

***Lake Harris
Community Development District***

Agenda

August 28, 2024

AGENDA

Lake Harris
Community Development District

219 E. Livingston Street, Orlando, FL 32801
Phone: 407-841-5524 – Fax: 407-839-1526

August 21, 2024

Board of Supervisors
Lake Harris Community
Development District

Dear Board Members:

The meeting of the Board of Supervisors of the Lake Harris Community Development District (“District”) will be held **Wednesday, August 28, 2024, at 9:30 a.m. at the Cooper Memorial Library, 2525 Oakley Seaver Drive, Clermont, Florida.** Following is the advance agenda for the regular meeting:

Board of Supervisors Meeting

1. Roll Call
2. Public Comment Period
3. Approval of Minutes of the May 22, 2024, Board of Supervisors Meeting
4. Public Hearing
 - A. Consideration of Resolution 2024-03 Adopting the Fiscal Year 2025 Proposed Budget and Appropriating Funds
 - B. Consideration of Resolution 2024-04 Imposing Fiscal Year 2025 Special Assessments and Certifying an Assessment Roll
 - C. Consideration of Direct Collection Agreement
5. Ratification of Phase 2 Acquisition Binder
6. Presentation of Fiscal Year 2023 Financial Audit Report
7. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. District Manager’s Report
 - i. Check Registers Oct. 2023- Aug. 2024
 - ii. Balance Sheet and Income Statement
 - iii. Adoption of District Goals & Objectives
 - iv. Approval of Fiscal Year 2025 Meeting Schedule
 - D. Field Manager
8. Other Business
9. Supervisor’s Requests
10. Adjournment

MINUTES

**MINUTES OF MEETING
LAKE HARRIS
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Lake Harris Community Development District was held on Wednesday, **May 22, 2024** at 9:42 a.m. at Cooper Memorial Library, 2525 Oakley Seaver Drive, Clermont, Florida.

Present and constituting a quorum were:

Tony Iorio	Chairman
Doug Beasley	Assistant Secretary
Rocky Owen	Assistant Secretary
Tom Franklin <i>by phone</i>	Assistant Secretary

Also, present were:

George Flint	District Manager, GMS
Sarah Sandy <i>by phone</i>	District Counsel, Kutak Rock
Kathy Leo <i>by phone</i>	District Engineer – GAI
Alan Scheer	GMS
Rob Szozda	GMS

The following is a summary of the discussions and actions taken at the May 22, 2024 Lake Harris Community Development District's Regular Board of Supervisor's Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Iorio called the meeting to order at 9:30 a.m. Three Board members were present in person constituting a quorum. One Board member participated by phone.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint stated that there were no members of the public present at the meeting.

THIRD ORDER OF BUSINESS

Approval of Minutes of the October 25, 2023 Board of Supervisors Meeting

Mr. Flint presented the minutes from the October 25, 2023 Board of Supervisors meeting and asked for any comments or corrections from the Board. The Board had no changes to the minutes.

On MOTION by Mr. Beasley, seconded by Mr. Owen, with all in favor, the Minutes of the October 25, 2023 Board of Supervisor Meeting, were approved.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2024-01 Approving the Fiscal Year 2025 Proposed Budget and Setting Public Hearing to Adopt

Mr. Flint noted this resolution is for approving a proposed budget and setting the public hearing. He recommended the public hearing be set for August 28, 2024 at 9:30 a.m. in the same location. Mr. Flint noted the budget contemplates a combination of platted and unplatted assessments and developer contribution. He stated this is estimated for operating costs next year. He noted the O&M assessments are targeted at \$800 for a 40' lot, \$1,000 for a 50' lot, and \$1,300 for a 65' lot. He added there were 52 40' lots, 56 50' lots and 1 65' lot that are platted and 433 that are unplatted. He stated there is \$19,000 in developer contribution if needed. He stated this assessment amounts cannot be estimated higher. A Board member stated that the management fees fluctuate from project to project. Mr. Flint explained that it depends when the District is established.

Mr. Flint stated they are only billing 50% of the management fee until bonds are issued.

On MOTION by Mr. Iorio, seconded by Mr. Owen, with all in favor, Resolution 2024-01 Approving the Fiscal Year 2025 Proposed Budget and Setting a Public Hearing for August 28, 2024 at 9:30 a.m. in the Same Location, was approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2024-02 Setting Date, Time and Location of Landowners' Election and Meeting

Mr. Flint stated there is a requirement for a landowner meeting and he recommended the meeting for November 5, 2024 at 9:30 a.m. in this location. He added this is not a regular Board

meeting. He noted there are 3 seats up for election which are Mr. Jason, Mr. Owen, and Mr. Franklin. Mr. Flint noted the forms and directions are contained in the packet.

On MOTION by Mr. Beasley, seconded by Mr. Franklin, with all in favor, Resolution 2024-02 Setting the Date, Time, and Location of the Landowners' Election and Meeting for November 5, 2024 at 9:30 in the Same Location, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Phase 2 Master Improvements Acquisition

Ms. Sandy stated they are ready to acquire Phase 2 of the acquisition and the description is included in the packet. She explained there are no acquisition costs due to the bonds.

On MOTION by Mr. Iorio, seconded by Mr. Owen, with all in favor, the Phase 2 Master Improvements Acquisition, was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Sandy had nothing further for the Board.

B. Engineer

There being no comments, the next item followed.

C. District Manager's Report

i. Check Register

Mr. Flint presented the check register for the general fund to the Board for checks 58, 59, and 60 totaling \$81,353.24. The Board had no questions on the check register. He noted \$76,725 is for debt service, and assessment revenue is transferring to the Trustee.

On MOTION by Mr. Beasley, seconded by Mr. Owen, with all in favor, the Check Register, was approved.

ii. Balance Sheet and Income Statement

Mr. Flint presented the unaudited financials through the end of March. There was no action required.

iii. Presentation of Registered Voters – 0

Mr. Flint stated there are currently zero registered voters residing in the District.

D. Field Manager

i. Consideration of Proposal No. 3485 for Landscape Services

ii. Consideration of Proposal No. 3503 for Landscape Services

Mr. Scheerer stated in the 2024 budget the budget from FLS was \$67,129 for Phase 1 improvements only. He added with contours the 2 proposals include Phase 1 maintenance of the 4 ponds located in Phase 1 as well as the single pond in Phase 2. He noted the Phase 1 proposal includes 28 frequencies for cutting, mowing and cleanup to include insecticides, fungicides 3 times/year and monthly irrigation inspection for the trees. He stated that mulch application will be included. He noted Phase 1 is for \$8198.48 and Phase 2 is for \$5,343.60. He stated this is a savings from the projections in 2024. He reviewed the specifics of the scope of services to start June 1st.

Mr. Flint asked that Counsel prepare an agreement for this proposal.

Ms. Leo asked for confirmation for the pond they just acquired. Mr. Scheerer confirmed there was 1 pond in Phase 2 at \$5343.60/year.

On MOTION by Mr. Beasley, seconded by Mr. Owen, with all in favor, the Landscaping Proposals No. 3485 for Phase 1 and No. 3503 for Phase 2, was approved.

iii. Consideration of Proposal for Aquatic Weed Maintenance Services

Mr. Scheerer presented the proposal from Tools Tractor Services to provide the monthly disking of pond bottoms with a multiphase approach. He noted Phase 1 has the initial 4 ponds and Phase 2 is identified as Pond #5 but is noted at Pond #4 on the original plan. It is for \$18,900. He stated No 3 will not be implemented due to some wet ponds that are scheduled for the future phases.

He asked the Board for approval of the proposal and noted they will enter into an agreement with Tools Tractor for 5 ponds. It was clarified this is for disking only in Phase 1 and Phase 2. Mr. Flint asked for District Counsel to prepare an agreement for \$18,900.

On MOTION by Mr. Beasley, seconded by Mr. Owen, with all in favor, the, Proposal for Aquatic Weed Maintenance for \$18,900, was approved.

EIGHTH ORDER OF BUSINESS Other Business

There being no comments, the next item followed.

NINTH ORDER OF BUSINESS Supervisor's Requests

There being no comments, the next item followed.

TENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Beasley, seconded by Mr. Owen, with all in favor, the meeting was adjourned.

Secretary/Assistant Secretary

Chairman/Vice Chairman

SECTION IV

SECTION A

**RESOLUTION 2024-03
[FY 2025 APPROPRIATION RESOLUTION]**

THE ANNUAL APPROPRIATION RESOLUTION OF THE LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET(S) FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, for the fiscal year beginning October 1, 2024, and ending September 30, 2025 (“**FY 2025**”), the District Manager prepared and submitted to the Board of Supervisors (“**Board**”) of the Lake Harris Community Development District (“**District**”) prior to June 15, 2024, proposed budget(s) (“**Proposed Budget**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local general-purpose government(s) having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, the Board set a public hearing on the Proposed Budget and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website in accordance with Section 189.016, *Florida Statutes*; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BUDGET

- a. The Proposed Budget, attached hereto as **Exhibit A**, as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- b. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and identified as “The Budget for the Lake Harris Community Development District for the Fiscal Year Ending September 30, 2025.”

- c. The Adopted Budget shall be posted by the District Manager on the District’s official website in accordance with Section 189.016, *Florida Statutes* and shall remain on the website for at least two (2) years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for FY 2025, the sum(s) set forth in **Exhibit A** to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated as set forth in **Exhibit A**.

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within FY 2025 or within 60 days following the end of the FY 2025 may amend its Adopted Budget for that fiscal year as follows:

- a. A line-item appropriation for expenditures within a fund may be decreased or increased by motion of the Board recorded in the minutes, and approving the expenditure, if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may approve an expenditure that would increase or decrease a line-item appropriation for expenditures within a fund if the total appropriations of the fund do not increase and if either (i) the aggregate change in the original appropriation item does not exceed the greater of \$15,000 or 15% of the original appropriation, or (ii) such expenditure is authorized by separate disbursement or spending resolution.
- c. Any other budget amendments shall be adopted by resolution and consistent with Florida law. The District Manager or Treasurer must ensure that any amendments to the budget under this paragraph c. are posted on the District’s website in accordance with Section 189.016, *Florida Statutes*, and remain on the website for at least two (2) years.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 28TH DAY OF AUGUST 2024.

ATTEST:

**LAKE HARRIS COMMUNITY DEVELOPMENT
DISTRICT**

Secretary / Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A: FY 2025 Budget

Lake Harris
Community Development District

Proposed Budget
FY2025



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Lake Harris
Community Development District
Proposed Budget
General Fund

Description	Adopted Budget FY2024	Actuals Thru 7/31/24	Projected Next 2 Months	Projected Thru 9/30/24	Proposed Budget FY2025
Revenues					
Assessments - Platted	\$ 92,966	\$ 92,966	\$ -	\$ 92,966	\$ 92,966
Assessments - Unplatted	\$ 98,048	\$ 98,048	\$ -	\$ 98,048	\$ 98,049
Developer Contributions	\$ 42,245	\$ 9,009	\$ -	\$ 9,009	\$ 19,428
Total Revenues	\$ 233,259	\$ 200,023	\$ -	\$ 200,023	\$ 210,443

Expenditures

General & Administrative

Supervisor Fees	\$ -	\$ 1,000	\$ 400	\$ 1,400	\$ -
FICA Expenses	\$ -	\$ 77	\$ 31	\$ 107	\$ -
Engineering	\$ 15,000	\$ -	\$ 7,500	\$ 7,500	\$ 15,000
Attorney	\$ 25,000	\$ 4,907	\$ 1,000	\$ 5,907	\$ 25,000
Annual Audit	\$ 4,000	\$ 5,100	\$ -	\$ 5,100	\$ 5,200
Assessment Administration	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ 5,250
Arbitrage	\$ 450	\$ -	\$ 450	\$ 450	\$ 450
Dissemination	\$ 5,000	\$ 4,167	\$ 833	\$ 5,000	\$ 5,250
Trustee Fees	\$ 4,020	\$ 1,064	\$ 2,956	\$ 4,020	\$ 4,020
Management Fees	\$ 37,500	\$ 31,250	\$ 6,250	\$ 37,500	\$ 40,000
Information Technology	\$ 1,800	\$ 1,500	\$ 300	\$ 1,800	\$ 1,890
Website Maintenance **	\$ 1,200	\$ 1,000	\$ 200	\$ 1,200	\$ 1,260
Telephone	\$ 300	\$ -	\$ 50	\$ 50	\$ 300
Postage & Delivery	\$ 1,000	\$ 62	\$ 20	\$ 82	\$ 1,000
Insurance	\$ 5,000	\$ 5,200	\$ -	\$ 5,200	\$ 5,720
Printing & Binding	\$ 1,000	\$ 15	\$ 20	\$ 35	\$ 1,000
Legal Advertising	\$ 10,000	\$ 91	\$ 200	\$ 291	\$ 10,000
Other Current Charges	\$ 5,000	\$ 477	\$ 82	\$ 559	\$ 5,000
Office Supplies	\$ 625	\$ 1	\$ 20	\$ 21	\$ 625
Travel Per Diem	\$ 660	\$ -	\$ 330	\$ 330	\$ 660
Dues, Licenses & Subscriptions	\$ 175	\$ 175	\$ -	\$ 175	\$ 175
Total Administrative	\$ 122,730	\$ 61,084	\$ 20,642	\$ 81,726	\$ 127,800

Lake Harris
Community Development District
Proposed Budget
General Fund

Description	Adopted Budget FY2024	Actuals Thru 7/31/24	Projected Next 2 Months	Projected Thru 9/30/24	Proposed Budget FY2025
<i>Operations & Maintenance</i>					
Field Expenditures					
Field Management	\$ 15,000	\$ -	\$ 7,500	\$ 7,500	\$ 15,000
Landscape Maintenance	\$ 67,129	\$ -	\$ 6,771	\$ 6,771	\$ 13,543
Pond Disking	\$ 12,900	\$ 1,575	\$ 4,725	\$ 6,300	\$ 18,900
Aquatic Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 8,700
Landscape Replacement	\$ 2,500	\$ -	\$ 1,250	\$ 1,250	\$ 10,000
Electric	\$ 1,500	\$ -	\$ 750	\$ 750	\$ 1,500
Water & Sewer	\$ 5,000	\$ -	\$ 2,500	\$ 2,500	\$ 5,000
Irrigation Repairs	\$ 1,500	\$ -	\$ 750	\$ 750	\$ 2,500
General Repairs & Maintenance	\$ 2,500	\$ -	\$ 1,250	\$ 1,250	\$ 5,000
Contingency	\$ 2,500	\$ -	\$ 1,250	\$ 1,250	\$ 2,500
Total Operations & Maintenance	\$ 110,529	\$ 1,575	\$ 26,746	\$ 28,321	\$ 82,643
Total Expenditures	\$ 233,259	\$ 62,659	\$ 47,388	\$ 110,047	\$ 210,443
Excess Revenues/(Expenditures)	\$ -	\$ 137,364	\$ (47,388)	\$ 89,976	\$ -

Product Type	ERU	Assessable Units	Total ERU	Net Assessment	Net Per Unit	Gross Per Unit
Single Family - 40'	0.8	52	41.60	\$ 39,104.00	\$ 752.00	\$ 800.00
Single Family - 50'	1	56	56.00	\$ 52,640.00	\$ 940.00	\$ 1,000.00
Single Family - 65'	1.3	1	1.30	\$ 1,222.00	\$ 1,222.00	\$ 1,300.00
Unplatted - Admin Only	0.24	433	104.31	\$ 98,048.52	\$ 226.44	\$ 240.89
		542	203.21	\$ 191,014.52		

Lake Harris

Community Development District

General Fund Budget

Revenues:

Assessments

The District will levy a non-ad valorem assessment on all the assessable property within the District to pay for operating expenditures during the fiscal year.

