

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made this 29th day of JANUARY, 2008, by and between CRYSTAL BAY, L.L.C., a Delaware limited liability company ("Crystal Bay"), and the TOWN OF GRANT-VALKARIA, FLORIDA, a municipal corporation created and existing under the laws of the State of Florida (the "Town").

WITNESSETH:

WHEREAS, Crystal Bay owns land presently situated in an unincorporated area within Brevard County, Florida (the "County"), as more particularly described in Exhibit A hereto and incorporated herein by this reference (the "Crystal Bay County Parcel") comprising 29.588 acres, more or less; and

WHEREAS, the Crystal Bay County Parcel is located adjacent to and contiguous with a larger tract of land also owned by Crystal Bay, and certain non-contiguous parcels of land all as more particularly described or depicted in Exhibit B attached hereto and incorporated herein by this reference (the "Crystal Bay Town Parcel"), which parcel is located within the municipal boundaries of the Town as created pursuant a Special Act of the Florida Legislature in 2006 (Chapter 2006-348, the Laws of Florida, and referred to herein as the "Special Act") and approved by the qualified voters of the Town on June 25, 2006; and

WHEREAS, the Crystal Bay County Parcel and the Crystal Bay Town Parcel are collectively referred to herein as the "Unified Crystal Bay Parcel"; and

WHEREAS, prior to the creation of the Town, the County and Crystal Bay's predecessor in title entered into two (2) Binding Development Plans in 1997 and 1999, respectively (collectively the "Binding Development Plan") with the latest Binding Development Plan being dated January 28, 1999 and recorded in Official Records Book 3961, Page 788 of the Public Records of Brevard County, Florida, which recognized that a maximum of 550 residential dwelling units could be constructed on the Unified Crystal Bay Parcel in its entirety; and

WHEREAS, prior to the creation of the Town, the County had issued approvals for two (2) preliminary subdivision plats and the construction of subdivision and infrastructure

improvements for the development of the entire Unified Crystal Bay Parcel (collectively, the **"County Subdivision Approvals"**); and

WHEREAS, Crystal Bay intends on developing the Crystal Bay County Parcel and the Crystal Bay Town Parcel as a single residential project consisting of approximately 534 single family residential units (which may consist of modular manufactured homes constructed in compliance with Florida Building Code and Department of Community Affairs regulations), a clubhouse facility, swimming pool and related amenities and accessory uses consistent with the above-referenced Binding Development Plan and the County Subdivision Approvals (the **"Project"**); and

WHEREAS, on or about the date hereof, Crystal Bay and the Town have also entered into an Annexation Agreement (the **"Annexation Agreement"**), which provides, among other things, for the voluntary annexation of the Crystal Bay County Parcel into the Town pursuant to Chapter 171, Florida Statutes, provided that the Town and Crystal Bay are able to successfully negotiate this Agreement which provides for the development of the Unified Crystal Bay Parcel after annexation of the Crystal Bay County Parcel; and

WHEREAS, the Florida Local Government Development Agreement Act, Sections 163.3220 - 163.3243, Florida Statutes, authorizes the Town to enter into development agreements with developers of land within its municipal boundaries to encourage a stronger commitment to comprehensive and capital facilities planning, to ensure the provision of adequate public facilities for development, to encourage the efficient use of resources, to reduce the economic cost of development and to provide certainty to developers in the approval of development and assurances that they may proceed in accordance with existing laws and policies, subject to the conditions of such development agreements; and

WHEREAS, such development agreements strengthen the public planning process, encourage sound capital improvement planning and financing, assist in assuring there are adequate capital facilities for the development, encourage private participation and comprehensive planning and reduce the costs of development; and

WHEREAS, the Town is willing to cooperate with Crystal Bay to ensure public and utility services necessary or required to serve the Proposed Development are provided in a manner consistent with the Binding Development Plan and the County's Subdivision Approvals; and

WHEREAS, the Project has already been determined to be consistent with the Brevard County Comprehensive Plan and Zoning; and

WHEREAS, pursuant to §171.062, Florida Statutes, and the Special Act creating the Town, the Unified Crystal Bay Parcel will maintain its existing County zoning classification(s) and comprehensive plan designation(s) pending adoption of the Town's comprehensive plan, land development regulations, and zoning for all land located within the boundaries of the Town; and

WHEREAS, the Town is also willing to recognize that Crystal Bay may develop the Project on the Unified Crystal Bay Parcel in a manner consistent with the existing County

comprehensive plan designation(s), the existing County zoning, the Binding Development Plan and the existing County Subdivision Approvals except as otherwise provided for herein; and

WHEREAS, the development of the Project will be of economic benefit to the citizens of the Town and will enhance the ad valorem tax base of the Town; and

WHEREAS, it is therefore deemed to be in the interest of the public health, safety and welfare for the Town to facilitate the development of the Project on the Unified Crystal Bay Parcel (consisting of both the Crystal Bay County Parcel and the Crystal Bay Town Parcel) by adoption and execution of this Agreement.

NOW, THEREFORE, in consideration of the foregoing "recitals", which are true and correct and are incorporated herein by this reference, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed by the Town and Crystal Bay as follows:

1. **Purpose/Description of Project.** The purpose of this Agreement is to: (a) satisfy the concurrency for the entire Project for all public facilities and services; (b) recognize the Project and entitlements and requirements for the development of the Project on the Unified Crystal Bay Parcel; and (c) address other development related issues for the Project. For purposes of this Agreement it is agreed that the Project shall be a single family, age restricted, residential development consisting of the following development uses: (a) 534 single family residential units, (b) a club-house/community center containing a maximum of 27,000 square feet, (c) swimming pool, (d) tennis courts, and (e) other recreational facilities or amenities for the use of the residents of the Project. No single family residential building shall exceed 35 feet in height (as measured in accordance with the County land development regulations existing as of the date of this Agreement); however, the clubhouse/community center may be built to a maximum height of 40 feet in accordance with building plans and permits issued by the County. The Unified Crystal Bay Parcel consists of 263 acres, more or less. Therefore, at total build-out, the Project shall have a building density of approximately 2.03 units per acre and a total maximum population of 1,068 residents (assuming two (2) residents per unit) or approximately 4 persons per acre (4.06 persons per acre).

2. **Annexation Agreement.** Crystal Bay and the Town have entered into that certain Annexation Agreement on or about the date hereof, which Annexation Agreement also constitutes the petition of Crystal Bay to voluntarily annex the Crystal Bay County Parcel into the Town pursuant to Chapter 171, Florida Statutes, and applicable Town ordinance(s) (if any). If the Town fails to either approve the Annexation Agreement (if not approved already), or to enact an ordinance annexing the Crystal Bay County Parcel into the Town in accordance with the terms and conditions contained in the Annexation Agreement, then this Development Agreement, at the option of Crystal Bay, shall become null and void and of no further force and effect.

3. **Public Facilities and Services.**

A. **Impact Fees.** Any impact fees levied by the Town shall be the rates in effect as of the Effective Date of this Agreement and subsequent amendments to the impact fee rates shall not apply to the Project, unless such amendments are rate decreases.

