,872	750,000
2059-2063	602,107	147,893	750,000
2064-2066	423,386	26,614	450,000
Totals	<u>\$ 3,076,578</u>	<u>\$ 3,373,422</u>	<u>\$ 6,450,000</u>

Central Lake Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – LEASES (CONTINUED)

The District has recorded right-to-use leased assets for the facility equipment. Right-to-use asset activity for the year ended September 30, 2023, was as follows:

	<u>Balance October 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2023</u>
Right-to-use assets				
Leased facility	\$ 2,843,578	\$ -	\$ -	\$ 2,843,578
Less accumulated amortization for:				
Leased facility	(123,634)	(61,817)	-	(185,451)
Right-to-use Assets, Net	<u>\$ 2,719,944</u>	<u>\$ (61,817)</u>	<u>\$ -</u>	<u>\$ 2,658,127</u>

NOTE F – ECONOMIC DEPENDENCY

Three of the five board members are related and share an interest in the ownership and development of the District. The remaining two board members are affiliated with a major commercial landowner within the District.

NOTE G – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the government carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors
Central Lake Community Development District
Lake County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, as listed in the table of contents, of Central Lake Community Development District, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated November 6, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Central Lake Community Development District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Lake Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Lake Community Development District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

To the Board of Supervisors
Central Lake Community Development District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Lake Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 6, 2024



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Supervisors
Central Lake Community Development District
Lake County, Florida

Report on the Financial Statements

We have audited the financial statements of the Central Lake Community Development District as of and for the year ended September 30, 2023, and have issued our report thereon dated November 6, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated November 6, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Central Lake Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Central Lake Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors
Central Lake Community Development District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Central Lake Community Development District. It is management's responsibility to monitor the Central Lake Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2023.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

The information provided below was provided by management and has not been audited; therefore, we do not express an opinion or provide any assurance on the information.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Central Lake Community Development District reported:

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 8
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$395,744
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2022, together with the total expenditures for such project: N/A
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Central Lake Community Development District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: N/A, Enterprise Fund only.
- 2) The amount of special assessments collected by or on behalf of the District: Total Special Assessments collected was N/A.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: No outstanding bonds.

To the Board of Supervisors
Central Lake Community Development District

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 6, 2024



**Berger, Toombs, Elam,
Gaines & Frank**

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Central Lake Community Development District
Lake County, Florida

We have examined Central Lake Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2023. Management is responsible for Central Lake Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Central Lake Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Central Lake Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Central Lake Community Development District's compliance with the specified requirements.

In our opinion, Central Lake Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2023.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 6, 2024

SECTION IX

SECTION C

SECTION 1

Central Lake

Community Development District

Summary of Invoices

August 30, 2024 - November 30, 2024

Fund	Date	Check No.'s	Amount
Water & Sewer Fund	9/20/24	2510-2515	\$ 73,645.94
	11/1/24	2516-2525	65,498.09
	11/15/24	2526-2529	14,547.36
	11/21/24	2530	175.00
			<hr/>
			\$ 153,866.39
TOTAL			\$ 153,866.39

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
9/20/24	00009	9/17/24 97242	202409 302-53600-43200	PUMPED 17,800 GAL SLUDGE	*	4,903.00	
				AMERICAN PIPE & TANK			4,903.00 002510
9/20/24	00093	8/29/24 25005	202409 300-15500-10000	FY25 GEN.LIAB/PUBLIC OFFC	*	4,074.00	
		8/29/24 25005	202409 300-13100-10300	FY25 GEN.LIAB/PUBLIC OFFC	*	4,074.00	
		8/29/24 25005	202409 300-15500-10000	FY25 PROPERTY INSURANCE	*	24,535.00	
		8/29/24 25005	202409 300-13100-10300	FY25 PROPERTY INSURANCE	*	24,535.00	
				EGIS INSURANCE & RISK ADVISORS			57,218.00 002511
9/20/24	00001	9/01/24 233	202409 301-51300-34000	MANAGEMENT FEES SEPT24	*	3,280.00	
		9/01/24 233	202409 301-51300-34200	WEBSITE ADMIN SEPT24	*	100.00	
		9/01/24 233	202409 301-51300-34100	INFORMATION TECH SEPT24	*	150.00	
		9/01/24 233	202409 301-51300-51000	OFFICE SUPPLIES SEPT24	*	6.51	
		9/01/24 233	202409 301-51300-42000	POSTAGE SEPT24	*	150.24	
		9/01/24 233	202409 300-13100-10300	POSTAGE SEPT24	*	7.91	
				GOVERNMENTAL MANAGEMENT SERVICES			3,694.66 002512
9/20/24	00101	9/02/24 10008889	202408 302-53600-12000	LABOR SERVICES AUG24	*	719.53	
				MISSION INN RESORT & CLUB			719.53 002513
9/20/24	00002	8/31/24 09928668	202408 301-51300-48000	NOT.OF RULE AMENDMENT	*	155.75	
		8/31/24 09928668	202408 301-51300-48000	NOT. OF RULE HEARING	*	1,388.00	
		8/31/24 09928668	202408 301-51300-48000	NOT. OF BOS BUDGET MTG	*	542.00	
				ORLANDO SENTINEL			2,085.75 002514
9/20/24	00152	9/09/24 63982	202408 301-51300-31500	WHOLESALE AGREE W/THIH	*	2,512.50	
		9/09/24 63982	202408 300-13100-10300	WHOLESALE AGREE W/THIH	*	2,512.50	
				STONE & GERKEN P.A.			5,025.00 002515