Developer Contributions

The District will enter into a funding agreement with the Developer to fund the General Fund expenditures for the Fiscal Year.

Expenditures:

General & Administrative:

Engineering

The District's engineer, Gai Consultants, Inc., provides general engineering services to the District, e.g., attendance and preparation for monthly board meetings, review invoices and various projects as directed by the District Manager.

Attorney

The District's legal counsel, Kutak Rock, LLP, provides general legal services to the District, e.g., attendance and preparation for meetings, preparation and review of agreements, resolutions, etc. as directed by the Board of Supervisors and the District Manager.

Annual Audit

The District is required by Florida Statutes to arrange for an independent audit of its financial records on an annual basis.

Assessment Administration

The District will contract to levy and administer the collection of non-ad valorem assessment on all assessable property within the District.

Arbitrage

The District will contract with an independent certified public accountant to annually calculate the District's Arbitrage Rebate Liability on an anticipated bond issuance.

Dissemination

The District is required by the Security and Exchange Commission to comply with Rule 15c2-12(b)(5) which relates to additional reporting requirements for unrated bond issues. This cost is based upon an anticipated bond issuance.

Trustee Fees

The District will incur trustee related costs with the issuance of its' issued bonds.

Lake Harris

Community Development District

General Fund Budget

Management Fees

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Governmental Management Services-Central Florida, LLC. The services include but are not limited to, recording and transcription of board meetings, administrative services, budget preparation, all financial reports, annual audits, etc.

Information Technology

Represents various cost of information technology for the District such as video conferencing, cloud storage and servers, positive pay implementation and programming for fraud protection, accounting software, tablets for meetings, Adobe, Microsoft Office, etc. Governmental Management Services – Central Florida, LLC provides these systems.

Website Maintenance

Represents the costs associated with monitoring and maintaining the District’s website created in accordance with Chapter 189, Florida Statutes. These services include site performance assessments, security and firewall maintenance, updates, document uploads, hosting and domain renewals, website backups, etc. Governmental Management Services – Central Florida, LLC provides these services.

Telephone

Telephone and fax machine.

Postage & Delivery

Mailing of board meeting agenda packages, overnight deliveries, checks for vendors and any other required correspondence.

Insurance

The District’s general liability and public official’s liability insurance coverages.

Printing & Binding

Printing agenda packages for board meetings, printing of computerized checks, stationary, envelopes, etc.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings, public hearings, etc. in a newspaper of general circulation.

Other Current Charges

Bank charges and any other miscellaneous expenses incurred during the year.

Office Supplies

Any supplies that may need to be purchased during the fiscal year, e.g., paper, minute books, file folders, labels, paper clips, etc.

Lake Harris

Community Development District

General Fund Budget

Travel Per Diem

The Board of Supervisors can be reimbursed for travel expenditures related to the conducting of District business.

Dues, Licenses & Subscriptions

The District is required to pay an annual fee to the Florida Department of Economic Opportunity for \$175. This is the only expense under this category for the District.

Field Expenditures:

Field Management

Represents the estimated costs of contracting services that provide onsite field management of contracts for the District such as landscape and lake maintenance. Services can include onsite inspections, meetings with contractors, monitoring of utility accounts, attend Board meetings and receive and respond to property owner phone calls and emails.

Landscape Maintenance

Represents the estimated maintenance of the landscaping within the common areas of the District after the installation of landscape material has been completed.

Pond Disking

Represents the estimated cost to disk pond floors within the District.

Aquatic Maintenance

Represents estimated amount to maintain four wet ponds.

Landscape Replacement

Represents the estimated cost of replacing landscaping within the common areas of the District.

Electric

Represents estimated electric charges of common areas throughout the District.

Water & Sewer

Represents estimated costs for water and refuse services provided for common areas throughout the District.

Irrigation Repairs

Represents the cost of maintaining and repairing the irrigation system. This includes the sprinklers, and irrigation wells.

General Repairs & Maintenance

Represents estimated costs for general repairs and maintenance of the District's common areas.

Lake Harris
Community Development District
General Fund Budget

Contingency

Represents funds allocated to expenses that the District could incur throughout the fiscal year that do not fit into any field category.

Lake Harris
Community Development District
Proposed Budget
Series 2023 Debt Service Fund

Description	Adopted Budget FY2024	Actuals Thru 7/31/24	Projected Next 2 Months	Total Thru 9/30/24	Proposed Budget FY2025
Revenues					
Special Assessments	\$ 308,247	\$ 306,902	\$ -	\$ 306,902	\$ 308,247
Interest	\$ -	\$ 19,746	\$ 4,936	\$ 24,682	\$ 12,341
Carry Forward Surplus	\$ 77,762	\$ 78,359	\$ -	\$ 78,359	\$ 132,039
Total Revenues	\$ 386,009	\$ 405,007	\$ 4,936	\$ 409,944	\$ 452,627
Expenditures					
Interest Expense - 11/1	\$ 77,762	\$ 77,762	\$ -	\$ 77,762	\$ 120,188
Principal Expense - 5/1	\$ 65,000	\$ 65,000	\$ -	\$ 65,000	\$ 65,000
Interest Expense - 5/1	\$ 121,715	\$ 121,715	\$ -	\$ 121,715	\$ 120,188
Total Expenditures	\$ 264,477	\$ 264,477	\$ -	\$ 264,477	\$ 305,375
Other Financing Sources/(Uses)					
Transfer In/(Out)	\$ -	\$ (13,427)	\$ -	\$ (13,427)	\$ -
Total Other Financing Sources/(Uses)	\$ -	\$ (13,427)	\$ -	\$ (13,427)	\$ -
Excess Revenues/(Expenditures)	\$ 121,532	\$ 127,103	\$ 4,936	\$ 132,039	\$ 147,252

Interest Expense 11/1/25	\$ 118,660
Total	\$ 118,660

Product	Assessable Units	Maximum Annual Debt Service	Net Assessment Per Unit	Gross Assessment Per Unit
Single Family - 40'	107	\$ 141,555	\$1,323	\$1,407
Single Family - 50'	125	\$ 165,369	\$1,323	\$1,407
Single Family - 65'	1	\$ 1,323	\$1,323	\$1,407
	233	\$ 308,247		

Lake Harris
Community Development District
Series 2023 Special Assessment Bonds
Amortization Schedule

Date	Balance	Prinicipal	Interest	Total
11/01/24	\$ 4,420,000.00	\$ -	\$ 120,187.50	\$ 306,902.50
05/01/25	\$ 4,420,000.00	\$ 65,000.00	\$ 120,187.50	
11/01/25	\$ 4,355,000.00	\$ -	\$ 118,660.00	\$ 303,847.50
05/01/26	\$ 4,355,000.00	\$ 70,000.00	\$ 118,660.00	
11/01/26	\$ 4,285,000.00	\$ -	\$ 117,015.00	\$ 305,675.00
05/01/27	\$ 4,285,000.00	\$ 75,000.00	\$ 117,015.00	
11/01/27	\$ 4,210,000.00	\$ -	\$ 115,252.50	\$ 307,267.50
05/01/28	\$ 4,210,000.00	\$ 75,000.00	\$ 115,252.50	
11/01/28	\$ 4,135,000.00	\$ -	\$ 113,490.00	\$ 303,742.50
05/01/29	\$ 4,135,000.00	\$ 80,000.00	\$ 113,490.00	
11/01/29	\$ 4,055,000.00	\$ -	\$ 111,610.00	\$ 305,100.00
05/01/30	\$ 4,055,000.00	\$ 85,000.00	\$ 111,610.00	
11/01/30	\$ 3,970,000.00	\$ -	\$ 109,612.50	\$ 306,222.50
05/01/31	\$ 3,970,000.00	\$ 90,000.00	\$ 109,612.50	
11/01/31	\$ 3,880,000.00	\$ -	\$ 107,193.75	\$ 306,806.25
05/01/32	\$ 3,880,000.00	\$ 95,000.00	\$ 107,193.75	
11/01/32	\$ 3,785,000.00	\$ -	\$ 104,640.63	\$ 306,834.38
05/01/33	\$ 3,785,000.00	\$ 100,000.00	\$ 104,640.63	
11/01/33	\$ 3,685,000.00	\$ -	\$ 101,953.13	\$ 306,593.75
05/01/34	\$ 3,685,000.00	\$ 105,000.00	\$ 101,953.13	
11/01/34	\$ 3,580,000.00	\$ -	\$ 99,131.25	\$ 306,084.38
05/01/35	\$ 3,580,000.00	\$ 110,000.00	\$ 99,131.25	
11/01/35	\$ 3,470,000.00	\$ -	\$ 96,175.00	\$ 305,306.25
05/01/36	\$ 3,470,000.00	\$ 115,000.00	\$ 96,175.00	
11/01/36	\$ 3,355,000.00	\$ -	\$ 93,084.38	\$ 304,259.38
05/01/37	\$ 3,355,000.00	\$ 125,000.00	\$ 93,084.38	
11/01/37	\$ 3,230,000.00	\$ -	\$ 89,725.00	\$ 307,809.38
05/01/38	\$ 3,230,000.00	\$ 130,000.00	\$ 89,725.00	
11/01/38	\$ 3,100,000.00	\$ -	\$ 86,231.25	\$ 305,956.25
05/01/39	\$ 3,100,000.00	\$ 135,000.00	\$ 86,231.25	
11/01/39	\$ 2,965,000.00	\$ -	\$ 82,603.13	\$ 303,834.38
05/01/40	\$ 2,965,000.00	\$ 145,000.00	\$ 82,603.13	
11/01/40	\$ 2,820,000.00	\$ -	\$ 78,706.25	\$ 306,309.38
05/01/41	\$ 2,820,000.00	\$ 155,000.00	\$ 78,706.25	
11/01/41	\$ 2,505,000.00	\$ -	\$ 74,540.63	\$ 308,246.88
05/01/42	\$ 2,335,000.00	\$ 160,000.00	\$ 74,540.63	
11/01/42	\$ 2,335,000.00	\$ -	\$ 70,240.63	\$ 304,781.25
05/01/43	\$ 2,335,000.00	\$ 170,000.00	\$ 70,240.63	
11/01/43	\$ 2,335,000.00	\$ -	\$ 65,671.88	\$ 305,912.50
05/01/44	\$ 2,335,000.00	\$ 180,000.00	\$ 65,671.88	
11/01/44	\$ 2,155,000.00	\$ -	\$ 60,609.38	\$ 306,281.25
05/01/45	\$ 2,155,000.00	\$ 190,000.00	\$ 60,609.38	
11/01/45	\$ 1,965,000.00	\$ -	\$ 55,265.63	\$ 305,875.00
05/01/46	\$ 1,965,000.00	\$ 200,000.00	\$ 55,265.63	
11/01/46	\$ 1,765,000.00	\$ -	\$ 49,640.63	\$ 304,906.25
05/01/47	\$ 1,765,000.00	\$ 210,000.00	\$ 49,640.63	
11/01/47	\$ 1,555,000.00	\$ -	\$ 43,734.38	\$ 303,375.00
05/01/48	\$ 1,555,000.00	\$ 225,000.00	\$ 43,734.38	
11/01/48	\$ 1,330,000.00	\$ -	\$ 37,406.25	\$ 306,140.63
05/01/49	\$ 1,330,000.00	\$ 240,000.00	\$ 37,406.25	
11/01/49	\$ 1,090,000.00	\$ -	\$ 30,656.25	\$ 308,062.50
05/01/50	\$ 1,090,000.00	\$ 250,000.00	\$ 30,656.25	\$ -
11/01/50	\$ 840,000.00	\$ -	\$ 23,625.00	\$ 304,281.25
05/01/51	\$ 840,000.00	\$ 265,000.00	\$ 23,625.00	\$ -
11/01/51	\$ 575,000.00	\$ -	\$ 16,171.88	\$ 304,796.88
05/01/52	\$ 575,000.00	\$ 280,000.00	\$ 16,171.88	\$ -
11/01/52	\$ 295,000.00	\$ -	\$ 8,296.88	\$ 304,468.75
05/01/53	\$ 295,000.00	\$ 295,000.00	\$ 8,296.88	\$ 303,296.88
		\$ 4,420,000.00	\$ 4,761,738.61	\$ 9,246,738.61

SECTION B

RESOLUTION 2024-04
[FY 2025 ASSESSMENT RESOLUTION]

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT PROVIDING FOR FUNDING FOR THE FY 2025 ADOPTED BUDGET(S); PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS, INCLUDING BUT NOT LIMITED TO PENALTIES AND INTEREST THEREON; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lake Harris Community Development District ("**District**") is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District, located in Lake County, Florida ("**County**"); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District's adopted capital improvement plan and Chapter 190, *Florida Statutes*; and

WHEREAS, for the fiscal year beginning October 1, 2024, and ending September 30, 2025 ("**FY 2025**"), the Board of Supervisors ("**Board**") of the District has determined to undertake various operations and maintenance and other activities described in the District's budget ("**Adopted Budget**"), attached hereto as **Exhibit A**; and

WHEREAS, pursuant to Chapter 190, *Florida Statutes*, the District may fund the Adopted Budget through the levy and imposition of special assessments on benefitted lands within the District and, regardless of the imposition method utilized by the District, under Florida law the District may collect such assessments by direct bill, tax roll, or in accordance with other collection measures provided by law; and

WHEREAS, in order to fund the District's Adopted Budget, the District's Board now desires to adopt this Resolution setting forth the means by which the District intends to fund its Adopted Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT:

1. **FUNDING.** The District's Board hereby authorizes the funding mechanisms for the Adopted Budget as provided further herein and as indicated in the Adopted Budget attached hereto as **Exhibit A** and the assessment roll attached hereto as **Exhibit B ("Assessment Roll")**.