B. Transportation Facilities. Pursuant to Chapter 163, Florida Statutes, the County staff reviewed the Project at the time of issuance of the County Subdivision Approvals (prior to the creation of the Town) and determined that the Project complies with the County's transportation concurrency requirements. The Town accepts the County's determination and finds that the Project meets the transportation concurrency requirements of the Town.

C. Water Facilities and Water Impact Fees. Prior to the creation of the Town and in accordance with the County Subdivision Approvals, Crystal Bay commenced the construction of potable water facilities in the Unified Crystal Bay Parcel that are connected to the water treatment plant owned and operated by the Barefoot Bay Water and Sewer District (the "**District**"). The Town hereby agrees that notwithstanding any provision in the Town Charter or in any Town ordinance to the contrary, that Crystal Bay has a right and is entitled to obtain all of its potable water for the Project from the District thru potable water transmission and distribution facilities located in or on the Unified Crystal Bay Parcel and connected with the District's water treatment plant (the "**Water Facilities**"). Crystal Bay has contracted or shall contract directly with the District for potable water service. Based thereon, the Town agrees that the Project is exempt from any requirement in the Town's Charter or any ordinance of the Town requiring that potable water for new development be provided by well(s). In addition, and as long as Crystal Bay is billed directly by the District or other water supplier other than the Town, the Town agrees, based on the foregoing, that the Town shall not assess a capacity or impact fee for potable water service, and agrees not to assess any such capacity fees or impact fees against the Project in the future. In addition, the Water Facilities shall be owned, operated, maintained and repaired by the District or other water supplier without charge or fee imposed by the Town. However, the parties agree that in no event shall the Town ever be required to assume ownership of the Water Facilities or be obligated to provide water service to or for the Project.

D. Sewer Facilities and Sewer Impact Fees Prior to the creation of the Town and in accordance with the County Subdivision Approvals, Crystal Bay commenced the construction of sanitary sewer facilities (including sanitary sewer lines and a lift station) in the Unified Crystal Bay Parcel that are connected to the sewage treatment plant owned and operated by the District. The Town hereby agrees that notwithstanding any provision in the Town Charter or in any Town ordinance to the contrary, that Crystal Bay has a right and is entitled to obtain sanitary sewer service for the Project from the District thru the lift station and transmission and distribution facilities located in or on the Unified Crystal Bay Parcel and connected with the District's sewage treatment plant (the "**Sewer Facilities**"). Crystal Bay has contracted directly with the District for sanitary sewer service. Based thereon, the Town agrees that the Project is exempt from any requirement in the Town's Charter or any ordinance of the Town requiring that sanitary sewer service for new development be provided by septic tank(s). In addition and so long as Crystal Bay remains connected to the District's sewage treatment plant and is billed directly by the District or entity other than the Town, the Town agrees, based on the foregoing, that the Town shall not assess a capacity or impact fee for sanitary sewer service, and agrees not to assess any such capacity fees or impact fees against the Project in the future. In addition, the Sewer Facilities shall be owned, operated, maintained and repaired by the

District or other entity without charge or fee imposed by the Town. However, the parties agree that in no event shall the Town ever be required to assume ownership of the Sewer Facilities or be obligated to provide sewer service to or for the Project.

4. **Project Requirements and Entitlements.** The Town hereby covenants and agrees as follows with respect to the Project:

A. **Existing Comprehensive Plan and Zoning.** The Town acknowledges and agrees that: (i) it has not yet adopted a comprehensive plan and land development code; and (ii) pursuant to Section 171.062, Florida Statutes, and Section 9, Subsection 2 of the Special Act, the existing County comprehensive plan land use designation, the existing County zoning classification, and the existing County subdivision and land development regulations shall remain applicable to the Unified Crystal Bay Parcel, pending the adoption by the Town of a Comprehensive Plan, land development code, subdivision code, and the rezoning of the Unified Crystal Bay Parcel.

Based on the foregoing, the Town also acknowledges and agrees that the Unified Crystal Bay Parcel currently possesses an existing County zoning classifications of EU-2 and RU-1-9 ("**Existing County Zoning**") and a conforming County land use designation of R-4 under the Future Land Use Element of the County's Comprehensive Plan ("**Existing County Comp Plan Designation**"). In accordance with the Existing County Comp Plan Designation and the Existing County Zoning, together with the Binding Development Agreement and the County Subdivision Approvals (collectively, the "**County Approvals**"), the County has approved the development of the Project consisting of approximately 533 residential single family dwelling units (including manufactured modular dwellings constructed in accordance with the Florida Building Code and the regulations promulgated by the Department of Community Affairs) and related amenities (including a clubhouse, swimming pool, parking and other accessory uses). It is further acknowledged and agreed that Crystal Bay has relied on the County Approvals in designing, planning and engineering the Project and that Crystal Bay has almost completed all of the subdivision improvements required in connection with the Project. The Town, therefore, acknowledges and agrees that Crystal Bay has a vested and absolute right to proceed with and complete the development of the Project on the Unified Crystal Bay Parcel in accordance with the aforementioned County Approvals and other existing governmental permits and approvals existing as of the Effective Date hereof notwithstanding the future adoption of a comprehensive plan, land development regulations (including zoning and subdivision regulations), and the rezoning of the Unified Crystal Bay Parcel by the Town in the future.

Without limiting the foregoing, the Town also specifically agrees that the development of the Project as described herein by Crystal Bay does not and shall not be construed as a "proposed increase in density" as described in Section 9 of the Special Act, nor is it an increase in density and is not subject to Town Ordinance No. 2007-05 which places a temporary moratorium on certain development orders that increase the density of permitted development within the Town.

B. **Future Comprehensive Plan and Zoning and Final Subdivision Approval.** In connection with the future adoption of a comprehensive plan designation and zoning

classification of the Unified Crystal Bay Property by the Town, Crystal Bay and the Town further covenant and agree as follows:

- 1) The administrative staff of the Town shall initiate, without application/review fees to Crystal Bay, and shall diligently process in good faith pursuant to the requirements of Florida law, a comprehensive plan future land use designation of the Unified Crystal Bay Parcel ("**Town Comprehensive Plan Designation**") so that the Project as developed pursuant to the County Approvals will be in compliance and conforming with the Town's Comprehensive Plan, when adopted.
- 2) The administrative staff of the Town shall initiate, without application/review fees to Crystal Bay, and shall diligently process in good faith pursuant to existing Town ordinances and other requirements of law, an application rezoning for the Unified Crystal Bay Parcel ("**Town Rezoning**") so that the Project as developed pursuant to the County Approvals will be in compliance and conforming with the Town Rezoning and the Town's land development regulations when adopted.
- 3) In connection with both Subsection 4.B.1 and Subsection 4.B.2 above, it is specifically acknowledged and agreed that the Town cannot legally agree herein to approve or grant a specific comprehensive plan designation and zoning classification for the Unified Crystal Bay Parcel and nothing in this Agreement shall be interpreted as requiring or mandating that the Town Council approve or adopt a specific comprehensive plan designation or zoning classification for the Unified Crystal Bay Parcel. However, if either the Town Comprehensive Plan Designation or the Town Rezoning adopted by the Town Council for Unified Crystal Bay Parcel makes the Project non-conforming or not in compliance with either (or both) the Town Comprehensive Plan Designation and/or the Town Rezoning, then in such event the rights of Crystal Bay recognized herein shall not be affected and the Town shall make whatever adjustments are necessary to ensure that the rights of Crystal Bay recognized herein are not detrimentally affected in the future including, without limitation, recognizing and protecting the right of Crystal Bay to rebuild the Project (or a portion or portions thereof) as described herein and in the County Subdivision Approvals in the event of a casualty such as a fire, hurricane or storm.
- 4) With respect to all permits and approvals (and any applications therefor) submitted to the Town after the Effective Date of this Agreement and the adoption of the Annexation Ordinance contemplated in the Annexation Agreement, but prior to adoption of the Town Comprehensive Plan Designation and the Town Rezoning of the Unified Crystal Bay Parcel, the Town staff shall immediately review and process all such pending applications for approval within forty-five (45) days after the Effective Date of this Agreement and adoption of the Annexation Ordinance, or within forty-five (45) days after submittal of such application to the Town. Pursuant to Ch. 171, Florida Statutes, such review and approval by the Town shall be based upon the requirements of the County zoning and applicable County ordinances (unless expressly otherwise provided in this