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
11/01/24	00154	7/31/24 I73789	202407 302-53600-46000	ANNUAL MAJOR PMI-WTP	*	566.00	
ALTERNATIVE POWER SOLUTIONS, INC.							566.00 002516
11/01/24	00001	10/01/24 234	202408 301-51300-51000	ENVELOPES-UTILITY BILLING	*	93.68	
		10/01/24 234	202408 301-51300-42000	POSTAGE-MAIL W&S BILLING	*	2.59	
		10/01/24 234A	202410 301-51300-34000	MANAGEMENT FEES OCT24	*	3,541.67	
		10/01/24 234A	202410 301-51300-34200	WEBSITE ADMIN OCT24	*	105.00	
		10/01/24 234A	202410 301-51300-34100	INFORMATION TECH OCT24	*	157.50	
		10/01/24 234A	202410 301-51300-51000	OFFICE SUPPLIES OCT24	*	6.66	
		10/01/24 234A	202410 301-51300-42000	POSTAGE OCT24	*	142.03	
		10/01/24 234A	202410 300-13100-10300	POSTAGE OCT24	*	7.48	
		10/01/24 234A	202410 301-51300-47000	COPIES OCT24	*	57.45	
GOVERNMENTAL MANAGEMENT SERVICES							4,114.06 002517
11/01/24	00148	9/03/24 342769	202408 302-53600-46300	WATER PLANT INSPECT AUG24	*	378.75	
		9/03/24 342769	202408 300-13100-10300	WATER PLANT INSPECT AUG24	*	126.25	
		9/03/24 342769	202408 302-53600-46000	TURBIDITY METER, PORTABLE	*	2,505.00	
		9/03/24 342769	202408 302-53600-52000	CHLORINE CYLINDER/STIX	*	1,461.00	
		9/03/24 342769	202408 302-53600-46300	SEWER PLANT INSPECT AUG24	*	5,432.25	
		9/03/24 342769	202408 300-13100-10300	SEWER PLANT INSPECT AUG24	*	1,810.75	
		10/03/24 342979	202409 302-53600-46300	WATER PLANT INSPECT SEP24	*	669.75	
		10/03/24 342979	202409 300-13100-10300	WATER PLANT INSPECT SEP24	*	223.25	
		10/03/24 342979	202409 302-53600-52000	CHLORINE CYLINDERS	*	796.00	
		10/03/24 342979	202409 302-53600-46300	SEWER PLANT INSPECT SEP24	*	5,370.00	
		10/03/24 342979	202409 300-13100-10300	SEWER PLANT INSPECT SEP24	*	1,790.00	
GENERAL UTILITIES							20,563.00 002518