2. **OPERATIONS AND MAINTENANCE ASSESSMENTS.**

a. **Benefit Findings.** The provision of the services, facilities, and operations as described in **Exhibit A** confers a special and peculiar benefit to the lands within the District, which benefit exceeds or equals the cost of the assessments. The allocation of the assessments to the specially benefitted lands is shown in **Exhibit A** and **Exhibit B** and is hereby found to be fair and reasonable.

- b. **O&M Assessment Imposition.** Pursuant to Chapter 190, *Florida Statutes*, a special assessment for operations and maintenance (“**O&M Assessment(s)**”) is hereby levied and imposed on benefitted lands within the District and in accordance with **Exhibit A** and **Exhibit B**. The lien of the O&M Assessments imposed and levied by this Resolution shall be effective upon passage of this Resolution.
 - c. **Maximum Rate.** Pursuant to Section 197.3632(4), *Florida Statutes*, the lien amount shall serve as the “maximum rate” authorized by law for operation and maintenance assessments.
3. **DEBT SERVICE SPECIAL ASSESSMENTS.** The District’s Board hereby certifies for collection the FY 2025 installment of the District’s previously levied debt service special assessments (“**Debt Assessments**,” and together with the O&M Assessments, the “**Assessments**”) in accordance with this Resolution and as further set forth in **Exhibit A** and **Exhibit B**, and hereby directs District staff to affect the collection of the same.
4. **COLLECTION AND ENFORCEMENT; PENALTIES; INTEREST.** Pursuant to Chapter 190, *Florida Statutes*, the District is authorized to collect and enforce the Assessments as set forth below.
- a. **Tax Roll Assessments.** To the extent indicated in **Exhibit A** and **Exhibit B**, those certain O&M Assessments (if any) and/or Debt Assessments (if any) imposed on the “**Tax Roll Property**” identified in **Exhibit B** shall be collected by the County Tax Collector at the same time and in the same manner as County property taxes in accordance with Chapter 197, *Florida Statutes* (“**Uniform Method**”). That portion of the Assessment Roll which includes the Tax Roll Property is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County property taxes. The District’s Board finds and determines that such collection method is an efficient method of collection for the Tax Roll Property.
 - b. **Direct Bill Assessments.** To the extent indicated in **Exhibit A** and **Exhibit B**, those certain O&M Assessments (if any) and/or Debt Assessments (if any) imposed on “**Direct Collect Property**” identified in **Exhibit B** shall be collected directly by the District in accordance with Florida law, as set forth in **Exhibit A** and **Exhibit B**. The District’s Board finds and determines that such collection method is an efficient method of collection for the Direct Collect Property.
 - i. *Due Date (O&M Assessments).* O&M Assessments directly collected by the District shall be due and payable in full on **October 1, 2024**; provided, however, that, to the extent permitted by law, the O&M Assessments due may be paid in several partial, deferred payments and according to the following schedule: **50%** due no later than **October 1, 2024**, **25%** due no later than **February 1, 2025** and **25%** due no later than **April 1, 2025**.
 - ii. *Due Date (Debt Assessments).* Debt Assessments directly collected by the District shall be due and payable in full on **October 1, 2024**; provided,

however, that, to the extent permitted by law, the Debt Assessments due may be paid in several partial, deferred payments and according to the following schedule: **50%** due no later than **October 1, 2024**, **25%** due no later than **February 1, 2025** and **25%** due no later than **April 1, 2025**.

iii. In the event that an Assessment payment is not made in accordance with the schedule(s) stated above, the whole of such Assessment, including any remaining partial, deferred payments for the Fiscal Year: shall immediately become due and payable; shall accrue interest, penalties in the amount of one percent (1%) per month, and all costs of collection and enforcement; and shall either be enforced pursuant to a foreclosure action, or, at the District's sole discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. Any prejudgment interest on delinquent Assessments shall accrue at the rate of any bonds secured by the Assessments, or at the statutory prejudgment interest rate, as applicable. In the event an Assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate foreclosure proceedings pursuant to Chapter 170, *Florida Statutes*, or other applicable law to collect and enforce the whole Assessment, as set forth herein.

c. **Future Collection Methods.** The District's decision to collect Assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

5. **ASSESSMENT ROLL; AMENDMENTS.** The Assessment Roll, attached hereto as **Exhibit B**, is hereby certified for collection. The Assessment Roll shall be collected pursuant to the collection methods provided above. The proceeds therefrom shall be paid to the District. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution and shall amend the Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll.

6. **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

7. **EFFECTIVE DATE.** This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

[CONTINUED ON NEXT PAGE]

PASSED AND ADOPTED this 28th day of August 2024.

ATTEST:

**LAKE HARRIS COMMUNITY DEVELOPMENT
DISTRICT**

Secretary / Assistant Secretary

By: _____

Its: _____

Exhibit A: Budget
Exhibit B: Assessment Roll

Lake Harris CDD FY 25 Assessment Roll
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ParcelId	Units	Type	O&M	Debt	Total
182025020000000100	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000000200	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000000300	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000000400	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000000500	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000000600	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000000700	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000000800	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000000900	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000001000	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000001100	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000001200	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000001300	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000001400	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000001500	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000001600	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000001700	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000001800	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000001900	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000002000	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000002100	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000002200	1	65	\$1,300.00	\$1,407.39	\$2,707.39
182025020000002300	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000002400	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000002500	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000002600	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000002700	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000002800	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000002900	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000003000	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000003100	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000003200	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000003300	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000003400	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000003500	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000003600	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000003700	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000003800	1	40	\$800.00	\$1,407.39	\$2,207.39
182025020000003900	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000004000	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000004100	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000004200	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000004300	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000004400	1	50	\$1,000.00	\$1,407.39	\$2,407.39

ParcelId	Units	Type	O&M	Debt	Total
182025020000009200	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000009300	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000009400	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000009500	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000009600	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000009700	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000009800	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000009900	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000010000	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000010100	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000010200	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000010300	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000010400	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000010500	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000010600	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000010700	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000010800	1	50	\$1,000.00	\$1,407.39	\$2,407.39
182025020000010900	1	50	\$1,000.00	\$1,407.39	\$2,407.39
Total Gross Onroll	109		\$98,900.00	\$153,405.51	\$252,305.51

Total Net Onroll			\$92,966.00	\$144,201.18	\$237,167.18
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Direct Billing (platted)

182025020100011000	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100011100	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100011200	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100011300	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100011400	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100011500	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100011600	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100011700	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100011800	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100011900	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100012000	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100012100	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100012200	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100012300	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100012400	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100012500	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100012600	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100012700	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100012800	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100012900	1	40	\$240.89	\$1,407.39	\$1,648.28
182025020100013000	1	40	\$240.89	\$1,407.39	\$1,648.28
182025020100013100	1	40	\$240.89	\$1,407.39	\$1,648.28
182025020100013200	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100013300	1	50	\$240.89	\$1,407.39	\$1,648.28

ParcelId	Units	Type	O&M	Debt	Total
182025020100022800	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100022900	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100023000	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100023100	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100023200	1	50	\$240.89	\$1,407.39	\$1,648.28
182025020100023300	1	50	\$240.89	\$1,407.39	\$1,648.28
Total Direct Platted Gross	124		\$29,870.36	\$174,516.36	\$204,386.72
Total Direct Platted Net			\$27,779.43	\$162,300.21	\$190,079.65
Direct Billing (unplatted)					
1820250200FD400000	31.25		\$27,593.05	\$0.00	\$27,593.05
1820250200FD300000	53.05		\$46,841.96	\$0.00	\$46,841.96
Total Direct Unplatted Gross	84.3		\$74,435.01	\$0.00	\$74,435.01
Total Direct Unplatted Net			\$69,968.91	\$0.00	\$69,968.91
Total Direct Billing Gross			\$104,305.37	\$174,516.36	\$278,821.73
Total Direct Billing Net			\$98,047.05	\$164,045.38	\$262,092.43
Total Gross Assessments			\$203,205.37	\$327,921.87	\$531,127.24
Total Net Assessments			\$191,013.05	\$308,246.56	\$499,259.61

SECTION C

**DIRECT COLLECTION AGREEMENT
FY 2025**

This **Agreement** (“**Agreement**”) is made and entered into effective as of October 1, 2024, by and between:

LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes* (hereinafter “**District**”), is located in the City of Leesburg, Lake County, Florida (“**County**”), and whose mailing address is District’s Manager, c/o Governmental Management Services – Central Florida, LLC, 219 East Livingston Street, Orlando, Florida 32801; and

HANOVER 623 HOLDINGS, LLC, a Florida limited liability company and the owner of certain property located within the boundaries of the District (hereinafter, the “**Property Owner**,” and together with the District, “**Parties**”), and whose mailing address is 605 Commonwealth Avenue, Orlando, Florida 32803. For purposes of this Agreement, Property Owner’s property is more particularly described in **Exhibit A** attached hereto (“**Property**”).

RECITALS

WHEREAS, pursuant to Chapter 190, *Florida Statutes*, the District was established for the purpose of planning, financing, constructing, operating, and/or maintaining certain infrastructure, and is authorized to levy such taxes, special assessments, fees and other charges as may be necessary in furtherance of the District's activities and services; and

WHEREAS, the Property will benefit from the timely construction and acquisition of the District's facilities, activities and services and from the continued operations of the District; and

WHEREAS, for the fiscal year beginning October 1, 2024, and ending September 30, 2025 (“**FY 2025**”), the Board of Supervisors (“**Board**”) of the District determined to undertake various operations and maintenance and other activities described in the District’s adopted budget (“**Adopted Budget**”); and

WHEREAS, pursuant to Chapter 190, *Florida Statutes*, the District may fund the Adopted Budget through the levy and imposition of special assessments on benefitted lands within the District, and, regardless of imposition method utilized by the District, under Florida law the District may collect such assessments by direct bill, tax roll, or in accordance with other collection measures provided by law; and

WHEREAS, pursuant to [Resolution 2024-04] (“**Annual Assessment Resolution**”), the District’s Board levied special assessments to fund the operations and maintenance of the Adopted Budget (“**O&M Assessments**”) in the amounts set forth in Adopted Budget and the assessment roll attached to the Annual Assessment Resolution (“**Assessment Roll**”), and set forth the method by which the O&M Assessments and the FY 2025 installment of the District’s previously levied debt service assessments (“**Debt Assessment**,” and together with the O&M Assessments, “**Assessments**”) shall be collected and enforced; and

WHEREAS, Property Owner agrees that the O&M Assessments, which were imposed on the lands within the District, including the Property, have been validly imposed and constitute valid, legal, and binding liens upon the lands within the District; and

WHEREAS, pursuant to Florida law, the District certified the (i) portion of the Assessment Roll related to certain “**Tax Roll Property**” to the County Tax Collector for collection in accordance with Chapter 197, *Florida Statutes* (“**Uniform Method**”) and (ii) portion of the Assessment Roll relating to the “**Direct Collect Property**” for direct collection by the District in accordance with Florida law; and

WHEREAS, as the Property is identified on the Assessment Roll as Direct Collect Property, the District and Property Owner desire to arrange for the direct collection and direct payment of the District’s Assessments levied against the Property.

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

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

2. **VALIDITY OF SPECIAL ASSESSMENTS.** Property Owner agrees that the Assessments have been validly imposed and constitute valid, legal, and binding liens upon the lands within the District, including the Property. Property Owner hereby waives and relinquishes any rights it may have to challenge, object to, or otherwise fail to pay such Assessments.

3. **COVENANT TO PAY.** Property Owner agrees to pay the Assessments attributable to the Property, regardless of whether Property Owner owns the Property at the time such payment is due or paid. Nothing herein shall prohibit Property Owner from prorating or otherwise collecting these Assessments from subsequent purchasers of the Property. The District shall send a bill to Property Owner on or about September 1, 2024, indicating the exact amount of the Assessment being certified for collection in FY 2025. The Assessments attributable to the Property shall be due and payable on the dates and in the amounts set forth in the Annual Assessment Resolution. The District’s decision to collect Assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

4. **ENFORCEMENT.** This Agreement shall serve as an alternative, additional method for collection of the Assessments. This Agreement shall not affect the District’s ability to collect and enforce its Assessments by any other method authorized by Florida law. Property Owner acknowledges that the failure to pay the Assessments may result in the initiation of a foreclosure action, or, at the District’s sole discretion, delinquent Assessments may be certified for collection on a future County tax bill. In the event that an Assessment payment is not made in accordance with the schedule stated above, the whole of such Assessment – including any remaining partial, deferred payments for FY 2025, shall immediately become due and payable; shall accrue interest, penalties in the amount of one percent (1%) per month, and all costs of collection and enforcement; and shall either be enforced pursuant to a foreclosure action, or, at the District’s sole discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. Any prejudgment interest on delinquent Assessments shall accrue at the applicable rate of any bonds or other debt instruments secured by the Assessments, or at the statutory prejudgment interest rate, as applicable. In the event an Assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate legal proceedings pursuant to

Chapter 170, *Florida Statutes*, or other applicable law to collect and enforce the whole Assessment, as set forth herein.