Agreement), and approval of such permits shall not be withheld because of any inconsistency with Town development code requirements. Without limiting the foregoing, as provided in Section 4.A above, it is also expressly agreed that Crystal Bay possesses an absolute right to proceed with and complete the development of the Project in accordance with the County Approvals as modified herein. Therefore, no pending or future permit applications to the Town related to the development of the Project shall be delayed or denied so long as they are consistent with the County Approvals. However, nothing herein shall prevent the Town from requiring compliance with or enforcing any Town development code or other code that does not relate to or conflict with the terms of this Agreement or any of the County Subdivision Approvals and County land development codes in existence as of the date of this Agreement.

5) In connection with the County Subdivision Approvals, so long as the Developer has complied with the County's subdivision requirements (except as hereinafter provided) and the requirements contained in Chapter 177, Florida Statutes, the Town shall promptly process and approve the subdivision plats for the Project; provided, however, notwithstanding any provision in the County Subdivision Code to the contrary, the Town will process and approve the subdivision plats for the Project prior to completion of all of the subdivision improvements if the Developer provides the Town with performance security equal to 125% of the estimated cost of completing any and all uncompleted subdivision improvements at the time of plat approval. Said cost estimate shall be certified and sealed by an engineer licensed and registered under the laws of the State of Florida. The performance bond or security to be provided by the Developer for any uncompleted subdivision improvements shall be in the form attached hereto as **Exhibit "C"** and incorporated herein by this reference or substantially similar form.

6) Upon adoption of a Town Comprehensive Plan Designation and Town Rezoning for the Unified Crystal Bay Parcel, all applications for permits and approvals required in connection with the development of the Project shall also be reviewed, processed and acted upon by the Town within forty-five (45) days of submittal in accordance with either the Town's newly adopted codes and regulations or the existing County Approvals as selected by Crystal Bay.

C. Permits and Inspections by Crystal Bay's Engineer of Record. So long as this Agreement remains in effect, the Town agrees that in lieu of Town inspections (or County inspections), Crystal Bay's engineer of record shall perform all building code inspections necessary to confirm and ensure that construction of the Project is in compliance with the terms and conditions of the building permits and other construction permits issued by the Town and shall certify same to the Town. All such inspections shall be in compliance with the terms and requirements of Sections 471.045 and 553.791, Florida Statutes. If any entity acting on behalf of the Town charges a building application, review, or inspection fee for any building permits, approvals, inspections, or certificates of occupancy required for the Property, the Town agrees it will not charge an additional fee for any building permit application, review and/or inspection. Crystal Bay agrees to indemnify and hold the Town, the Town's building official, and the Town's building

code enforcement personnel harmless from any and all claims arising from the use of Crystal Bay's engineer or other licensed or certified personnel to perform building code inspection services with respect to the building inspection services with respect to any buildings or structures that are part of the Project.

D. Other Regulatory Permits and Compliance with Laws and Regulations. The Town agrees to use its best efforts to assist Crystal Bay in securing any and all permits and other approvals necessary from other agencies having jurisdiction to obtain all necessary permits for the Project. Failure of this Agreement, however, to address or require a particular permit, condition, term or restriction shall not relieve Crystal Bay of the necessity of complying with the law governing said permitting requirements, conditions, terms or restrictions. Without limiting the foregoing, it is expressly understood and agreed that it shall be the sole responsibility and obligation of Crystal Bay to obtain and comply with all applicable permits, authorizations, codes and regulations affecting the development of the Project. Nothing in this Development Agreement shall relieve or discharge Crystal Bay from its obligation to develop and operate the Project in compliance with all applicable permits, laws, rules and regulations.

E. Land Development Regulations. Except as provided in this Agreement, the County's land development regulations, including, without limitation, the County's subdivision, landscaping, sign and parking regulations, in effect as of the date of submission of this Agreement to the Town and the County Approvals as described above shall govern the development of the Project through build out or completion of the development of the Project. However, Crystal Bay may elect to proceed with the development of the Project in accordance with the Town Comprehensive Plan Designation, the Town Rezoning and/or any of the Town's subsequently adopted land development regulations if less restrictive than any of the aforementioned County Approvals or the County's land development regulations upon written notice of said election by Crystal Bay to the Town.

F. Improvements to Senne Road and Land Owned by Crystal Bay Adjacent to Senne Road. Crystal Bay will develop, at Crystal Bay's sole cost and expense, and will provide the Town with the following plans and specifications for improving Senne Road and land owned by Crystal Bay adjacent to Senne Road between U.S. Highway 1 and the Project: (1) "Senne Road Improvements – Roadway Modification Plans (Paving and Grading)" prepared by Lloveras, Baur & Stevens (Engineers – Surveyors – Planners) and dated April 13, 2006; (2) "Sebastian Beach & Tennis Village – Senne Road R.O.W (Landscape and Irrigation Plans)" prepared by Bloodgood Sharp Buster (Architects and Planners) dated October 30, 2006; and (3) "Sebastian Beach & Tennis Village – Senne Road Entry (Hardscape Depicting Entry Features and Landscape Plan)" prepared by Bloodgood Sharp Buster (Architects and Planners) dated October 30, 2006 (collectively, the "**Senne Road Plans**"). However, it is expressly understood that Crystal Bay shall make all of the improvements as depicted in the Senne Road Plans at the sole cost and expense of Crystal Bay. Further, it is expressly understood and agreed that prior to commencing construction of any of the improvements as depicted in the Senne Road Plans, Crystal Bay shall coordinate and permit its construction activities with the Town and other agencies or utilities as may be necessary to address the impact of construction on existing utility facilities in, and access to property located on Senne Road including the Project.

In addition, after construction, Crystal Bay shall be responsible for the maintenance and repair of any and all landscaping and irrigation facilities installed within the Senne Road right of way pursuant to the Senne Road Plans.