CTLW CTL LK W&S				TVISCARRA			

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
11/01/24	00016	10/31/24	14348	202410	302	53600	46100		TRIMMING/SPRAYING/ROUNDUP	*	71.02		
		10/31/24	14348	202410	300	13100	10300		TRIMMING/SPRAYING/ROUNDUP	*	284.10		
									JP LANDSCAPING MANAGEMENT			355.12	002519
11/01/24	00086	9/29/24	789-2024	202409	302	53600	46100		MOWING 6/27/24 - 9/29/24	*	437.00		
		9/29/24	789-2024	202409	300	13100	10300		MOWING 6/27/24 - 9/29/24	*	1,748.00		
									JESUS G. SANCHEZ			2,185.00	002520
11/01/24	00101	10/02/24	10009254	202409	302	53600	12000		LABOR SERVICES SEPT24	*	719.53		
									MISSION INN RESORT & CLUB			719.53	002521
11/01/24	00002	9/30/24	10118298	202409	301	51300	48000		NOT.FY25 MEETING DATES	*	166.92		
									ORLANDO SENTINEL			166.92	002522
11/01/24	00151	7/02/24	11599	202406	302	53600	60100		HYDROMATIC H4H1000M3-4	*	17,652.26		
									RCM UTILITIES			17,652.26	002523
11/01/24	00151	9/06/24	11962	202408	302	53600	60100		MUDWELL PUMP #1/INSTALL	*	10,095.20		
									RCM UTILITIES			10,095.20	002524
11/01/24	00151	10/22/24	12705	202410	302	53600	46000		LS-REPLACE CONTACTS/CLEAN	*	2,698.00		
		10/30/24	12709	202410	302	53600	46000		500GAL FUEL/PRIME PUMP	*	6,383.00		
									RCM UTILITIES			9,081.00	002525
11/15/24	00073	11/05/24	21262	202409	301	51300	32200		FY23 ANNUAL AUDIT REPORT	*	3,600.00		
									BERGER, TOOMBS, ELAM, GAINES&FRANK			3,600.00	002526
11/15/24	00001	11/01/24	235	202411	301	51300	34000		MANAGEMENT FEES NOV24	*	3,541.67		
		11/01/24	235	202411	301	51300	34200		WEBSITE ADMIN NOV24	*	105.00		
		11/01/24	235	202411	301	51300	34100		INFORMATION TECH NOV24	*	157.50		
		11/01/24	235	202411	301	51300	51000		OFFICE SUPPLIES NOV24	*	6.30		

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
11/01/24		235	POSTAGE NOV24	202411	301	51300	42000			*	137.16		
11/01/24		235	POSTAGE NOV24	202411	300	13100	10300			*	7.22		
11/15/24		235AUG	ADDRESS LABELS&ENVELOPES	202408	301	51300	51000			*	22.98		
GOVERNMENTAL MANAGEMENT SERVICES											3,977.83	002527	
11/15/24	00148	11/01/24	343215	TURBIDITY MTR HF MICROTOL	202410	302	53600	46000		*	6,250.00		
GENERAL UTILITIES											6,250.00	002528	
11/15/24	00101	11/04/24	10009861	LABOR SERVICES OCT24	202410	302	53600	12000		*	719.53		
MISSION INN RESORT & CLUB											719.53	002529	
11/21/24	00005	10/01/24	90663	FY25 SPECIAL DISTRICT FEE	202410	301	51300	54000		*	175.00		
FLORIDA COMMERCE											175.00	002530	
TOTAL FOR BANK A											153,866.39		
TOTAL FOR REGISTER											153,866.39		

SECTION 2

Central Lake
Community Development District

Unaudited Financial Reporting
October 31, 2024



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1	<u>Balance Sheet</u>
2	<u>Water & Sewer Income Statement</u>
3	<u>Water & Sewer Month to Month</u>
4	<u>Wholesale Sewer Revenue</u>
5	<u>Town of Howey-in-the-Hills Billing Summary</u>
6	<u>RAM Revenue Income Statement</u>
7	<u>RAM Revenue Month to Month</u>