5. **NOTICE.** All notices, requests, consents and other communications under this Agreement, but excluding invoices (“**Notices**”) shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the Parties, at the addresses set forth above. Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth in this Agreement. Notices delivered after 5:00p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the Parties may deliver Notice on behalf of the Parties. Any Party or other person to whom Notices are to be sent or copied may notify the other Parties and addresses of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addresses set forth in this Agreement.

6. **AMENDMENT.** This instrument shall constitute the final and complete expression of the Agreement between the Parties relating to the subject matter of this Agreement. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the Parties hereto.

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

8. **ASSIGNMENT.** This Agreement may not be assigned, in whole or in part, by either Party except upon the written consent of the other. Any purported assignment without such consent shall be void.

9. **DEFAULT.** A default by either Party under this Agreement shall entitle the other to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance and specifically including the ability of the District to enforce any and all payment obligations under this Agreement through the imposition and enforcement of a contractual or other lien on property owned by the Property Owner.

10. **ATTORNEYS’ FEES.** In the event that either Party is required to enforce this Agreement by court proceedings or otherwise, then the Parties agree that the prevailing Party shall be entitled to recover from the other all costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

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

12. **APPLICABLE LAW.** This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida.

13. **NEGOTIATION AT ARM'S LENGTH.** This Agreement has been negotiated fully between the Parties as an arm's length transaction. The Parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the Parties are each deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party.

[SIGNATURES ON NEXT PAGE]

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

Attest:

LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

By: _____
Its: _____

HANOVER 623 HOLDINGS, LLC,
a Florida limited liability company

Witness

By: _____
Name: _____
Title: _____

EXHIBIT A Description of the Property

SECTION V

July 26, 2024

Lake Harris Community Development District
c/o George Flint, District Manager
Governmental Management Services – Central Florida, LLC
219 East Livingston Street
Orlando, Florida 32801

Re: Lake Harris Community Development District (the “District”)
Acquisition of Eagletail Landing – Phase 2 Improvements


Dear George:

Pursuant to the *Amended and Restated Acquisition Agreement (Master Project)*, effective as of February 2, 2023, you are hereby notified that Hanover 623 Holdings, LLC (“**Hanover**”), has completed and wishes to sell to the Lake Harris Community Development District (the “**District**”) those certain improvements described in **Exhibit A** attached hereto (the “**Improvements**”). Hanover wishes to convey the Improvements, which were included in the District’s *Amended and Restated Master Engineer’s Report* dated June 2, 2022, as updated May 18, 2023 (the “**Engineer’s Report**”), Hanover constructed, installed, and equipped the Improvements consistent with the District’s Engineer’s Report.

Sincerely,

HANOVER 623 HOLDINGS, LLC

By: Hanover Land Company, LLC, its Manager

By: 

Name: Stephen W. Orosz

Its: Vice President

cc: District Counsel
District Engineer

Enclosure

Exhibit A

Description of Improvements to be Acquired:

Phase 2 Stormwater: Any and all ponds/stormwater management facilities together with master drainage pipes, structures, inlets, manholes, mitered end sections, headwalls, water control structures, catch-basins, publicly-owned pipes providing drainage, curb and gutter providing drainage for streets and rights-of-way, dry stormwater retention basins, and related landscaping and stormwater facilities in and for the development of Eagletail Landing- Phase 2, all located on portions of the real property described in the following legal description:

TRACT S-5, AND THAT CERTAIN 10' AND 20' PRIVATE DRAINAGE EASEMENTS (ABBREVIATED "D.E.") LOCATED ALONG BACK AND/OR SIDE OF CERTAIN LOTS AND TRACTS, IF ANY, AS SHOWN ON THE PLAT KNOWN AS EAGLETAIL LANDING – PHASE 2, RECORDED IN THE OFFICIAL RECORDS OF LAKE COUNTY, FLORIDA, AT PLAT BOOK 83, PAGES 21 THROUGH 26, INCLUSIVE.

Description of Related Work Product to be Acquired:

Any and all site plans, construction and development drawings, plans and specifications, documents, surveys, engineering and soil reports and studies, licenses, permits, zoning approvals, entitlements, permits, drainage rights, bonds, and similar or equivalent private and governmental documents of every kind and character whatsoever pertaining or applicable to or in any way connected with the above improvements which constitute portions of Series 2023 Project of the Lake Harris Community Development District also known as Eagletail Landings – Phase 2, and Approved September 15, 2021.

**CERTIFICATE OF DISTRICT ENGINEER TO
LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
REGARDING EAGLETAIL LANDING – PHASE 2 IMPROVEMENTS**

July 23, 2024

Board of Supervisors
Lake Harris Community Development District

Re: Lake Harris Community Development District
Eagletail Landing – Phase 2 Improvements

Ladies and Gentlemen:

The undersigned, a representative of GAI Consultants, Inc. (“**District Engineer**”), as District Engineer for the Lake Harris Community Development District (“**District**”), hereby makes the following certifications in connection with an acquisition of certain Eagletail Landing - Phase 2 improvements (collectively, the “**Improvements**”), as described in **Exhibit A** attached hereto. The undersigned, an authorized representative of the District Engineer, hereby certifies that:

1. I have reviewed certain documentation relating to the Improvements, including but not limited to, the forms of agreement, plans, as-builts, applicable permits, and other documents. I, or my authorized agent, have conducted on-site observations of the Improvements, including but not limited to on-going observation of the construction of such Improvements.
2. The Improvements are within the scope of the public infrastructure improvements for Phase 2 of the Master Project as set forth in the *Amended and Restated Master Engineer’s Report* dated June 2, 2022, as updated May 18, 2023 (the “*Engineer’s Report*”), as may be amended, for the Lake Harris Community Development District, and specially benefits property within the District as further described in the Engineer’s Report.
3. The Improvements have been completed in substantial compliance with the applicable permit requirements and in substantial accordance with the permitted plans and specifications, are free from obstruction, and are functional for their intended purpose.
4. The costs of the Improvements are equal to or less than each of the following: (i) actual costs paid or caused to be paid by or on behalf of Hanover 623 Holdings, LLC to create and/or construct the Improvements, and (ii) the reasonable fair market value of the Improvements as installed.
5. Copies of plans, permits and specifications necessary for the future operation and maintenance of the Improvements are complete and on file with the District, and have been transferred, or are capable of being transferred, to the District for future operations and maintenance responsibilities.
6. With this document, I hereby certify that it is appropriate at this time to acquire the Improvements.

Under penalties of perjury, I declare that I have read the foregoing certificate and that the facts stated in it are true.

GAI CONSULTANTS, INC.

By: 

Name: Kathleen Leo, P.E.

Its: Vice President

STATE OF FLORIDA
COUNTY OF Orange

Sworn to (or affirmed) and subscribed before me by means of physical presence or online notarization, this 23rd day of July 2024, by Kathleen Leo, P.E., an authorized representative of GAI Consultants, Inc., who is personally known to me or produced _____ as identification.

(NOTARY SEAL)




Notary Public Signature

Stephanie Barrowes

(Name typed, printed or stamped)

Notary Public, State of Florida

Commission No. HH 509706

My Commission Expires: 3/28/2028

Exhibit A

Description of Improvements to be Acquired:

Phase 2 Stormwater: Any and all ponds/stormwater management facilities together with master drainage pipes, structures, inlets, manholes, mitered end sections, headwalls, water control structures, catch-basins, publicly-owned pipes providing drainage, curb and gutter providing drainage for streets and rights-of-way, dry stormwater retention basins, and related landscaping and stormwater facilities in and for the development of Eagletail Landing- Phase 2, all located on portions of the real property described in the following legal description:

TRACT S-5, AND THAT CERTAIN 10' AND 20' PRIVATE DRAINAGE EASEMENTS (ABBREVIATED "D.E.") LOCATED ALONG BACK AND/OR SIDE OF CERTAIN LOTS AND TRACTS, IF ANY, AS SHOWN ON THE PLAT KNOWN AS EAGLETAIL LANDING – PHASE 2, RECORDED IN THE OFFICIAL RECORDS OF LAKE COUNTY, FLORIDA, AT PLAT BOOK 83, PAGES 21 THROUGH 26, INCLUSIVE.

Description of Related Work Product to be Acquired:

Any and all site plans, construction and development drawings, plans and specifications, documents, surveys, engineering and soil reports and studies, licenses, permits, zoning approvals, entitlements, permits, drainage rights, bonds, and similar or equivalent private and governmental documents of every kind and character whatsoever pertaining or applicable to or in any way connected with the above improvements which constitute portions of Series 2023 Project of the Lake Harris Community Development District also known as Eagletail Landings – Phase 2, and Approved September 15, 2021.

REPRESENTATION AND RELEASE OF RESTRICTIONS ON THE LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT'S RIGHT TO USE AND RELY UPON DRAWINGS, PLANS, SPECIFICATIONS AND RELATED DOCUMENTS CREATED OR UNDERTAKEN IN CONNECTION WITH THE CONSTRUCTION OF CERTAIN INFRASTRUCTURE IMPROVEMENTS

THIS REPRESENTATION AND RELEASE is made the 23 day of July 2024, by **GAI Consultants, Inc.**, whose address is 618 East South Street, Suite 700, Orlando, Florida 32801 ("Professional"), in favor of the **Lake Harris Community Development District** ("District"), which is a local unit of special-purpose government situated in the City of Groveland, Florida, and having offices located at 219 E. Livingston Street, Orlando, Florida 32801.

SECTION 1. DESCRIPTION OF SCOPE OF SERVICES. Professional has provided work product pursuant to that certain Proposal dated February 14, 2019, and that Proposal dated March 18, 2021, (together, "Contract"), in connection with the construction/installation of certain infrastructure improvements for Hanover Land Company, LLC, as Manager of Hanover 623 Holdings, LLC, a landowner and developer within the District ("Developer"). An outline of the scope of services provided by Professional is attached as **Exhibit A** ("Work Product").

SECTION 2. USE OF WORK PRODUCT. Professional acknowledges that the Developer has or may in the future convey the Work Product to the District and for that purpose has requested Professional to confirm the release of all restrictions on the District's right to use and rely upon the Work Product.

SECTION 3. REPRESENTATION. Professional hereby represents that the Work Product identified in **Exhibit A** is fit for any and all purposes, including the purposes for which it is intended. This representation shall not serve to eliminate any responsibility of Professional for the Work Product under Florida Statutes or case law.

SECTION 4. RELEASES. Premised upon the District's agreement to make no revisions or modifications to the Work Product without prior written permission of Professional, Professional confirms the release of all restrictions upon the District's right to use and rely upon the Work Product for the intended purposes and acknowledges the District's unrestricted right to rely upon the terms of the Contract to the same extent as Developer and the right to enforce the terms of the Contract. Professional hereby affirmatively agrees that the Work identified in **Exhibit A** is free of all claims, security agreement, encumbrances or liens.

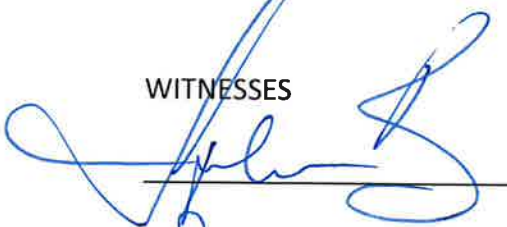
SECTION 5. CERTIFICATE OF PAYMENT. Professional hereby acknowledges that it has been fully compensated for its services and work related to completion of the Work Product. Professional further certifies that no outstanding requests for payment exist related to the Work Product identified in **Exhibit A** and that there is no disagreement as to the appropriateness of payment made for the Work Product. This document shall constitute a final waiver and release of lien for any payments due to Professional by Developer and/or the District for the Work Product identified in **Exhibit A**.

EXHIBIT A

The work product associated with this Release & Warranty include any and all site plans, construction and development drawings, plans and specifications, engineering reports, studies, and documentation, permitting and zoning approvals, entitlements, analysis reports associated with development of master public improvement project known as Eagletail Landing – Phase 2, as more particularly described in that Proposal dated February 14, 2019, Proposal dated March 18, 2021, and Proposal dated July 12, 2021, each by and between GAI Consultants, Inc., and Hanover Land Company, LLC.

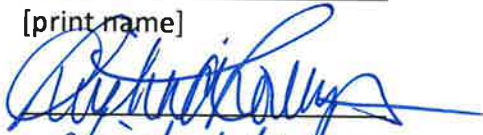
SECTION 6. EFFECTIVE DATE. This Warranty and Release shall take effect upon execution.

WITNESSES



Stephanie Barrowes


[print name]



Christine Leazo

[print name]

GAI CONSULTANTS, INC.

By: 

Name: Kathleen S. Leo, P.E.
Its: Vice President, Director of Engineering

**Contractor's Final Waiver and Release of Lien
(Upon Final Payment)**

KNOW ALL MEN BY THESE PRESENTS:

That the contractor described in Exhibit A attached hereto (the "**Contractor**"), for and in consideration of the payment of the sum shown on Exhibit A, and other good and valuable consideration paid by Hanover 623 Holdings, LLC (the "**Owner**"), or paid at the direction and on behalf of Owner, the receipt of which is hereby acknowledged, hereby forever releases, waives and quit claims to the said Owner, and its successors and assigns, including, but not limited to, Lake Harris Community Development District (the "**CDD**"), all liens, lien rights, claims or demands of any kind whatsoever, which Contractor now has or might have against Owner, the CDD, or their successors or assigns, or the improvements more particularly described on Exhibit A (the "**Improvements**") on account of construction or installation of any of said Improvements on the real property described in Exhibit A (the "**Property**").

That the undersigned has the right and authority to execute this Final Waiver and Release of Lien on behalf of the Contractor. That this is a waiver of all lien rights and other claims which Contractor has against the Improvements, the Property, the Owner and the CDD, and their successors and assigns, for all services performed with respect to the Improvements and Property, including, without limitation, extra work, delay claims, acceleration claims and change orders, and contractual claims for additional compensation which might be due for any labor, materials or equipment, and a representation that all subcontractors, suppliers, materialmen, equipment lessors and laborers of Contractor, who have furnished services for the Contractor with respect to the Improvements and/or the Property, have been paid in full for such services.

In consideration of the receipt of final payment in the amount stated in Exhibit A, Contractor hereby confirms that all subcontractors, suppliers, materialmen, equipment lessors and laborers under Contractor have been paid in full for all labor, services, material and equipment provided with respect to the Improvements and the Property.