5. **Vested Rights.** Pursuant to the provisions of the Florida Local Government Development Agreement Act, Sections 163.3220 - 163.3243, Florida Statutes, the existing entitlements pursuant to the County Approvals as more particularly described in Section 4.A above, the obligations of the Town herein, and other provisions and restrictions provided for in this Agreement shall be governed by Section 163.3233, Florida Statutes, and shall run with and inure to the benefit of Crystal Bay as the property-owner of the Unified Crystal Bay Parcel and its successors and assignors and shall not be limited, abridged, modified or eliminated by the Town in the future. Further, the parties agree that this Agreement shall not be interpreted as abridging, and Crystal Bay shall not be deemed to have waived any vested rights it may have at common law to construct the Project in accordance with the County Subdivision Approvals referenced herein or otherwise. Any future Town ordinance, regulation or policy which does not abrogate the foregoing vested rights shall only apply to the development of the Project if less restrictive than the County Subdivision Approvals or, if more restrictive, only after the Town has acted in strict accordance with the procedures and requirements contained in Section 163.3233, Florida Statutes.

6. **Statutory Development Agreement Requirements.** Pursuant to the requirements of the Florida Local Government Development Agreement Act, Sections 163.3220 - 163.3243, Florida Statutes, the following statements and representations are made: i) no reservation or dedication of land for public purposes is required or necessary by the Town except as proposed in the County Approvals, provided however nothing herein shall prevent other regulatory agencies from requiring a reservation or dedication of land through their permitting processes; ii) all local development permits required by Town Code or other law(s) shall be obtained, regardless of whether this Agreement addresses the particular permit or requirement; and iii) all conditions, terms, restrictions, and other requirements determined to be necessary by the Town for the public health, safety or welfare are provided for herein.

7. **Binding Effect; Successors and Assigns.** The rights, obligations and liabilities of this Agreement shall be binding upon, and shall inure to the benefit of, and burden the respective heirs, personal representatives, legal successors and assigns of all parties to this Agreement. Assignment of this Agreement or the conveyance of all or any portion of the Unified Crystal Bay Parcel hereunder by Crystal Bay is expressly permitted, and upon such assignment or conveyance, the assignor/grantor shall be deemed released from all rights, obligations and liabilities hereunder, and the assignee/grantee shall be deemed to have assumed all rights, obligations and liabilities hereunder.

8. **Applicable Law; Jurisdiction; Venue; Severability.** This Agreement, and the rights and obligations of the parties hereunder, shall be governed by, construed under, and enforced in accordance with the laws of the State of Florida. Venue for any litigation pertaining to the subject matter hereof shall be exclusively in Brevard County, Florida. If any provision of this Agreement, or the application thereof to any person or circumstances, shall to any extent be held invalid or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

9. **Attorneys' Fees.** In the event it becomes necessary for any party to enforce its rights under the terms of this Agreement, then in that event the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs, including all trial and appellate litigation.
10. **Joint Preparation.** Preparation of this Agreement has been a joint effort of the parties and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.
11. **Exhibits.** All exhibits attached hereto contain additional terms of this Annexation Agreement and are incorporated herein by reference.
12. **Captions or Paragraph Headings.** The captions and paragraph headings contained in this Agreement are for convenience and reference only, and in no way define, describe, extend or limit the scope of intent of this Agreement, nor the intent of any provision hereof.
13. **Counterparts.** This Agreement may be executed in several counterparts, each constituting a duplicate original, but all such counterparts constituting one and same Agreement.
14. **Effective Date and Duration.** In accordance with Section 163.3239, Florida Statutes, this Agreement shall become effective when: (a) it has been recorded in the Public Records of Brevard County, Florida, and (b) thirty (30) days after a certified copy of the recorded Agreement has been received by the Florida Department of Community Affairs (the "**Effective Date**"), notwithstanding any subsequent legal process required by the Town Council to adopt the formal annexation ordinance, zoning ordinance, land development regulations or land use designation contemplated hereunder. Unless terminated earlier by either party as provided herein, this Agreement shall remain in effect for a period of ten (10) years pursuant to Fla. Statute Section 163.3220, et. seq. Additionally, the duration of this Agreement may be extended as provided for in Fla. Statute Section 163.3220, et. seq. Notwithstanding any provision herein to the contrary, in the event the annexation of the Crystal Bay County Parcel is not approved, final and non-appealable within ninety (90) days of the Effective Date of this Agreement, then Crystal Bay may elect to terminate this Agreement by providing ten (10) days notice thereof to the Town.
15. **Amendment.** This Development Agreement may only be amended by mutual written agreement of the parties and in accordance with Section 163.3237, Florida Statutes.
16. **Further Assurances.** Each of the parties hereto agrees to do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts and assurances as shall be reasonably requested by the other party in order to carry out the intent of this Agreement and give effect thereto. Without in any manner limiting the specific rights and obligations set forth in this Agreement, the parties hereby declare their intention to cooperate with each other in effectuating the terms of this Agreement, and to coordinate the performance of their respective obligations under the terms of this Agreement.
17. **Notices.** Any notices or reports required by this Annexation Agreement shall be sent to the following or their successor in said designated position:

For the Town: Town of Grant-Valkaria
Post Office Box 766
Grant, Florida 32949
Attention: Town Manager

With a Copy to: Karl W. Bohne, Jr. Esquire
Town Attorney, Grant-Valkaria
Schillinger & Coleman, P.A.
1311 Bedford Drive
Melbourne, Florida 32940-1975

For Crystal Bay: Crystal Bay, L.L.C.
c/o American Land Lease, Inc.
29399 U.S. Highway 19 North, Suite 320
Clearwater, Florida 33761
Attn: Shannon E. Smith, CFO

With a Copy to: Clifton A. McClelland, Jr., Esquire
McClelland, Jones, Lyons & Lacy PC
1901 S. Harbor City Boulevard
Melbourne, Florida 32901-4470

The addresses to which notices are to be sent may be changed from time to time by written notice delivered to the other parties and such notices shall be effective upon receipt. Until notice of change of address is received as to any particular party hereto, all other parties may rely upon the last address given.

:

18. **Recordation.** This Agreement shall be recorded by the Town Clerk within 14 days after the adoption and execution of this Agreement by both parties in accordance with the requirements of Section 163.3239, Florida Statutes. All fees for recording this Agreement shall be paid by Crystal Bay in advance.

[REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto, through their duly authorized representatives, have executed this Agreement on the day(s) and year set forth below.

WITNESSES:

TOWN:

TOWN OF GRANT-VALKARIA, FLORIDA

Julie A. Pleasant
Name: Julie A. Pleasant
(Print or Type Name)

By: Del Yonts
Name: Del Yonts
Title: Mayor

Christine Thornton
Name: Christine Thornton
(Print or Type Name)

ATTEST:

Susanne Krueger
Name: SUSANNE KRUEGER
Title: Town Clerk

Approved as to Form:

Karl W. Bohne
Karl W. Bohne
Town Attorney

STATE OF FLORIDA
COUNTY OF BREVARD

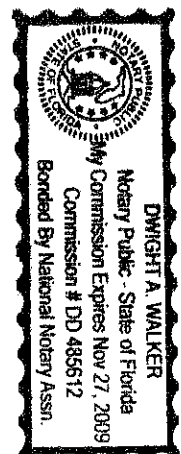
The foregoing instrument was acknowledged before me this 29th day of JANUARY, 2008 by Del Yonts, as Mayor of the Town of Grant-Valkaria, a Florida municipal corporation, on behalf of the Town, and who is personally known to me.