Central Lake
Community Development District
Balance Sheet
October 31, 2024

	<i>Water & Sewer Fund</i>	<i>Reservation & Maintenance Fund</i>	<i>Totals Governmental Funds</i>
Assets:			
Cash - Wells Fargo Bank	\$ 290,671	\$ 87,667	\$ 378,338
Accounts Receivable	53,330	1,452	54,782
State Board of Administration	2,202	11,523	13,725
Due from Water & Sewer	-	-	-
Due from RAM	41,043	-	41,043
Due from THIH - Lot Closings	9,139	-	9,139
Due from THIH - Boondocks	324	-	324
Due from THIH - School	391	-	391
Plant & Equipment	-	197,563	197,563
Accumulated Depreciation	-	(105,957)	(105,957)
Right to Use Lease Asset	2,843,578	-	2,843,578
A/A Right to Use Lease Asset	(185,451)	-	(185,451)
Total Assets	\$ 3,055,228	\$ 192,248	\$ 3,247,476
Liabilities:			
Accounts Payable	\$ 99,590	\$ -	\$ 99,590
Lease Payable - Current	27,436	-	27,436
Due to Other	956	-	956
Due to Water & Sewer	-	41,043	41,043
Lease Payable	3,049,142	-	3,049,142
Total Liabilities	\$ 3,177,124	\$ 41,043	\$ 3,218,167
Fund Balances:			
Invested in Capital Assets	\$ -	\$ (326,845)	\$ (326,845)
Unreserved	(121,896)	478,050	356,154
Total Fund Balances	\$ (121,896)	\$ 151,204	\$ 29,308
Total Liabilities & Fund Equity	\$ 3,055,228	\$ 192,248	\$ 3,247,476

Central Lake

Community Development District

Water & Sewer Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance For The Period Ending October 31, 2024

	Adopted	Prorated Budget	Actual	
	Budget	Thru 10/31/24	Thru 10/31/24	Variance
Revenues:				
Water Revenue	\$ 268,345	\$ 22,362	\$ 19,945	\$ (2,417)
Sewer Revenue	221,705	18,475	18,881	405
Wholesale Sewer Revenue - Lot Closings	102,470	8,539	9,139	600
Wholesale Sewer Revenue - Boondocks	3,888	324	324	-
Wholesale Sewer Revenue - School	3,500	292	391	100
Wholesale Sewer Revenue - BishopsGate	23,155	5,789	5,789	-
Mission Inn Irrigation	9,000	750	842	92
Las Colinas HOA Irrigation	31,950	2,663	2,162	(501)
Miscellaneous Income	3,000	250	70	(180)
CIAC/Meter Fees	54,891	4,574	-	(4,574)
Interest	100	8	9	1
Total Revenues	\$ 722,005	\$ 64,026	\$ 57,551	\$ (6,475)
Expenditures:				
Administrative:				
Engineering Fees	\$ 3,500	\$ 292	\$ -	\$ 292
Attorney Fees	12,000	1,000	2,496	(1,496)
Annual Audit	3,600	-	-	-
Management Fees	42,500	3,542	3,542	(0)
Information Technology	1,890	158	158	-
Website Maintenance	1,260	105	105	-
Telephone	25	2	-	2
Postage	1,750	146	142	4
Printing & Binding	350	29	57	(28)
Insurance	4,190	4,190	4,074	116
Legal Advertising	1,500	125	-	125
Office Supplies	500	42	7	35
Other Current Charges	1,200	100	-	100
Property Taxes	1,300	108	-	108
Dues, Licenses & Subscriptions	175	175	175	-
Total Administrative:	\$ 75,740	\$ 10,013	\$ 10,756	\$ (743)
Operations & Maintenance				
Property Insurance	\$ 23,905	\$ 23,905	\$ 24,535	\$ (630)
Electric	175,500	14,625	11,382	3,243
Backup Fuel	334	28	-	28
Chemicals	15,000	1,250	796	454
Dues, Licenses & Subscriptions	2,500	208	450	(242)
Labor	8,634	720	720	(0)
Mowing	2,000	167	71	96
Plant Lease	175,383	14,615	14,615	-
Repairs & Maintenance	45,000	3,750	18,876	(15,126)
Sludge Pumping	40,000	3,333	-	3,333
Utility Maintenance	105,170	8,764	8,490	275
Capital Outlay	52,839	4,403	-	4,403
Total Operations & Maintenance:	\$ 646,265	\$ 75,768	\$ 79,935	\$ (4,166)
Total Expenditures	\$ 722,005	\$ 85,781	\$ 90,690	\$ (4,909)
Excess Revenues (Expenditures)	\$ 0		\$ (33,139)	
Fund Balance - Beginning	\$ -		\$ (88,757)	
Fund Balance - Ending	\$ 0		\$ (121,896)	