[SIGNATURE PAGE TO FOLLOW]

Exhibit A

Descriptions of Contractor, Amount Paid and Improvements

Contractor: HUGHES BROTHERS CONSTRUCTION, INC.

Description of Improvements and Property:

District-eligible improvements within that *Standard Form of Agreement Between Owner and Contractor*, by and between Hanover 623 Holdings, LLC and Hughes Brothers Construction, Inc., dated March 30, 2023 (signed by Owner on April 13, 2023), for Eagletail Landing Phase 2, as more particularly described as follows:

Phase 2 Stormwater: Any and all ponds/stormwater management facilities together with master drainage pipes, structures, inlets, manholes, mitered end sections, headwalls, water control structures, catch-basins, publicly-owned pipes providing drainage, curb and gutter providing drainage for streets and rights-of-way, dry stormwater retention basins, and related landscaping and stormwater facilities in and for the development of Eagletail Landing- Phase 2, all located on portions of the real property described in the following legal description:

TRACT S-5, AND THAT CERTAIN 10' AND 20' PRIVATE DRAINAGE EASEMENTS (ABBREVIATED "D.E.") LOCATED ALONG BACK AND/OR SIDE OF CERTAIN LOTS AND TRACTS, IF ANY, AS SHOWN ON THE PLAT KNOWN AS EAGLETAIL LANDING – PHASE 2, RECORDED IN THE OFFICIAL RECORDS OF LAKE COUNTY, FLORIDA, AT PLAT BOOK 83, PAGES 21 THROUGH 26, INCLUSIVE.

**ACKNOWLEDGMENT OF ACQUISITION OF CERTAIN INFRASTRUCTURE IMPROVEMENTS AND
THE RIGHT TO RELY UPON ANY WARRANTIES AND CONTRACT TERMS FOR THE
CONSTRUCTION OF SAME**

THIS ACQUISITION AND WARRANTY ACKNOWLEDGMENT is made the 19TH day of JULY, 2024, by **Hughes Brothers Construction, Inc.**, having offices located at 948 Walker Road, Wildwood, Florida 34785 ("**Contractor**"), in favor of the **Lake Harris Community Development District** ("**District**"), which is a local unit of special-purpose government situated in Osceola County, Florida, and having offices located 219 East Livingston Street, Orlando, Florida 32801.

SECTION 1. DESCRIPTION OF CONTRACTOR'S SERVICES. Contractor has provided construction services as general contractor in connection with the construction of certain infrastructure improvements (the "**Improvements**"), identified in **Exhibit A**, for Hanover 623 Holdings, LLC, a Florida limited liability company, a developer of lands within the District (the "**Developer**"). A copy of the contract for the construction of said Improvements is attached as **Exhibit B** ("**Construction Contract**").

SECTION 2. ACQUISITION OF IMPROVEMENTS. Contractor acknowledges that the District is or has acquired the Improvements, constructed by Contractor in connection with the Construction Contract attached as **Exhibit B**, from Developer, and thereby securing the unrestricted right to rely upon the terms of the Construction Contract for same.

SECTION 3. WARRANTY. Contractor hereby expressly acknowledges the District's right to enforce the terms of the Construction Contract, including any warranties provided therein and to rely upon and enforce any other warranties provided under Florida law.

SECTION 4. INDEMNIFICATION. Contractor indemnifies and holds the District harmless from any claims, demands, liabilities, judgments, costs, or other actions that may be brought against or imposed upon the District in connection with the Improvements identified in **Exhibits A and B** because of any act or omission of, whether caused in whole or in part by, Contractor, its agents, employees, or officers. Said indemnification shall include, but not be limited to, any reasonable attorney's fees and costs incurred by the District.

SECTION 5. CERTIFICATE OF PAYMENT. Contractor hereby acknowledges that it has been fully compensated for its services and work related to completion of the Improvements. Contractor further certifies that except as set forth herein, no outstanding requests for payment exist related to the Improvements identified in **Exhibit A**, including any payments to subcontractors, materialmen, suppliers or otherwise, and that there is no disagreement as to the appropriateness of payment made for the Improvements. Except as set forth herein, this document shall constitute a final waiver and release of lien for any payments due to Contractor by Developer or District for the Improvements.

Notwithstanding anything to the contrary herein, Contractor is owed approximately the

amount identified as Retainage in Exhibit A under the Contract and understands that such amounts shall be paid by Developer.

SECTION 6. EFFECTIVE DATE. This Acquisition and Warranty Acknowledgement shall take effect upon execution.

WITNESS

HUGHES BROTHERS CONSTRUCTION, INC.

Rhett Niewinski

Chad E. Hughes

RHETT NIEWINSKI

[print name]

By: Chad E. Hughes

Its: President

Josh Buzmale

JOSH BUZMALE

[print name]

EXHIBIT A

District-eligible improvements within that *Standard Form of Agreement Between Owner and Contractor*, by and between Hanover 623 Holdings, LLC and Hughes Brothers Construction, Inc., dated March 30, 2023 (signed by Owner on April 13, 2023), for Eagletail Landing Phase 2, as more particularly described as follows:

Phase 2 Stormwater: Any and all ponds/stormwater management facilities together with master drainage pipes, structures, inlets, manholes, mitered end sections, headwalls, water control structures, catch-basins, publicly-owned pipes providing drainage, curb and gutter providing drainage for streets and rights-of-way, dry stormwater retention basins, and related landscaping and stormwater facilities in and for the development of Eagletail Landing- Phase 2, all located on portions of the real property described in the following legal description:

TRACT S-5, AND THAT CERTAIN 10' AND 20' PRIVATE DRAINAGE EASEMENTS (ABBREVIATED "D.E.") LOCATED ALONG BACK AND/OR SIDE OF CERTAIN LOTS AND TRACTS, IF ANY, AS SHOWN ON THE PLAT KNOWN AS EAGLETAIL LANDING – PHASE 2, RECORDED IN THE OFFICIAL RECORDS OF LAKE COUNTY, FLORIDA, AT PLAT BOOK 83, PAGES 21 THROUGH 26, INCLUSIVE.

EXHIBIT B - CONTRACT

Standard Form of Agreement Between Owner and Contractor, by and between Hanover 623 Holdings, LLC and Hughes Brothers Construction, Inc., dated March 30, 2023 (signed by Owner on April 13, 2023), for Eagletail Landing Phase 2

AIA[®] Document A101[®] – 2017

Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum

AGREEMENT made as of the Thirtieth day of March in the year Two Thousand Twenty-Three
(*In words, indicate day, month and year.*)

BETWEEN the Owner:
(*Name, legal status, address and other information*)

Hanover 623 Holdings LLC
605 Commonwealth Ave.
Orlando, FL 32803
Telephone Number: Telephone Number: 407-426-6837

and the Contractor:
(*Name, legal status, address and other information*)

Hughes Brothers Construction, Inc.
948 Walker Road
Wildwood, FL 34785
Telephone Number: 352-399-6829
Fax Number: 352-399-6830

for the following Project:
(*Name, location and detailed description*)

Eagletail Landings Phase 2
City of Leesburg, Lake County, FL

The Architect:
(*Name, legal status, address and other information*)

GAI Consultants, Inc.
618 E. South Street, Suite 700, Orlando, FL 32801
Telephone Number: 407-423-8398

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

The parties should complete A101@-2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201@-2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

Init.

AIA Document A101 – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017. All rights reserved. "The American Institute of Architects," "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are trademarks of The American Institute of Architects. This document was produced by AIA software at 06:56:20 ET on 03/30/2023 under Order No.2114322581 which expires on 06/10/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents' Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(3B9ADA32)

TABLE OF ARTICLES

- 1 THE CONTRACT DOCUMENTS**
- 2 THE WORK OF THIS CONTRACT**
- 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**
- 4 CONTRACT SUM**
- 5 PAYMENTS**
- 6 DISPUTE RESOLUTION**
- 7 TERMINATION OR SUSPENSION**
- 8 MISCELLANEOUS PROVISIONS**
- 9 ENUMERATION OF CONTRACT DOCUMENTS**

EXHIBIT A INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be:

(Check one of the following boxes.)

The date of this Agreement.

A date set forth in a notice to proceed issued by the Owner.

Established as follows:

(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

§ 3.2 The Contract Time shall be measured from the date of commencement of the Work.

§ 3.3 Substantial Completion

§ 3.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall achieve Substantial Completion of the entire Work:

Init.

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User Notes:

(3B9ADA32)

(Check one of the following boxes and complete the necessary information.)

Not later than (235) calendar days from the date of commencement of the Work.

By the following date:

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date
-----------------	-----------------------------

§ 3.3.3 If the Contractor fails to achieve Substantial Completion as provided in this Section 3.3, liquidated damages, if any, shall be assessed as set forth in Section 4.5.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Four Million Seven Hundred and Seventy-Eight Thousand Nine Hundred Fifty-Seven Dollars and Forty Cents (\$ 4778957.40), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum:

Item	Price
------	-------

§ 4.2.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement. (Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance
------	-------	---------------------------

§ 4.3 Allowances, if any, included in the Contract Sum:
(Identify each allowance.)

Item	Price
------	-------

§ 4.4 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$0.00)
------	-----------------------	-------------------------

§ 4.5 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

§ 4.6 Other:
(Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)

Init.

ARTICLE 5 PAYMENTS

§ 5.1 Progress Payments

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the Twenty-Fifth day of a month, the Owner shall make payment of the amount certified to the Contractor not later than the Twenty-Fifth day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than Thirty (30) days after the Architect receives the Application for Payment.
(Federal, state or local laws may require payment within a certain period of time.)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Architect may require. This schedule of values shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 In accordance with AIA Document A201™-2017, General Conditions of the Contract for Construction, and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 5.1.6.1 The amount of each progress payment shall first include:

- .1 That portion of the Contract Sum properly allocable to completed Work;
- .2 That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing; and
- .3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified.

§ 5.1.6.2 The amount of each progress payment shall then be reduced by:

- .1 The aggregate of any amounts previously paid by the Owner;
- .2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201-2017;
- .3 Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;
- .4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201-2017; and
- .5 Retainage withheld pursuant to Section 5.1.7.

§ 5.1.7 Retainage

§ 5.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

10%

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§ 5.1.7.1.1 The following items are not subject to retainage:
(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

§ 5.1.7.2 Reduction or limitation of retainage, if any, shall be as follows:
(If the retainage established in Section 5.1.7.1 is to be modified prior to Substantial Completion of the entire Work, including modifications for Substantial Completion of portions of the Work as provided in Section 3.3.2, insert provisions for such modifications.)

§ 5.1.7.3 Except as set forth in this Section 5.1.7.3, upon Substantial Completion of the Work, the Contractor may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 5.1.7. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:
(Insert any other conditions for release of retainage upon Substantial Completion.)

§ 5.1.8 If final completion of the Work is materially delayed through no fault of the Contractor, the Owner shall pay the Contractor any additional amounts in accordance with Article 9 of AIA Document A201–2017.

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 Final Payment

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Architect.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

§ 5.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

1.50 % monthly

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017, unless the parties appoint below another individual, not a party to this Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

§ 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:
(Check the appropriate box.)

Arbitration pursuant to Section 15.4 of AIA Document A201–2017

Litigation in a court of competent jurisdiction

Other (Specify)

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201–2017.

§ 7.1.1 If the Contract is terminated for the Owner’s convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Contractor a termination fee as follows:
(Insert the amount of, or method for determining, the fee, if any, payable to the Contractor following a termination for the Owner’s convenience.)

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner’s representative:
(Name, address, email address, and other information)

605 Commonwealth Ave.
Orlando, FL 32803
Telephone Number: Telephone Number: 407-426-6837

§ 8.3 The Contractor’s representative:
(Name, address, email address, and other information)

Chad Hughes
948 Walker Road
Wildwood, FL 34785
Telephone Number: 352-399-6829

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Email Address: chadh@hughesbrothersinc.com

§ 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

§ 8.5 Insurance and Bonds

§ 8.5.1 The Owner and the Contractor shall purchase and maintain insurance as set forth in AIA Document A101™-2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, Exhibit A, Insurance and Bonds, and elsewhere in the Contract Documents.

§ 8.5.2 The Contractor shall provide bonds as set forth in AIA Document A101™-2017 Exhibit A, and elsewhere in the Contract Documents.

§ 8.6 Notice in electronic format, pursuant to Article 1 of AIA Document A201-2017, may be given in accordance with AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, if completed, or as otherwise set forth below:

(If other than in accordance with AIA Document E203-2013, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)

§ 8.7 Other provisions:

ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

- .1 AIA Document A101™-2017, Standard Form of Agreement Between Owner and Contractor
- .2 AIA Document A101™-2017, Exhibit A, Insurance and Bonds
- .3 AIA Document A201™-2017, General Conditions of the Contract for Construction
- .4 AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, dated as indicated below:
(Insert the date of the E203-2013 incorporated into this Agreement.)

.5 Drawings

Number	Title	Date
Plans prepared by GAI Consultants, Inc.	Eagletail Landings Phase 2	Revision 3 Dated 07/02/21

.6 Specifications

Section	Title	Date	Pages
---------	-------	------	-------

.7 Addenda, if any:

Number	Date	Pages
--------	------	-------

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

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.8 Other Exhibits:

(Check all boxes that apply and include appropriate information identifying the exhibit where required.)

[] AIA Document E204™-2017, Sustainable Projects Exhibit, dated as indicated below:
(Insert the date of the E204-2017 incorporated into this Agreement.)

[] The Sustainability Plan:

Title	Date	Pages
-------	------	-------

[X] Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
Attached Proposal by Hughes Brothers Construction, Inc.	Eagletail Landing Ph 2	Revised 03/23/23	4

.9 Other documents, if any, listed below:

(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201™-2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

This Agreement entered into as of the day and year first written above.

OWNER (Signature)

Stephen Orosz Vice President
(Printed name and title)

CONTRACTOR (Signature)

Chad Hughes, President
(Printed name and title)

4/13/23

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Additions and Deletions Report for AIA[®] Document A101[®] – 2017

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 06:56:20 ET on 03/30/2023.