[AFFIX NOTARY SEAL/STAMP]

Dwight Walker
Signature of Notary

DWIGHT WALKER
Name printed, stamped or typed
NOTARY PUBLIC
State of Florida at Large

Serial Number (if any)
NOV 27 - 2009
My Commission Expires:



WITNESSES:

CRYSTAL BAY:

CRYSTAL BAY, L.L.C., a Delaware limited liability company,

By: Asset Investors Operating Partnership, L.P., A Delaware limited partnership, its sole member

By: American Land Lease, Inc., a Delaware corp., its sole general partner

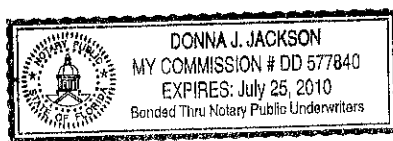
Merrilyn Lovelady
Name: Merrilyn Lovelady
(Print or Type Name)

Donna J. Jackson
Name: Donna J. Jackson
(Print or Type Name)

Shannon E. Smith
By: Shannon E. Smith
Name: Shannon E. Smith
(Print or Type Name)
Title: Chief Financial Officer

STATE OF FLORIDA
COUNTY OF Pinellas

8 The foregoing instrument was acknowledged before me this 21 day of January, 2007, by Shannon E. Smith as Chief Financial Officer of American Land Lease, Inc., a Delaware corporation, as sole general partner of Asset Investors Operating Partnership, L.P., a Delaware limited partnership, as the sole member of **Crystal Bay, L.L.C.**, a Delaware limited liability company on behalf of said corporation, limited partnership and limited liability company. He either is personally known to me or has produced n/a as identification.



[AFFIX NOTARY SEAL OR STAMP]

Donna J. Jackson
Signature of Notary

Donna J. Jackson
Name printed, stamped or typed
NOTARY PUBLIC
State of Florida at Large

Serial Number (if any)
DD 577840
My Commission Expires: July 25, 2010

Schedule of Exhibits

- Exhibit A - Legal Description of Crystal Bay County Parcel
- Exhibit B - Legal Description of Crystal Bay Town Parcel
- Exhibit C Performance Bond Form for Subdivision Improvements

G:\TNH\American Land Lease\Brevard County\Development Agreement (01-10-08).doc

*Lloveras, Baur and Stevens*

Engineers - Surveyors - Planners

July 24, 2007

National Society
of
Professional EngineersFlorida Engineering
SocietyAmerican Society
of
Civil EngineersFlorida Surveying
and
Mapping SocietyAmerican Congress
on
Surveying and MappingInstitute
of
Transportation EngineersFlorida Planning
and
Zoning AssociationNational Association
of
Environmental ProfessionalsMr. Shannon Smith
American Land Lease, Inc.
29399 U.S. Highway 19 N., Suite 320
Clearwater, Florida 33761Re: Crystal Bay
Brevard County, Florida

Dear Shannon:

As requested, enclosed are six (6) sets (8-1/2" x 11" - 2 sheets) of the Annexation Exhibit - Boundary Plan and Description for the captioned project. The property that we have included in this annexation exhibit is the southerly portion of the Crystal Bay development, which is currently in the unincorporated area of Brevard County. Sheet No. 1 of the enclosed Boundary Plan and Description is the drawing of the boundary and dimensions of the subject property, and Sheet No. 2 is the legal description of this 29.588-acre parcel.

It is our understanding that you will be distributing copies of this signed and sealed annexation exhibit to your attorneys who will be preparing the annexation petition in order to annex this subject property into the town limits of Grant Valkaria. If additional signed and sealed prints of this annexation exhibit drawing are needed, please let us know and we will distribute them to you immediately.

Please call Richard Osteen, Mike Lloveras or me if you have any questions regarding this project.

Very truly yours,

LLOVERAS, BAUR AND STEVENS

S. "Sandy" Lloveras, PE, PSM

SL:smg/smith5
enclosure

cc: Merrilyn Lovelady w/enclosure

SECTION 10, TOWNSHIP 30 SOUTH, RANGE 38 EAST

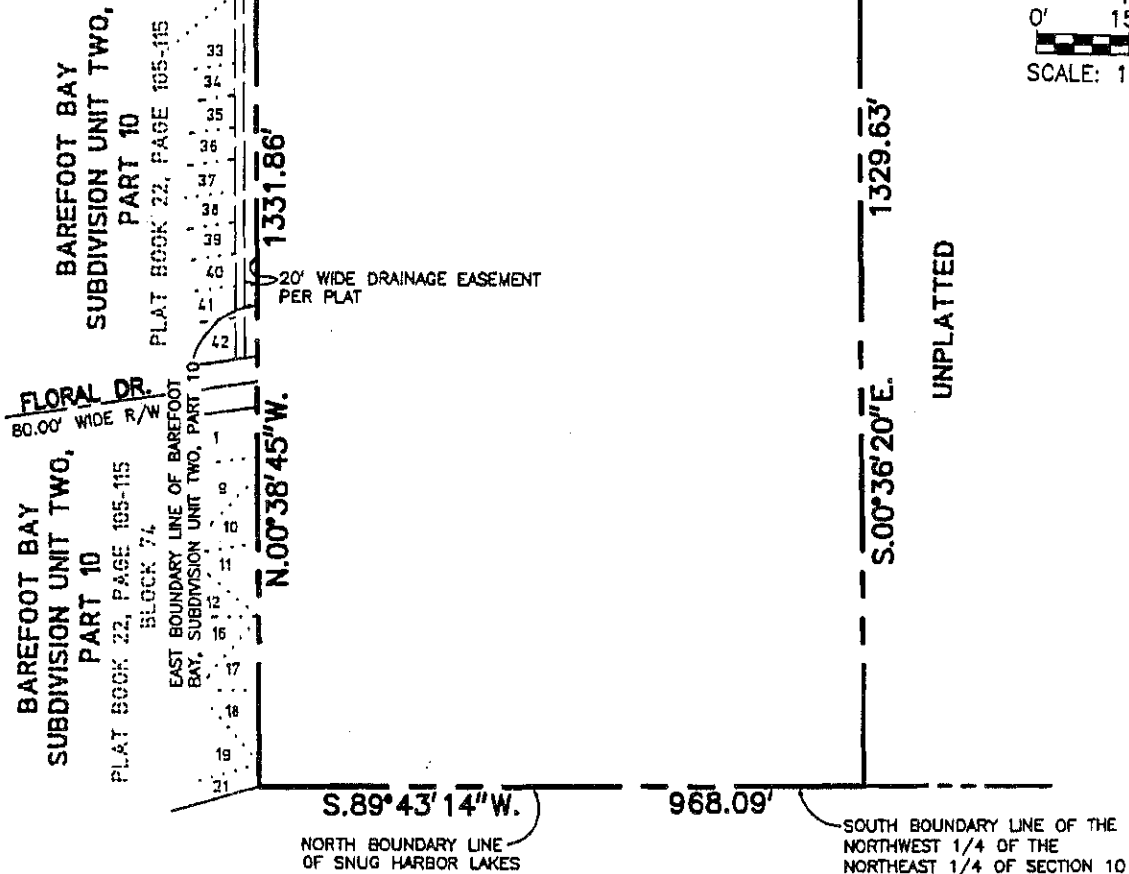
NORTHWEST CORNER OF THE
NORTHWEST 1/4 OF THE
NORTHEAST 1/4 OF SECTION 10

UNPLATTED

NORTH BOUNDARY LINE OF THE
NORTHEAST 1/4 OF SECTION 10

N

0' 150' 300'
SCALE: 1" = 300'