Central Lake
Community Development District
Water & Sewer Fund
Month to Month

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Total
Revenues:													
Water Revenue	\$ 19,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	19,945
Sewer Revenue	18,881	-	-	-	-	-	-	-	-	-	-	-	18,881
Wholesale Sewer Revenue - Lot Closings	9,139	-	-	-	-	-	-	-	-	-	-	-	9,139
Wholesale Sewer Revenue - Boondocks	324	-	-	-	-	-	-	-	-	-	-	-	324
Wholesale Sewer Revenue - School	391	-	-	-	-	-	-	-	-	-	-	-	391
Wholesale Sewer Revenue - BishopsGate	5,789	-	-	-	-	-	-	-	-	-	-	-	5,789
Mission Inn Irrigation	842	-	-	-	-	-	-	-	-	-	-	-	842
Las Colinas HOA Irrigation	2,162	-	-	-	-	-	-	-	-	-	-	-	2,162
Miscellaneous Income	70	-	-	-	-	-	-	-	-	-	-	-	70
CIAC/Meter Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	9	-	-	-	-	-	-	-	-	-	-	-	9
Total Revenues	\$ 57,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	57,551
Expenditures:													
Administrative:													
Engineering Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Attorney Fees	2,496	-	-	-	-	-	-	-	-	-	-	-	2,496
Annual Audit	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fees	3,542	-	-	-	-	-	-	-	-	-	-	-	3,542
Information Technology	158	-	-	-	-	-	-	-	-	-	-	-	158
Website Maintenance	105	-	-	-	-	-	-	-	-	-	-	-	105
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	142	-	-	-	-	-	-	-	-	-	-	-	142
Printing & Binding	57	-	-	-	-	-	-	-	-	-	-	-	57
Insurance	4,074	-	-	-	-	-	-	-	-	-	-	-	4,074
Legal Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	7	-	-	-	-	-	-	-	-	-	-	-	7
Other Current Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues, Licenses & Subscriptions	175	-	-	-	-	-	-	-	-	-	-	-	175
Total Administrative:	\$ 10,756	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10,756
Operations & Maintenance:													
Property Insurance	\$ 24,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	24,535
Electric	11,382	-	-	-	-	-	-	-	-	-	-	-	11,382
Backup Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	796	-	-	-	-	-	-	-	-	-	-	-	796
Dues, Licenses & Subscriptions	450	-	-	-	-	-	-	-	-	-	-	-	450
Labor	720	-	-	-	-	-	-	-	-	-	-	-	720
Mowing	71	-	-	-	-	-	-	-	-	-	-	-	71
Plant Lease	14,615	-	-	-	-	-	-	-	-	-	-	-	14,615
Repairs & Maintenance	18,876	-	-	-	-	-	-	-	-	-	-	-	18,876
Sludge Pumping	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility Maintenance	8,490	-	-	-	-	-	-	-	-	-	-	-	8,490
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operations & Maintenance:	\$ 79,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	79,935
Total Expenditures	\$ 90,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	90,690
Excess Revenues (Expenditures)	\$ (33,139)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(33,139)

Central Lake
Community Development District

Wholesale Sewer Revenue
Month to Month

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Total
Revenues:													
Wholesale Sewer Revenue - Lot Closings	\$ 9,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,139
Wholesale Sewer Revenue - Boondocks	324	-	-	-	-	-	-	-	-	-	-	-	324
Wholesale Sewer Revenue - School	391	-	-	-	-	-	-	-	-	-	-	-	391
Wholesale Sewer Revenue - BishopsGate	5,789	-	-	-	-	-	-	-	-	-	-	-	5,789
Total Revenues	\$ 15,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	15,643