PAGE 1

AGREEMENT made as of the Thirtieth day of March in the year Two Thousand Twenty-Three

...

Hanover 623 Holdings LLC
605 Commonwealth Ave.
Orlando, FL 32803
Telephone Number: Telephone Number: 407-426-6837

...

Hughes Brothers Construction, Inc.
948 Walker Road
Wildwood, FL 34785
Telephone Number: 352-399-6829
Fax Number: 352-399-6830

...

Eagletail Landings Phase 2
City of Leesburg, Lake County, FL

...

GAI Consultants, Inc.
618 E. South Street, Suite 700, Orlando, FL 32801
Telephone Number: 407-423-8398

PAGE 2

A date set forth in a notice to proceed issued by the Owner.

PAGE 3

Not later than -(235) calendar days from the date of commencement of the Work.

...

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Four Million Seven Hundred and Seventy-Eight Thousand Nine Hundred Fifty-Seven Dollars and Forty Cents (\$ 4778957.40), subject to additions and deductions as provided in the Contract Documents.

PAGE 4

§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the Twenty-Fifth day of a month, the Owner shall make payment of the amount certified to the Contractor not later than the Twenty-Fifth day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than Thirty (30) days after the Architect receives the Application for Payment.

...

10%

PAGE 5

1.50 % monthly

PAGE 6

Arbitration pursuant to Section 15.4 of AIA Document A201-2017

...

605 Commonwealth Ave.
Orlando, FL 32803
Telephone Number: Telephone Number: 407-426-6837

...

Chad Hughes
948 Walker Road
Wildwood, FL 34785
Telephone Number: 352-399-6829

Email Address: chadh@hughesbrothersinc.com

PAGE 7

Plans prepared by GAI Consultants, Eagletail Landings Phase Revision 3 Dated 07/02/21
Inc. 2

PAGE 8

Supplementary and other Conditions of the Contract:

...

Attached Proposal by Hughes
Brothers Construction, Inc.

Eagletail Landing Ph 2

Revised
03/23/23

4

.....

Chad Hughes, President

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, , hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 06:56:20 ET on 03/30/2023 under Order No. 2114322581 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A101™ - 2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, other than those additions and deletions shown in the associated Additions and Deletions Report.



(Signed)

President.

(Title)

3/31/2023

(Dated)

AIA® Document A201® – 2017

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address)

Eagletail Landings Phase 2
City of Leesburg, Lake County, FL

THE OWNER:

(Name, legal status and address)

Hanover 623 Holdings LLC
605 Commonwealth Ave.
Orlando, FL 32803

THE ARCHITECT:

(Name, legal status and address)

GAI Consultants, Inc.
618 E. South Street, Suite 700, Orlando, FL 32801

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ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

For guidance in modifying this document to include supplementary conditions, see AIA Document A503™, *Guide for Supplementary Conditions*.

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 Basic Definitions

§ 1.1.1 The Contract Documents

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement, and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive, or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding or proposal requirements.

§ 1.1.2 The Contract

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants, or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 The Work

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment, and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 The Project

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by Separate Contractors.

§ 1.1.5 The Drawings

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

§ 1.1.6 The Specifications

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 Instruments of Service

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 Initial Decision Maker

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The Initial Decision Maker shall not show partiality to the Owner or Contractor and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 1.2 Correlation and Intent of the Contract Documents

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent

consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 Capitalization

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles, or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 Interpretation

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 Ownership and Use of Drawings, Specifications, and Other Instruments of Service

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and retain all common law, statutory, and other reserved rights in their Instruments of Service, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors, and suppliers are authorized to use and reproduce the Instruments of Service provided to them, subject to any protocols established pursuant to Sections 1.7 and 1.8, solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and suppliers may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work without the specific written consent of the Owner, Architect, and the Architect's consultants.

§ 1.6 Notice

§ 1.6.1 Except as otherwise provided in Section 1.6.2, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission if a method for electronic transmission is set forth in the Agreement.

§ 1.6.2 Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery.

§ 1.7 Digital Data Use and Transmission

The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties will use AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

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§ 1.8 Building Information Models Use and Reliance

Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™-2013, Project Building Information Modeling Protocol Form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

ARTICLE 2 OWNER

§ 2.1 General

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor, within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of, or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.2 Evidence of the Owner's Financial Arrangements

§ 2.2.1 Prior to commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. The Contractor shall have no obligation to commence the Work until the Owner provides such evidence. If commencement of the Work is delayed under this Section 2.2.1, the Contract Time shall be extended appropriately.

§ 2.2.2 Following commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract only if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due; or (3) a change in the Work materially changes the Contract Sum. If the Owner fails to provide such evidence, as required, within fourteen days of the Contractor's request, the Contractor may immediately stop the Work and, in that event, shall notify the Owner that the Work has stopped. However, if the request is made because a change in the Work materially changes the Contract Sum under (3) above, the Contractor may immediately stop only that portion of the Work affected by the change until reasonable evidence is provided. If the Work is stopped under this Section 2.2.2, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided in the Contract Documents.

§ 2.2.3 After the Owner furnishes evidence of financial arrangements under this Section 2.2, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.4 Where the Owner has designated information furnished under this Section 2.2 as "confidential," the Contractor shall keep the information confidential and shall not disclose it to any other person. However, the Contractor may disclose "confidential" information, after seven (7) days' notice to the Owner, where disclosure is required by law, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or by court or arbitrator(s) order. The Contractor may also disclose "confidential" information to its employees, consultants, sureties, Subcontractors and their employees, Sub-subcontractors, and others who need to know the content of such information solely and exclusively for the Project and who agree to maintain the confidentiality of such information.

§ 2.3 Information and Services Required of the Owner

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements,

assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.3.2 The Owner shall retain an architect lawfully licensed to practice architecture, or an entity lawfully practicing architecture, in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 2.3.3 If the employment of the Architect terminates, the Owner shall employ a successor to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 2.3.4 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.3.6 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.4 Owner's Right to Stop the Work

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.5 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect and the Architect may, pursuant to Section 9.5.1, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner. If the Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

ARTICLE 3 CONTRACTOR

§ 3.1 General

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

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§ 3.2 Review of Contract Documents and Field Conditions by Contractor

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.3.4, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall submit Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner, subject to Section 15.1.7, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 Supervision and Construction Procedures

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work under the Contract. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Contractor shall evaluate the jobsite safety thereof and shall be solely responsible for the jobsite safety of such means, methods, techniques, sequences, or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely notice to the Owner and Architect, and shall propose alternative means, methods, techniques, sequences, or procedures. The Architect shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction. Unless the Architect objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 Labor and Materials

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

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§ 3.4.2 Except in the case of minor changes in the Work approved by the Architect in accordance with Section 3.12.8 or ordered by the Architect in accordance with Section 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 Warranty

§ 3.5.1 The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4.

§ 3.6 Taxes

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 Permits, Fees, Notices and Compliance with Laws

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 14 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may submit a Claim as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 Allowances

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 Superintendent

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the name and qualifications of a proposed superintendent. Within 14 days of receipt of the information, the Architect may notify the Contractor, stating whether the Owner or the Architect (1) has reasonable objection to the proposed superintendent or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 Contractor's Construction and Submittal Schedules

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the Contract Documents. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project.

§ 3.10.2 The Contractor, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, shall submit a submittal schedule for the Architect's approval. The Architect's approval shall not be unreasonably delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, or fails to provide submittals in accordance with the approved submittal schedule, the

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Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 Documents and Samples at the Site

The Contractor shall make available, at the Project site, the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and the approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and Owner, and delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.12 Shop Drawings, Product Data and Samples

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment, or workmanship, and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Architect, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of Separate Contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples, or similar submittals, until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals, by the Architect's approval thereof.

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§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures. The Contractor shall not be required to provide professional services in violation of applicable law.

§ 3.12.10.1 If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings, and other submittals prepared by such professional. Shop Drawings, and other submittals related to the Work, designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review and approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 3.12.10.2 If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Architect at the time and in the form specified by the Architect.

§ 3.13 Use of Site

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 Cutting and Patching

§ 3.14.1 The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or Separate Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

§ 3.15 Cleaning Up

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials and rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery, and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 Access to Work

The Contractor shall provide the Owner and Architect with access to the Work in preparation and progress wherever located.

§ 3.17 Royalties, Patents and Copyrights

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for defense or loss when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications, or other documents prepared by the Owner or Architect. However, if an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Architect.

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 General

§ 4.1.1 The Architect is the person or entity retained by the Owner pursuant to Section 2.3.2 and identified as such in the Agreement.

§ 4.1.2 Duties, responsibilities, and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified, or extended without written consent of the Owner, Contractor, and Architect. Consent shall not be unreasonably withheld.

§ 4.2 Administration of the Contract

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the

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Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of, and will not be responsible for acts or omissions of, the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 Communications

The Owner and Contractor shall include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner. The Contract Documents may specify other communication protocols.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data, and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5, and 3.12. The Architect's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more Project representatives to assist in carrying out the Architect's responsibilities at the site. The Owner shall notify the Contractor of any change in the duties, responsibilities and limitations of authority of the Project representatives.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations

and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 Definitions

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a Separate Contractor or the subcontractors of a Separate Contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 Award of Subcontracts and Other Contracts for Portions of the Work

§ 5.2.1 Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 Subcontractual Relations

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work that the Contractor, by these Contract Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies, and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor,

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prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 Contingent Assignment of Subcontracts

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 Owner's Right to Perform Construction and to Award Separate Contracts

§ 6.1.1 The term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under Conditions of the Contract substantially similar to those of this Contract, including those provisions of the Conditions of the Contract related to insurance and waiver of subrogation.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each Separate Contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces or with Separate Contractors, the Owner or its Separate Contractors shall have the same obligations and rights that the Contractor has under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11, and 12.

§ 6.2 Mutual Responsibility

§ 6.2.1 The Contractor shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work,

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promptly notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work shall constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work. The Contractor shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not apparent.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a Separate Contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage that the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or Separate Contractor as provided in Section 10.2.5.

§ 6.2.5 The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 Owner's Right to Clean Up

If a dispute arises among the Contractor, Separate Contractors, and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 General

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor, and Architect. A Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor. An order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

§ 7.2 Change Orders

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor, and Architect stating their agreement upon all of the following:

- 1 The change in the Work;
- 2 The amount of the adjustment, if any, in the Contract Sum; and
- 3 The extent of the adjustment, if any, in the Contract Time.

§ 7.3 Construction Change Directives

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

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- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 7.3.4.

§ 7.3.4 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.4 shall be limited to the following:

- .1 Costs of labor, including applicable payroll taxes, fringe benefits required by agreement or custom, workers' compensation insurance, and other employee costs approved by the Architect;
- .2 Costs of materials, supplies, and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use, or similar taxes, directly related to the change; and
- .5 Costs of supervision and field office personnel directly attributable to the change.

§ 7.3.5 If the Contractor disagrees with the adjustment in the Contract Time, the Contractor may make a Claim in accordance with applicable provisions of Article 15.

§ 7.3.6 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.7 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 Minor Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in writing. If the Contractor believes that the proposed minor change in the Work will

affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

ARTICLE 8 TIME

§ 8.1 Definitions

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 Progress and Completion

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, commence the Work prior to the effective date of insurance required to be furnished by the Contractor and Owner.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 Delays and Extensions of Time

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, adverse weather conditions documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor's control; (4) by delay authorized by the Owner pending mediation and binding dispute resolution; or (5) by other causes that the Contractor asserts, and the Architect determines, justify delay, then the Contract Time shall be extended for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 Contract Sum

§ 9.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.2 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 9.2 Schedule of Values

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit a schedule of values to the Architect before the first Application for Payment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Any changes to the schedule of values shall be submitted to the Architect and supported by such data to substantiate its accuracy as the Architect may require, and

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unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's subsequent Applications for Payment.

§ 9.3 Applications for Payment

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. The application shall be notarized, if required, and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage, and transportation to the site, for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims, security interests, or encumbrances, in favor of the Contractor, Subcontractors, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work.

§ 9.4 Certificates for Payment

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Architect determines is properly due, and notify the Contractor and Owner of the Architect's reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Architect's reason for withholding certification in whole as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion, and to specific qualifications expressed by the Architect. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques, sequences, or procedures; (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 Decisions to Withhold Certification

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims, unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or suppliers for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a Separate Contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When either party disputes the Architect's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, that party may submit a Claim in accordance with Article 15.

§ 9.5.3 When the reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.4 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or supplier to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Contractor shall reflect such payment on its next Application for Payment.

§ 9.6 Progress Payments

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors and suppliers to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay, or to see to the payment of money to, a Subcontractor or supplier, except as may otherwise be required by law.

§ 9.6.5 The Contractor's payments to suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

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§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors or provided by suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, create any fiduciary liability or tort liability on the part of the Contractor for breach of trust, or entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.6.8 Provided the Owner has fulfilled its payment obligations under the Contract Documents, the Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

§ 9.7 Failure of Payment

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents, the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 Substantial Completion

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate. Upon such acceptance, and consent of surety if any, the Owner shall make payment of retainage applying to the Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 Partial Occupancy or Use

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor, and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 Final Completion and Final Payment

§ 9.10.1 Upon receipt of the Contractor's notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection. When the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties, such as manufacturers' warranties or specific Subcontractor warranties, and (6) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging the lien, claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed, corrected, and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of the surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

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- § 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from
- .1 liens, Claims, security interests, or encumbrances arising out of the Contract and unsettled;
 - .2 failure of the Work to comply with the requirements of the Contract Documents;
 - .3 terms of special warranties required by the Contract Documents; or
 - .4 audits performed by the Owner, if permitted by the Contract Documents, after final payment.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor, or a supplier, shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 Safety of Persons and Property

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury, or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody, or control of the Contractor, a Subcontractor, or a Sub-subcontractor; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with, and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss.

§ 10.2.3 The Contractor shall implement, erect, and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards; promulgating safety regulations; and notifying the owners and users of adjacent sites and utilities of the safeguards.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment, or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 Injury or Damage to Person or Property

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 Hazardous Materials and Substances

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and notify the Owner and Architect of the condition.