PREPARED FOR:

CRYSTAL BAY, LLC.

c/o AMERICAN LAND LEASE

29399 U.S. HIGHWAY 19

SUITE 320

CLEARWATER, FLORIDA 33761

Phone: (727) 726-8868

SNUG HARBOR LAKES

(UNRECORDED)

G.R. BOOK 2508, PAGE 1463

ABBREVIATION LEGEND

O.R. = OFFICIAL RECORDS
P.O.B. = POINT OF BEGINNING

CRYSTAL BAY

ANNEXATION EXHIBIT BOUNDARY PLAN AND DESCRIPTION

BREVARD COUNTY

FLORIDA

APPROVED BY:



LLOVERAS, BAUR & STEVENS

ENGINEERS - SURVEYORS - PLANNERS

#LB 0000208

29228 U.S. HIGHWAY 19 N.

CLEARWATER, FLORIDA 33761

Phone: (727) 784-3965

Fax: (727) 784-8153

SANDY LLOVERAS
FLORIDA PROFESSIONAL SURVEYOR AND MAPPER No. LS 1762

THIS IS NOT A BOUNDARY SURVEY

REVISIONS

DRAWN BY: KB

CHECKED BY: RO

APPROVED BY:

DATE: 7-24-07

SCALE: 1" = 300'

JOB No.

33644

1 OF 2

BOUNDARY PLAN AND DESCRIPTION

SECTION 10, TOWNSHIP 30 SOUTH, RANGE 38 EAST**DESCRIPTION:**

A portion of the Northwest 1/4 of the Northeast 1/4 of Section 10, Township 30 South, Range 38 East, lying in Brevard County, Florida being described as follows:

Begin at the northwest corner of the Northwest 1/4 of the Northeast 1/4 of said Section 10 and run, N.89°51'06"E., along the north boundary line of the Northeast 1/4 of said Section 10, 969.04 feet; thence, leaving said north boundary line, S.00°36'20"E., 1329.63 feet to the north boundary line of SNUG HARBOR LAKES (unrecorded); thence, S.89°43'14"W., along said north boundary line, 968.09 feet; thence, leaving the north boundary line of said SNUG HARBOR LAKES, N.00°38'45"W., along the east boundary line of BAREFOOT BAY, recorded in Plat Book 22, Pages 105 through 115 of the Public Records of Brevard County, Florida, 1331.86 feet to the Point of Beginning.

Containing 29.588 acres more or less.

CRYSTAL BAY
ANNEXATION EXHIBIT
BOUNDARY PLAN AND DESCRIPTION

BREVARD COUNTY

FLORIDA

PREPARED FOR:

CRYSTAL BAY, L.L.C.

c/o AMERICAN LAND LEASE

29399 U.S. HIGHWAY 19

SUITE 320

CLEARWATER, FLORIDA 33761

Phone: (727) 726-8868

**LLOVERAS, BAUR & STEVENS**

ENGINEERS - SURVEYORS - PLANNERS

#LB 0000208

29228 U.S. HIGHWAY 19 N.

CLEARWATER, FLORIDA 33761

Phone: (727) 784-3965

Fax: (727) 784-8153

REVISIONS

DRAWN BY: KB

CHECKED BY: RD

APPROVED BY: *[Signature]*

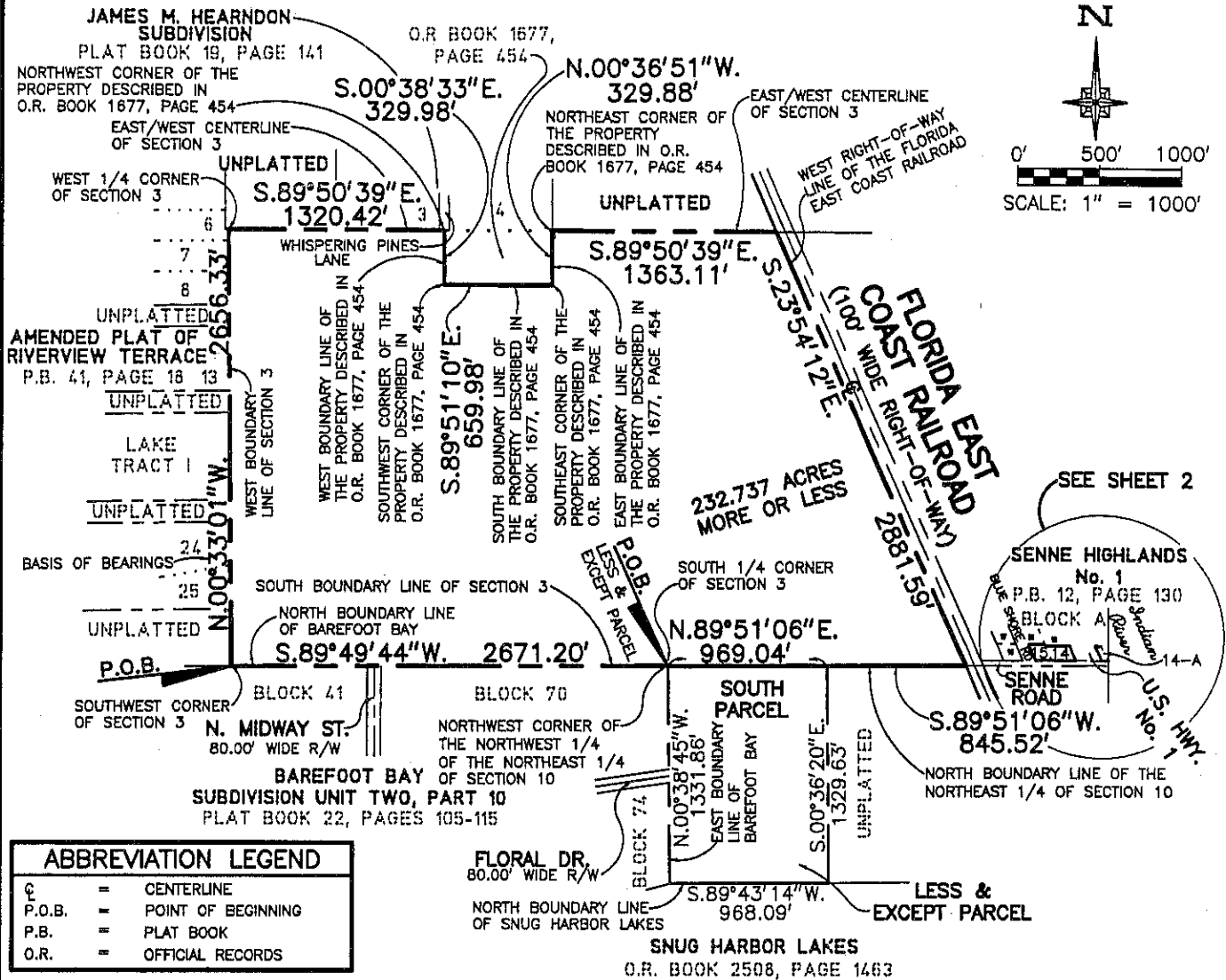
DATE: 7-24-07

JOB No.