Central Lake
Community Development District
Wholesale Sewer Revenue

	Type	Date	Check#	Beginning Balance	Billing Usage	Payment Received	Balance
Venezia	Beginning Balance	10/01/24		\$8,899.20			\$8,899.20
	Payment - Sept.24	10/07/24	36160			(\$8,899.20)	\$0.00
	October Billing	10/17/24			\$9,139.20		\$9,139.20
Total Venezia				\$8,899.20	\$9,139.20	(\$8,899.20)	\$9,139.20
	Type	Date	Check#	Beginning Balance	Billing Usage	Payment Received	Balance
Boondocks	Beginning Balance	10/01/24		\$324.00			\$324.00
	Payment - Sept.24	10/07/24	36160			(\$324.00)	\$0.00
	October Billing	10/17/24			\$324.00		\$324.00
Total Boondocks				\$324.00	\$324.00	(\$324.00)	\$324.00
	Type	Date	Check#	Beginning Balance	Billing Usage	Payment Received	Balance
ESE School	Beginning Balance	10/01/24		\$429.78			\$429.78
	Payment - Sept.24	10/07/24	36160			(\$153.95)	\$275.83
	October Billing	10/17/24			\$391.25		\$667.08
	Payment - Sept.24	10/31/24	36205			(\$275.83)	\$391.25
Total ESE School				\$429.78	\$391.25	(\$429.78)	\$391.25
	Type	Date	Check#	Beginning Balance	Billing Usage	Payment Received	Balance
Bishop's Gate	Beginning Balance	10/01/24		\$0.00			\$0.00
	Oct.23 - Dec.23 Billing	10/01/24	35738		\$5,788.80		\$5,788.80
Total Bishop's Gate				\$0.00	\$5,788.80	\$0.00	\$5,788.80
TOTAL				\$9,652.98	\$15,643.25	(\$9,652.98)	\$15,643.25

Central Lake

Community Development District Reservation & Maintenance Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance For The Period Ending October 31, 2024

	Adopted	Prorated Budget	Actual	
	Budget	Thru 10/31/24	Thru 10/31/24	Variance
Revenues:				
RAM Sewer Revenue	\$ 151,848	\$ 12,654	\$ 8,928	\$ (3,726)
Miscellaneous Revenue	\$ -	\$ -	\$ 39	\$ 39
Interest	\$ 600	\$ 50	\$ 49	\$ (1)
Total Revenues	\$ 152,448	\$ 12,704	\$ 9,016	\$ (3,688)
Expenditures:				
<i>Administrative</i>				
Attorney Fees	\$ 12,000	\$ 1,000	\$ 2,496	\$ (1,496)
Postage	\$ 150	\$ 13	\$ 7	\$ 5
Insurance	\$ 4,190	\$ 4,190	\$ 4,074	\$ 116
Other Current Charges	\$ 500	\$ 42	\$ -	\$ 42
Property Taxes	\$ 1,300	\$ -	\$ -	\$ -
Total Administrative:	\$ 18,140	\$ 5,244	\$ 6,578	\$ (1,334)
<i>Operations & Maintenance</i>				
Property Insurance	\$ 23,905	\$ 23,905	\$ 24,535	\$ (630)
Mowing	\$ 8,000	\$ 667	\$ 284	\$ 383
Operating Supplies	\$ 7,500	\$ 625	\$ -	\$ 625
Permits	\$ 5,000	\$ 417	\$ -	\$ 417
Refuse Service	\$ 720	\$ 60	\$ -	\$ 60
Repairs & Maintenance	\$ 26,000	\$ 2,167	\$ -	\$ 2,167
Utility Maintenance	\$ 32,763	\$ 2,730	\$ 2,830	\$ (100)
Capital Outlay	\$ 71,438	\$ 5,953	\$ -	\$ 5,953
Total Operations & Maintenance:	\$ 175,326	\$ 36,523	\$ 27,649	\$ 8,874
Total Expenditures	\$ 193,466	\$ 41,768	\$ 34,227	\$ 7,541
Excess Revenues (Expenditures)	\$ (41,018)		\$ (25,210)	
Fund Balance - Beginning	\$ 41,018		\$ 503,260	
Fund Balance - Ending	\$ -		\$ 478,050	

Central Lake

Community Development District

Reservation & Maintenance Fund

Month to Month

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Total
Revenues:													
RAM Sewer Revenue	\$ 8,928	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,928
Miscellaneous Revenue	39	-	-	-	-	-	-	-	-	-	-	-	39
Interest	49	-	-	-	-	-	-	-	-	-	-	-	49
Total Revenues	\$ 9,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,016
Expenditures:													
<i>Administrative</i>													
Attorney Fees	\$ 2,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,496
Postage	7	-	-	-	-	-	-	-	-	-	-	-	7
Insurance	4,074	-	-	-	-	-	-	-	-	-	-	-	4,074
Other Current Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Administrative:	\$ 6,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,578
<i>Operations & Maintenance</i>													
Property Insurance	\$ 24,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,535
Mowing	284	-	-	-	-	-	-	-	-	-	-	-	284
Operating Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Refuse Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility Maintenance	2,830	-	-	-	-	-	-	-	-	-	-	-	2,830
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operations & Maintenance:	\$ 27,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,649
Total Expenditures	\$ 34,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,227
Excess Revenues (Expenditures)	\$ (25,210)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (25,210)