§ 10.3.2 Upon receipt of the Contractor's notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of the material or substance or who are to perform the task of removal or safe containment of the material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable additional costs of shutdown, delay, and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss, or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for hazardous materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall reimburse the Contractor for all cost and expense thereby incurred.

§ 10.4 Emergencies

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

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ARTICLE 11 INSURANCE AND BONDS

§ 11.1 Contractor's Insurance and Bonds

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner, Architect, and Architect's consultants shall be named as additional insureds under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

§ 11.1.2 The Contractor shall provide surety bonds of the types, for such penal sums, and subject to such terms and conditions as required by the Contract Documents. The Contractor shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located.

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ 11.1.4 **Notice of Cancellation or Expiration of Contractor's Required Insurance.** Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

§ 11.2 Owner's Insurance

§ 11.2.1 The Owner shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Owner shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located.

§ 11.2.2 **Failure to Purchase Required Property Insurance.** If the Owner fails to purchase and maintain the required property insurance, with all of the coverages and in the amounts described in the Agreement or elsewhere in the Contract Documents, the Owner shall inform the Contractor in writing prior to commencement of the Work. Upon receipt of notice from the Owner, the Contractor may delay commencement of the Work and may obtain insurance that will protect the interests of the Contractor, Subcontractors, and Sub-Subcontractors in the Work. When the failure to provide coverage has been cured or resolved, the Contract Sum and Contract Time shall be equitably adjusted. In the event the Owner fails to procure coverage, the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent the loss to the Owner would have been covered by the insurance to have been procured by the Owner. The cost of the insurance shall be charged to the Owner by a Change Order. If the Owner does not provide written notice, and the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain the required insurance, the Owner shall reimburse the Contractor for all reasonable costs and damages attributable thereto.

§ 11.2.3 **Notice of Cancellation or Expiration of Owner's Required Property Insurance.** Within three (3) business days of the date the Owner becomes aware of an impending or actual cancellation or expiration of any property insurance required by the Contract Documents, the Owner shall provide notice to the Contractor of such impending or actual cancellation or expiration. Unless the lapse in coverage arises from an act or omission of the Contractor: (1) the Contractor, upon receipt of notice from the Owner, shall have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by either the Owner or the Contractor; (2) the Contract Time and Contract Sum shall be equitably adjusted; and (3) the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent any loss to the Owner would have been covered by the insurance had it not expired or been cancelled. If the Contractor purchases replacement coverage, the cost of the insurance shall be charged to the Owner by an appropriate Change Order. The furnishing of notice by the Owner shall not relieve the Owner of any contractual obligation to provide required insurance.

§ 11.3 Waivers of Subrogation

§ 11.3.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other; (2) the Architect and Architect's consultants; and (3) Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire, or other causes of loss, to the extent those losses are covered by property insurance required by the Agreement or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance. The Owner or Contractor, as appropriate, shall require similar written waivers in favor of the individuals and entities identified above from the Architect, Architect's consultants, Separate Contractors, subcontractors, and sub-subcontractors. The policies of insurance purchased and maintained by each person or entity agreeing to waive claims pursuant to this section 11.3.1 shall not prohibit this waiver of subrogation. This waiver of subrogation shall be effective as to a person or entity (1) even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) even though that person or entity did not pay the insurance premium directly or indirectly, or (3) whether or not the person or entity had an insurable interest in the damaged property.

§ 11.3.2 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, to the extent permissible by such policies, the Owner waives all rights in accordance with the terms of Section 11.3.1 for damages caused by fire or other causes of loss covered by this separate property insurance.

§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance

The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Contractor and Architect for loss of use of the Owner's property, due to fire or other hazards however caused.

§ 11.5 Adjustment and Settlement of Insured Loss

§ 11.5.1 A loss insured under the property insurance required by the Agreement shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The Owner shall pay the Architect and Contractor their just shares of insurance proceeds received by the Owner, and by appropriate agreements the Architect and Contractor shall make payments to their consultants and Subcontractors in similar manner.

§ 11.5.2 Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall deposit the insurance proceeds in a separate account and make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 Uncovering of Work

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, the Contractor shall be entitled to an equitable adjustment to

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the Contract Sum and Contract Time as may be appropriate. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

§ 12.2 Correction of Work

§ 12.2.1 Before Substantial Completion

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 After Substantial Completion

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of notice from the Owner to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.5.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or Separate Contractors, whether completed or partially completed, caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 Acceptance of Nonconforming Work

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 Governing Law

The Contract shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 Successors and Assigns

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.

§ 13.3 Rights and Remedies

§ 13.3.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law.

§ 13.3.2 No action or failure to act by the Owner, Architect, or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed upon in writing.

§ 13.4 Tests and Inspections

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections, and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 13.4.2 If the Architect, Owner, or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Section 13.4.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection, or approval, by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.4.3, shall be at the Owner's expense.

§ 13.4.3 If procedures for testing, inspection, or approval under Sections 13.4.1 and 13.4.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure, including those of repeated procedures and compensation for the Architect's services and expenses, shall be at the Contractor's expense.

§ 13.4.4 Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.4.5 If the Architect is to observe tests, inspections, or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.4.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.5 Interest

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate the parties agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 Termination by the Contractor

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped;
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 The Owner has failed to furnish to the Contractor reasonable evidence as required by Section 2.2.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, as well as reasonable overhead and profit on Work not executed, and costs incurred by reason of such termination.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 Termination by the Owner for Cause

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements between the Contractor and the Subcontractors or suppliers;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the reasons described in Section 14.2.1 exist, and upon certification by the Architect that sufficient cause exists to justify such action, the Owner may, without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance,

the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 Suspension by the Owner for Convenience

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work, in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 Termination by the Owner for Convenience

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed; costs incurred by reason of the termination, including costs attributable to termination of Subcontracts; and the termination fee, if any, set forth in the Agreement.

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 Claims

§ 15.1.1 Definition

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

§ 15.1.2 Time Limits on Claims

The Owner and Contractor shall commence all Claims and causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the binding dispute resolution method selected in the Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all Claims and causes of action not commenced in accordance with this Section 15.1.2.

§ 15.1.3 Notice of Claims

§ 15.1.3.1 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered prior to expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party under this Section 15.1.3.1 shall be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

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§ 15.1.3.2 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party. In such event, no decision by the Initial Decision Maker is required.

§ 15.1.4 Continuing Contract Performance

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

§ 15.1.4.2 The Contract Sum and Contract Time shall be adjusted in accordance with the Initial Decision Maker's decision, subject to the right of either party to proceed in accordance with this Article 15. The Architect will issue Certificates for Payment in accordance with the decision of the Initial Decision Maker.

§ 15.1.5 Claims for Additional Cost

If the Contractor wishes to make a Claim for an increase in the Contract Sum, notice as provided in Section 15.1.3 shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.6 Claims for Additional Time

§ 15.1.6.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, notice as provided in Section 15.1.3 shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.6.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated, and had an adverse effect on the scheduled construction.

§ 15.1.7 Waiver of Claims for Consequential Damages

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit, except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 Initial Decision

§ 15.2.1 Claims, excluding those where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2 or arising under Sections 10.3, 10.4, and 11.5, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim. If an initial decision has not been rendered within 30 days after the Claim has been referred to the Initial Decision Maker, the party asserting the Claim may demand mediation and binding dispute resolution without a decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the

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Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of the request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished, or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of receipt of an initial decision, demand in writing that the other party file for mediation. If such a demand is made and the party receiving the demand fails to file for mediation within 30 days after receipt thereof, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 Mediation

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract, except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.7, shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 Either party may, within 30 days from the date that mediation has been concluded without resolution of the dispute or 60 days after mediation has been demanded without resolution of the dispute, demand in writing that the other party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within 60 days after receipt thereof, then both parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.

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§ 15.3.4 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 Arbitration

§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. The Arbitration shall be conducted in the place where the Project is located, unless another location is mutually agreed upon. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement, shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 Consolidation or Joinder

§ 15.4.4.1 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as those of the Owner and Contractor under this Agreement.

Additions and Deletions Report for AIA® Document A201® – 2017

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 06:58:18 ET on 03/30/2023.

PAGE 1

Eagletail Landings Phase 2
City of Leesburg, Lake County, FL

...

Hanover 623 Holdings LLC
605 Commonwealth Ave.
Orlando, FL 32803

...

GAI Consultants, Inc.
618 E. South Street, Suite 700, Orlando, FL 32801

Certification of Document's Authenticity
AIA® Document D401™ – 2003

I, , hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 06:58:18 ET on 03/30/2023 under Order No. 2114322581 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A201™ - 2017, General Conditions of the Contract for Construction, other than those additions and deletions shown in the associated Additions and Deletions Report.



(Signed)

President

(Title)

3/31/2023

(Dated)

Eagletail Landing Ph 2



Hughes Brothers Construction, Inc.

948 Walker Road
Wildwood, FL 34785

Contact: Hunter Carter
Phone: 352-399-6829
Fax: 352-399-6830

Quote To: Hanover Land
Attn: Doug Beasley
(407) 426-6837
Phone:
Fax:
Date: 3/23/23

Job Name: Eagletail Landing Ph 2
Date of Plans: 7/2/21
Revision Date:

Bid # 2023-047

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1000	Mobilization	1.00	LS	13,850.00	13,850.00
1010	Survey & Layout	1.00	LS	61,200.00	61,200.00
1020	As-Builts	1.00	LS	20,530.00	20,530.00
1030	NPDES Monitoring & Maintenance	1.00	LS	9,200.00	9,200.00
1040	Geo-Testing	1.00	LS	48,595.00	48,595.00
1050	Construction Entrance	1.00	EA	4,315.00	4,315.00
1060	TOTAL GENERAL CONDITIONS				157,690.00
1070	Clearing & Grubbing	3.00	AC	4,600.00	13,800.00
1080	Site Excavation (Cut, Fill, Balance)	42,501.00	CY	3.15	133,878.15
1090	Fine Grade Lots	80,100.00	SY	0.60	48,060.00
1100	Fine Grade ROW	11,465.00	SY	0.60	6,879.00
1110	Fine Grade Disturbed Areas	18,335.00	SY	0.60	11,001.00
1120	Fine Grade Slopes & Swales	30,445.00	SY	0.65	19,789.25
1130	Fine Grade Pond Slopes	4,210.00	SY	0.65	2,736.50
1140	TOTAL EARTHWORK				236,143.90
1150	Sod Entire ROW	11,465.00	SY	3.10	35,541.50
1160	Sod Slopes & Swales	30,445.00	SY	3.10	94,379.50
1170	Sod Pond Slopes	4,210.00	SY	3.10	13,051.00
1180	Seed & Mulch Lots	80,100.00	SY	0.35	28,035.00
1190	Seed & Mulch Dist. Areas	18,335.00	SY	0.35	6,417.25
1200	TOTAL GRASSING				177,424.25
1210	15" HDPE	660.00	LF	43.25	28,545.00
1220	18" RCP	1,760.00	LF	66.55	117,128.00
1230	24" RCP	1,990.00	LF	92.10	183,279.00
1240	36" RCP	580.00	LF	176.75	102,515.00
1250	48" RCP	560.00	LF	303.20	169,792.00
1255	18" MES	1.00	EA	1,580.00	1,580.00
1260	24" MES	3.00	EA	1,890.00	5,670.00
1270	48" MES	1.00	EA	7,375.00	7,375.00

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1280	Type P-5 Curb Inlet	26.00	EA	8,935.00	232,310.00
1290	Type P-6 Curb Inlet	3.00	EA	8,795.00	26,385.00
1300	Type J-5 Curb Inlet	4.00	EA	13,825.00	55,300.00
1310	Type J-6 Curb Inlet	1.00	EA	13,025.00	13,025.00
1320	Type C Inlet	5.00	EA	3,770.00	18,850.00
1330	Type E Inlet	1.00	EA	6,635.00	6,635.00
1340	Type P Manhole	5.00	EA	4,760.00	23,800.00
1350	Type J Manhole	3.00	EA	8,595.00	25,785.00
1360	MES Splash Pad	3.00	EA	865.00	2,595.00
1370	Testing	5,290.00	LF	4.95	26,185.50
1380	TOTAL STORM				1,046,754.50
1390	0/6 8" PVC Sewer	275.00	LF	39.30	10,807.50
1400	6/8 8" PVC Sewer	2,505.00	LF	42.25	105,836.25
1410	8/10 8" PVC Sewer	1,150.00	LF	46.15	53,072.50
1420	10/12 8" PVC Sewer	560.00	LF	68.85	38,556.00
1430	10/12 8" DIP Sewer	70.00	LF	126.35	8,844.50
1440	12/14 8" DIP Sewer	30.00	LF	134.65	4,039.50
1450	Sanitary Manhole (0'-6')	1.00	EA	4,955.00	4,955.00
1460	Sanitary Manhole (6'-8')	10.00	EA	5,690.00	56,900.00
1470	Sanitary Manhole (8'-10')	4.00	EA	7,070.00	28,280.00
1480	Sanitary Manhole (10'-12')	3.00	EA	8,505.00	25,515.00
1490	Single Service	6.00	EA	1,052.85	6,317.10
1500	Double Service	61.00	EA	1,657.15	101,086.15
1510	Testing	4,590.00	LF	5.00	22,950.00
1520	TOTAL SEWER				467,159.50
1530	Lift Station Complete	1.00	LS	415,125.00	415,125.00
1540	TOTAL LIFT STATION				415,125.00
1550	4" PVC Forcemain	580.00	LF	22.20	12,876.00
1560	4" DIP Forcemain	100.00	LF	79.15	7,915.00
1570	6" PVC Forcemain	2,000.00	LF	27.80	55,600.00
1580	6" DIP Forcemain	120.00	LF	79.10	9,492.00
1590	4" Plug Valve	2.00	EA	1,440.00	2,880.00
1600	6" Plug Valve	4.00	EA	4,575.00	18,300.00
1610	Blow-Off Assembly	1.00	EA	2,565.00	2,565.00
1620	Fittings	1.00	LS	15,370.00	15,370.00
1630	Testing	2,800.00	LF	2.15	6,020.00
1640	TOTAL FORCEMAIN				131,018.00
1650	Connect to Existing	1.00	EA	5,625.00	5,625.00
1660	Temporary Jumper Connection	1.00	EA	2,125.00	2,125.00
1670	6" PVC Watermain	1,760.00	LF	35.25	62,040.00
1680	8" PVC Watermain	560.00	LF	49.85	27,916.00
1690	10" PVC Watermain	2,245.00	LF	69.60	156,252.00
1700	6" DIP Watermain	60.00	LF	58.20	3,492.00
1710	8" DIP Watermain	280.00	LF	66.85	18,718.00
1720	10" DIP Watermain	295.00	LF	78.40	23,128.00
1730	6" Gate Valve	6.00	EA	1,870.00	11,220.00
1740	8" Gate Valve	8.00	EA	2,515.00	20,120.00