33644**2 OF 2**

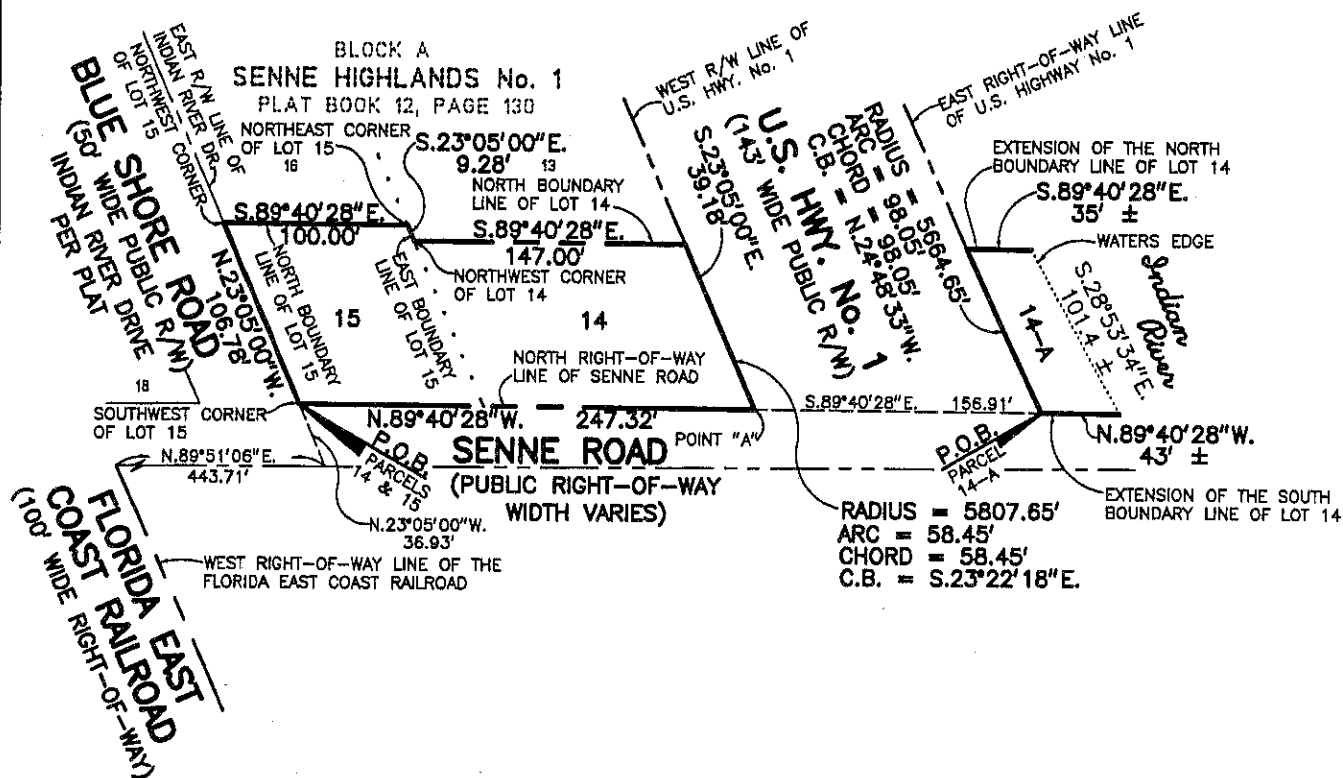
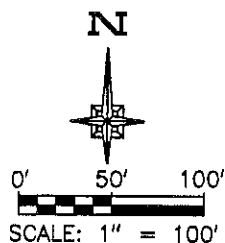
BOUNDARY PLAN AND DESCRIPTION

SECTIONS 3 & 10, TOWNSHIP 30 SOUTH, RANGE 38 EAST



BOUNDARY PLAN AND DESCRIPTION

SECTIONS 3 & 10, TOWNSHIP 30 SOUTH, RANGE 38 EAST

**CRYSTAL BAY****TOWN OF GRANT-VALKARIA****BOUNDARY PLAN AND DESCRIPTION**

BREVARD COUNTY

FLORIDA

PREPARED FOR:

CRYSTAL BAY, L.L.C.
 c/o AMERICAN LAND LEASE
 29399 U.S. HIGHWAY 19
 SUITE 320
 CLEARWATER, FLORIDA 33761
 Phone: (727) 726-8868

**LLOVERAS, BAUR & STEVENS**

ENGINEERS - SURVEYORS - PLANNERS

#LB 0000208

 29228 U.S. HIGHWAY 19 N.
 CLEARWATER, FLORIDA 33761

Phone: (727) 784-3965

Fax: (727) 784-8153

REVISIONS

DRAWN BY: KB

JOB No.

CHECKED BY: RO

33644

APPROVED BY:

DATE: 10-4-07

2 OF 4

SCALE: 1" = 100'

BOUNDARY PLAN AND DESCRIPTION

SECTIONS 3 & 10, TOWNSHIP 30 SOUTH, RANGE 38 EAST

DESCRIPTION:

A portion of the South 1/2 of Section 3, Township 30 South, Range 38 East and a portion of the Northwest 1/4 of the Northeast 1/4 of Section 10, Township 30 South, Range 38 East, all lying in Brevard County, Florida, being more particularly described as follows:

Begin at the Southwest corner of said Section 3, and run N.00°33'01"W., along the west boundary line of said Section 3, 2656.33 feet to the West 1/4 corner of said Section 3; thence, leaving said west boundary line, S.89°50'39"E., along the east-west centerline of said Section 3, 1320.42 feet, to the northwest corner of the property recorded in Official Records Book 1677, Page 454 of the Public Records of Brevard County, Florida; thence, leaving said east-west centerline, S.00°38'33"E., along the west boundary line of said property recorded in Official Records Book 1677, Page 454, 329.98 feet to the southwest corner of said property; thence, leaving the west boundary line of said property, S.89°51'10"E., along the south boundary line of said property recorded in Official Records Book 1677, Page 454, 659.98 feet to the southeast corner of said property; thence, leaving the south boundary line of said property recorded in Official Records Book 1677, Page 454, N.00°36'51"W., along the east boundary line of said property, 329.88 feet to the northeast corner of said property; thence, leaving said east boundary line, S.89°50'39"E., along the aforementioned east-west centerline of said Section 3, 1363.11 feet to the west right-of-way line of the Florida East Coast Railroad; thence, leaving said east-west centerline, S.23°54'12"E., along the west right-of-way line of the said Florida East Coast Railroad, 2881.59 feet to the south boundary line of said Section 3; thence, leaving said west right-of-way line, S.89°51'06"W., along said south boundary line, 845.52 feet; thence, leaving the south boundary line of said Section 3, S.00°36'20"E., 1329.63 feet, to the north boundary line of SNUG HARBOR LAKES (unrecorded); thence, S.89°43'14"W., along said north boundary line, 968.09 feet; thence, leaving the north boundary line of said SNUG HARBOR LAKES, N.00°38'45"W., along the east boundary line of BAREFOOT BAY, recorded in Plat Book 22, Pages 105 through 115 of the Public Records of Brevard County, Florida, 1331.86 feet to the South 1/4 corner of said Section 3; thence, leaving the east boundary line of said BAREFOOT BAY, S.89°49'44"W., along the aforementioned south boundary line of said Section 3, also the north boundary line of said BAREFOOT BAY, 2671.20 feet to the Point of Beginning.