AUDIT COMMITTEE MEETING

SECTION III

SECTION A

**CENTRAL LAKE COMMUNITY DEVELOPMENT DISTRICT
REQUEST FOR PROPOSALS**

Annual Audit Services for Fiscal Year 2024
Lake County, Florida

INSTRUCTIONS TO PROPOSE

SECTION 1. DUE DATE. Sealed proposals must be received no later than **Friday, January 10, 2025 at 2:00 P.M.**, at the offices of District Manager, located 219 E. Livingston Street, Orlando, FL 32801. Proposals will be publicly opened at that time.

SECTION 2. FAMILIARITY WITH THE LAW. By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules, and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relive it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

SECTION 3. QUALIFICATIONS OF PROPOSER. The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL. Proposers shall be disqualified and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

SECTION 5. SUBMISSION OF PROPOSAL. Submit one (1) copy and one (1) **electronic** copy of the Proposal Documents, and other requested attachments at the time and place indicated herein, which shall be enclosed in an opaque sealed envelope, marked with the title "Auditing Services- Bella Collina Community Development District" on the face of it.

SECTION 6. MODIFICATION AND WITHDRAWAL. Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

SECTION 7. PROPOSAL DOCUMENTS. The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the "Proposal Documents").

SECTION 8. PROPOSAL. In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.

SECTION 9. BASIS OF AWARD/RIGHT TO REJECT. The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

SECTION 10. CONTRACT AWARD. Within fourteen (14) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

SECTION 11. LIMITATION OF LIABILITY. Nothing herein shall be construed as or constitute a waiver of District's limited waiver of liability contained in section 768.28, Florida Statutes, or any other statute or law.

SECTION 12. MISCELLANEOUS. All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List position or title of all personnel to perform work on the District audit. Include resumes for each person listed: list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including resumes with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The cost of the provision of the services under the proposal for Fiscal Years 2024, 2025, 2026, 2027 and 2028. The District intends to enter into five (5) separate one-year agreements.
- E. Provide a proposed schedule for performance of the audit.

SECTION 13. PROTESTS. Any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) hours after the receipt of the documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to aforesaid plans, specifications or contract documents.

SECTION 14. EVALUATION OF PROPOSALS. The criteria to be used in the evaluation of proposals are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.

AUDITOR SELECTION EVALUATION CRITERIA

1. *Ability of Personnel.* (20 Points)

(E.g., geographic locations of the firm's headquarters or permanent office in relation to the project; capabilities and experience of key personnel; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.)

2. *Proposer's Experience.* (20 Points)

(E.g. past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other Community Development Districts in other contracts; character, integrity, reputation, of respondent, etc.)

3. *Understanding of Scope of Work.* (20 Points)

Extent to which the proposal demonstrates an understanding of the District's needs for the services requested.

4. *Ability to Furnish the Required Services.* (20 Points)

Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity necessary to complete the services required (E.g. the existence of any natural disaster plan for business operations).

5. *Price.* (20 Points)

Points will be awarded based upon the price bid for the rendering of the services and reasonableness of the price to the services.

SECTION B

**CENTRAL LAKE
COMMUNITY DEVELOPMENT DISTRICT
REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES**

The Central Lake Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide for the auditing of the District's financial records for the Fiscal Year ending September 30, 2024, with an option for four additional annual renewals. The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District is located in Lake County and has a water & sewer fund and a reservation & maintenance fund.

The Auditing entity submitting a proposal must be duly licensed under Chapter 173, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards," as adopted by the Florida Board of Accountancy. Audits shall be conducted in accordance with Florida Law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers, are available from the District Manager at the address and telephone number listed below.

Proposers must provide one (1) copy and one (1) electronic copy of their proposal to GMS - CF, LLC, District Manager, 219 E. Livingston Street, Orlando, FL 32801, telephone (407) 841-5524, in an envelope marked on the outside "**Auditing Services - Central Lake Community Development District.**" Proposals must be received by **Friday, January 10, 2025 at 2:00 P.M.**, at the office of the District Manager. Please direct all questions regarding this Notice to the District Manager.

George S. Flint
Governmental Management Services - Central Florida, LLC
District Manager