Containing 262.325 acres more or less.

AND

Lot 15, and a portion of Lot 14, Block A, SENNE HIGHLANDS NO. 1, according to the map or plat thereof as recorded in Plat Book 12, Page 130 of the Public Records of Brevard County, Florida and Lot 14-A, all being more particularly described as follows:

Begin at the southwest corner of said Lot 15 and run N.23°05'00"W., along the east right-of-way line of Indian River Drive, 106.78 feet to the northwest corner of said Lot 15; thence, leaving said east right-of-way line, S.89°40'28"E., along the north boundary line of said Lot 15, 100.00 feet to the northeast corner of said Lot 15; thence, leaving said north boundary line, S.23°05'00"E., along the east boundary line of said Lot 15, 9.28 feet to the northwest corner of said Lot 14; thence, leaving said east boundary line of Lot 15, S.89°40'28"E., along the north boundary line of said Lot 14, 147.00 feet to the west right-of-way line of U.S. Highway No. 1; thence, leaving the north boundary line of said

CRYSTAL BAY**TOWN OF GRANT-VALKARIA****BOUNDARY PLAN AND DESCRIPTION**

BREVARD COUNTY

FLORIDA

PREPARED FOR:

CRYSTAL BAY, L.L.C.

c/o AMERICAN LAND LEASE

29399 U.S. HIGHWAY 19

SUITE 320

CLEARWATER, FLORIDA 33761

Phone: (727) 726-8868

**LLOVERAS, BAUR & STEVENS**

ENGINEERS - SURVEYORS - PLANNERS

#LB 0000208

29228 U.S. HIGHWAY 19 N.

CLEARWATER, FLORIDA 33761

Phone: (727) 784-3965

Fax: (727) 784-8153

REVISIONS

DRAWN BY: KB

CHECKED BY: RO

APPROVED BY:

DATE: 10-4-07

JOB No.

33644**3 OF 4****BOUNDARY PLAN AND DESCRIPTION**

SECTIONS 3 & 10, TOWNSHIP 30 SOUTH, RANGE 38 EAST

Lot 14, S.23°05'00"E., along said west right-of-way line, 39.18 feet; thence, continue along said west right-of-way line, along a curve to the left having a radius of 5807.65 feet, an arc length of 58.45 feet, a chord length of 58.45 feet and a chord bearing of S.23°22'18"E., to the north right-of-way line of Senne Road to a point herein referred to as Point "A"; thence, leaving said west right-of-way line, N.89°40'28"W., along the north right-of-way line of Senne Road, 247.32 feet to the Point of Beginning; thence, returning to Point "A", run S.89°40'28"E., 156.91 feet for a Point of Beginning of said Lot 14A; thence, along the east right-of-way line of U.S. Highway No. 1, along a non-tangent curve to the right, having a radius of 5664.65 feet, an arc length of 98.05 feet, a chord length of 98.05 feet and a chord bearing of N.24°48'33"W.; thence, leaving said east right-of-way line, S.89°40'28"E., along the extension of the north boundary line of said Lot 14, 35 feet more or less to and into the waters of Indian River; thence southerly meandering said waters, 101.4 feet more or less to the intersection with an extension of the south boundary line of said Lot 14; thence N.89°40'28"W., along the said extension line of the south boundary line of Lot 14, 43 feet more or less to the Point of Beginning.

Lot 15 and a portion of Lot 14 contains 0.527 acres more or less.

Lot 14A contains 0.08 acres more less.

LESS AND EXCEPT**SOUTH PARCEL:**

A portion of the Northwest 1/4 of the Northeast 1/4 of Section 10, Township 30 South, Range 38 East, lying in Brevard County, Florida being described as follows:

Begin at the northwest corner of the Northwest 1/4 of the Northeast 1/4 of said Section 10 and run, N.89°51'06"E., along the north boundary line of the Northeast 1/4 of said Section 10, 969.04 feet; thence, leaving said north boundary line, S.00°36'20"E., 1329.63 feet to the north boundary line of SNUG HARBOR LAKES (unrecorded); thence, S.89°43'14"W., along said north boundary line, 968.09 feet; thence, leaving the north boundary line of said SNUG HARBOR LAKES, N.00°38'45"W., along the east boundary line of BAREFOOT BAY, recorded in Plat Book 22, Pages 105 through 115 of the Public Records of Brevard County, Florida, 1331.86 feet to the Point of Beginning.

Containing 29.588 acres more or less.

CRYSTAL BAY**TOWN OF GRANT-VALKARIA****BOUNDARY PLAN AND DESCRIPTION**

BREVARD COUNTY

FLORIDA

PREPARED FOR:

CRYSTAL BAY, L.L.C.
c/o AMERICAN LAND LEASE
29399 U.S. HIGHWAY 19
SUITE 320
CLEARWATER, FLORIDA 33761
Phone: (727) 726-8868

**LLOVERAS, BAUR & STEVENS**

ENGINEERS - SURVEYORS - PLANNERS

#LB 0000208

29228 U.S. HIGHWAY 19 N.

CLEARWATER, FLORIDA 33761

Phone: (727) 784-3965

Fax: (727) 784-8153

REVISIONS

	DRAWN BY: KB	JOB No.
	CHECKED BY: RO	33644
	APPROVED BY:	
	DATE: 10-4-07	4 OF 4

BOUNDARY PLAN AND DESCRIPTION

EXHIBIT C

SUBDIVISION BOND

Bond No.: _____

Principal Amount: _____

KNOW ALL MEN BY THESE PRESENTS, that we _____
as Principal, and _____ a _____
Corporation, as Surety, are held and firmly bound unto _____,
as Oblige, in the penal sum of _____
(Dollars) (\$ _____), lawful money of the
United States of America, for the payment of which well and truly to be made, we bind ourselves, our
heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, _____ has agreed to construct in _____
Subdivision, in _____ the following improvements:

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal
shall construct, or have constructed, the improvements herein described, and shall save the Oblige
harmless from any loss, cost or damage by reason of its failure to complete said work, then this obligation
shall be null and void, otherwise to remain in full force and effect, and the Surety, upon receipt of a
resolution of the Oblige indicating that the improvements have not been installed or completed, will
complete the improvements or pay to the Oblige such amount up to the Principal amount of this bond
which will allow the Oblige to complete the improvements.

Upon approval by the Oblige, this instrument may be proportionately reduced as the public
improvements are completed.

Signed, sealed and dated, this _____ day of _____, 20__

Principal

Surety

By: _____

By: _____
Attorney-in-Fact