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1750	10" Gate Valve	12.00	EA	3,685.00	44,220.00
1760	Fittings	1.00	LS	35,665.00	35,665.00
1770	Single Service	25.00	EA	1,261.00	31,525.00
1780	Double Service	52.00	EA	2,276.00	118,352.00
1790	Lift Station Service	1.00	EA	5,045.00	5,045.00
1800	Fire Hydrant Assembly	10.00	EA	7,850.00	78,500.00
1810	Blow-Off Assembly	9.00	EA	1,660.00	14,940.00
1820	Testing	5,200.00	LF	4.45	23,140.00
1830	TOTAL WATERMAIN				682,023.00
1840	Connect to Existing	1.00	EA	3,440.00	3,440.00
1850	6" PVC Reclaim	1,920.00	LF	34.65	66,528.00
1860	8" PVC Reclaim	2,900.00	LF	49.65	143,985.00
1870	6" DIP Reclaim	160.00	LF	58.40	9,344.00
1880	8" DIP Reclaim	340.00	LF	67.35	22,899.00
1890	6" Gate Valve	11.00	EA	1,870.00	20,570.00
1900	8" Gate Valve	14.00	EA	2,515.00	35,210.00
1910	Fittings	1.00	LS	40,705.00	40,705.00
1920	Single Service	6.00	EA	1,310.00	7,860.00
1930	Double Service	60.00	EA	2,165.00	129,900.00
1940	Blow-Off Assembly	8.00	EA	1,660.00	13,280.00
1950	Testing	5,320.00	LF	2.15	11,438.00
1960	TOTAL RECLAIM				505,159.00
1970	12" Stabilized Subgrade	16,250.00	SY	11.95	194,187.50
1980	6" Limerock Base	12,500.00	SY	15.25	190,625.00
1990	1.5" SP-9.5 Asphalt	12,500.00	SY	16.30	203,750.00
2000	Miami Curb	8,980.00	LF	20.60	184,988.00
2020	Type D Curb	325.00	LF	40.25	13,081.25
2025	Valley Gutter	100.00	LF	40.25	4,025.00
2030	Sidewalk	5,220.00	SF	7.15	37,323.00
2040	Lift Station Driveway	870.00	SF	10.65	9,265.50
2050	Handicap Ramps	13.00	EA	1,380.00	17,940.00
2060	Signage & Striping	1.00	LS	40,825.00	40,825.00
2070	TOTAL ROADWAY				896,010.25
2080	Survey Layout for Conduit Crossings	1.00	LS	4,500.00	4,500.00
2090	2" SCH 40 Conduit F&I	500.00	LF	16.75	8,375.00
2100	4" SCH 40 Conduit F&I	500.00	LF	25.95	12,975.00
2110	6" SCH 40 Conduit F&I	500.00	LF	40.75	20,375.00
2120	2" SCH 40 Conduit Install Only	500.00	LF	10.95	5,475.00
2130	4" SCH 40 Conduit Install Only	500.00	LF	12.00	6,000.00
2140	6" SCH 40 Conduit Install Only	500.00	LF	13.50	6,750.00
2150	TOAL CONDUIT ALLOWANCE				64,450.00
GRAND TOTAL					\$4,778,957.40

NOTES:

Bid Qualifications:

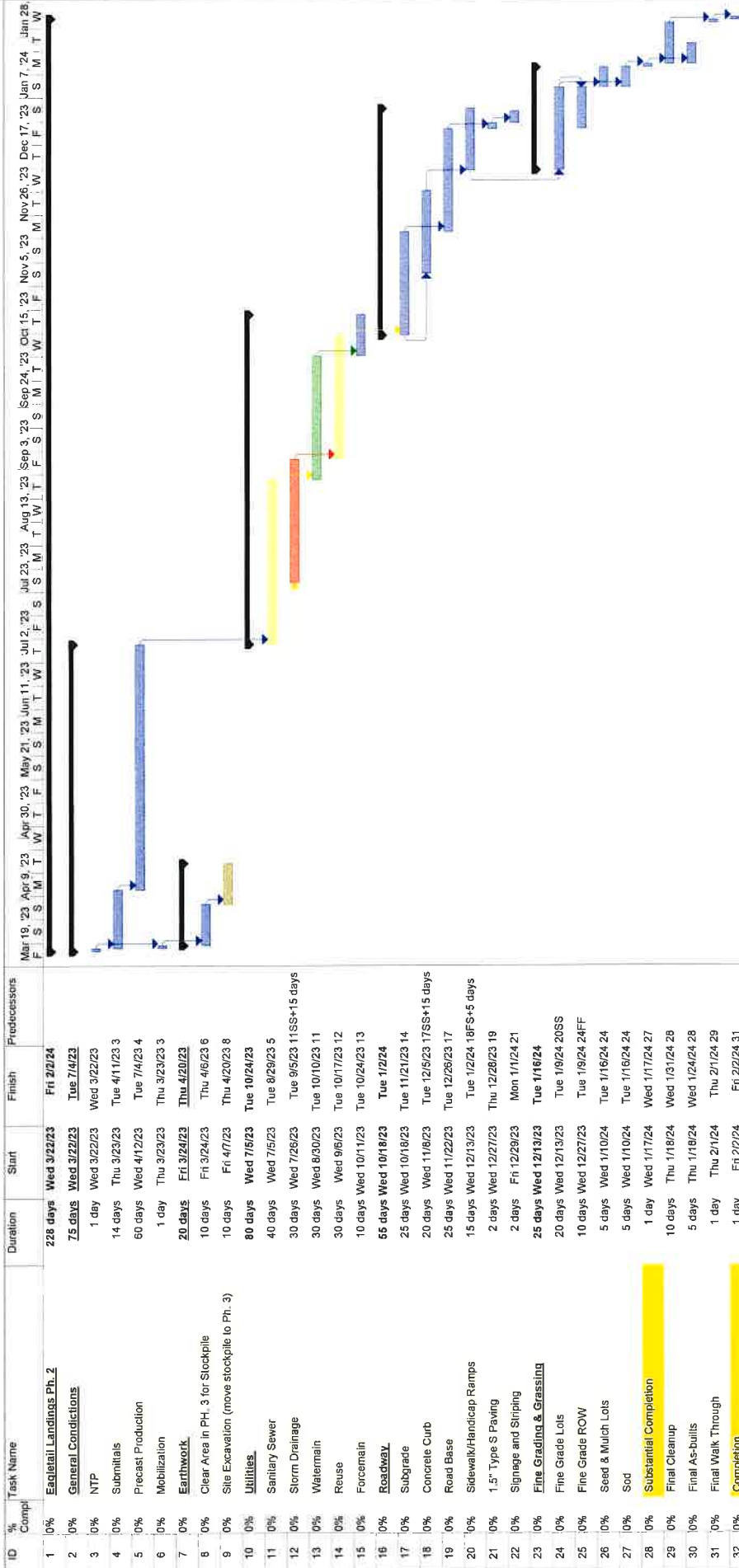
1. This proposal is valid no more than 15 days from bid due date.

Suo
4/13/23

2. Due to the current landscape of the utility market, all underground utility pricing is subject to change and will be priced at time of shipping.
3. This proposal is based on Engineered plans provided by GAI Engineering dated July 2nd, 2021.
4. Proposal includes one mobilization. If additional mobilizations are required due to situations outside of HBC's control additional costs may occur.
5. Permits, bonds and fees are excluded.
6. Construction layout is included for HBC scope of work only. Staking of utilities including power, telecommunications, gas, and irrigation is excluded.
7. Certified as-builts included for HBC scope of work only. Record drawings are by others and excluded.
8. Density testing is included.
9. Clearing unit price is based upon open burning onsite. Pit burning and/or grinding is excluded.
10. Topo to be field verified before breaking ground.
11. Dewatering included for HBC scope of work only. Unforeseen circumstances such as springs, wells, extreme weather conditions, acts of God and any other conditions that were not readily apparent at time of proposal are excluded. Temporary holding ponds, settling basins, and chemical testing of discharge water are excluded.
12. Proposal is based on all on-site excavating materials being suitable for use in site fills.
13. Unsuitable, contaminated, muck, or hazardous material removal and/or replacement is excluded.
14. Dust control included in earthwork operations consists of one water truck while earthwork crew is onsite. Additional dust control required in addition to one truck is excluded.
15. Retaining wall is quoted as a standard gray color segmental block retaining wall with geogrid tie-back system. Adequacy of the proposed system for site specific conditions cannot be verified until structural design is performed after awarding of contract. Screen wall is excluded.
16. HBC is not responsible for the cleanup and/or disposal of waste generated by any subcontractor not contracted by HBC.
17. Proposal includes fine grading ROW one time only. Regrading due to utility installation not included within HBC's contract scope is excluded.
18. Sidewalk quantity included is for open tract areas only based upon attached exhibit. All other sidewalk is excluded.
19. Sodding quantity included is based upon attached exhibit and includes pond slopes, site slopes 4:1 and greater, swales, etc. Any sodding beyond the limits of the attached exhibit is excluded.
20. Conduit crossings allowance included, qty's subject to change based on conduit plan to be provided by Developer at a later date.
21. Irrigation, landscaping, fencing (including the 8' high opaque privacy fencing) and hardscaping are excluded.
22. Well abandonment is excluded.
23. This proposal is furnished as a complete scope of work as defined above and shall be contracted to HBC in its entirety. Individual line items shall not be removed without prior authorization of HBC. Items not defined in this proposal shall be considered excluded.
24. Payment terms shall be per the Contract agreement or no later than 30 days after issuance of HBC invoice.
25. Asphalt prices are based upon the FDOT Bituminous Average Price Index and have been projected utilizing current index pricing and historical pricing trends. Due to the volatility of market pricing, prices are not guaranteed and are subject to adjustment prior to commencement of applicable work. If the cost of liquid bituminous increases by greater than 5% then the owner/contractor shall make adjustments to the contract based on the amount of actual, documented increases.
26. Offroad diesel fuel is incorporated and unit pricing guaranteed up to a rate of \$4.50/GAL including taxes & fees. Due to the volatility of market pricing, prices are not guaranteed over the rate of \$4.50/GAL. If the cost of offroad diesel fuel increases above this rate then the owner/contractor shall make adjustments to the contract based on the amount of actual, documented increases.
27. HBC warrants all installation and workmanship for the above-referenced project in accordance with the plans, specifications, and other relevant documents for a period of one year from date of final completion. This warranty excludes normal wear and tear, product abuse/misuse, material defects, alterations of any kind performed by persons other than HBC, and damage resulting from vandalism and acts of God.

Eagletail Ph. 2
Hughes Brothers Construction, Inc

3/20/2023



Legend for Gantt Chart:

- Task: Blue bar
- Spill: Yellow bar
- Milestone Summary: Red bar
- Project Summary: Grey bar
- External Milestone: Dotted line
- Inactive Task: Red bar
- Inactive Milestone: Dotted line
- External Task: Blue bar
- External Milestone: Dotted line
- Manual Task: Dotted line
- Manual Summary: Dotted line
- Duration-only: Dotted line
- Manual Summary Rollup: Dotted line
- Start-only: Blue bar
- Finish-only: Blue bar
- External Tasks: Blue bar
- External Milestone: Dotted line
- Progress: Blue bar
- Deadline: Black bar

Handwritten signature and date: 4/10/23



Description:	4/30/23	5/31/23	6/30/23	7/31/23	8/31/23	9/30/23	10/31/23	11/30/23	12/31/23	1/31/24	2/29/24	Total
General Conditions	\$ 14,470.00	\$ 820.00	\$ 820.00	\$ 21,544.00	\$ 21,544.00	\$ 21,544.00	\$ 21,544.00	\$ 21,544.00	\$ 17,148.00	\$ 9,048.00	\$ 7,663.00	\$ 157,690.00
Clearing and Grubbing	\$ 13,800.00											\$ 13,800.00
Site Excavation	\$ 133,878.15											\$ 133,878.15
Sanitary Sewer			\$ 120,000.00	\$ 138,863.80	\$ 138,863.80	\$ 69,431.90						\$ 467,159.50
Storm Drainage			\$ 222,053.00	\$ 300,000.00	\$ 300,000.00	\$ 90,201.50						\$ 1,046,754.50
Watermain		\$ 134,500.00		\$ 116,328.10	\$ 49,854.90	\$ 272,809.20	\$ 272,809.20	\$ 136,404.60				\$ 682,023.00
Reuse					\$ 146,844.00	\$ 67,795.20	\$ 135,590.40	\$ 135,590.40				\$ 505,159.00
Forcemain						\$ 97,895.00	\$ 180,841.80	\$ 120,561.20				\$ 546,143.00
Conduit Crossings						\$ 62,200.00	\$ 62,200.00					\$ 124,400.00
Subgrade							\$ 77,675.00	\$ 116,512.50	\$ 63,407.93			\$ 194,187.50
Road Base								\$ 147,951.83	\$ 142,968.75			\$ 211,359.75
Sidewalks & HC Ramps								\$ 47,656.25	\$ 33,157.80	\$ 22,105.20		\$ 55,263.00
Paving									\$ 61,125.00	\$ 142,625.00		\$ 203,750.00
Signage and Stripping									\$ 28,577.50	\$ 12,247.50		\$ 40,825.00
Fine Grading									\$ 17,693.15			\$ 88,465.75
Sod & Grassiq						\$ 17,693.15	\$ 26,539.73	\$ 26,539.73	\$ 70,969.70	\$ 53,227.28		\$ 177,424.25
Total	\$ 162,148.15	\$ 135,320.00	\$ 342,873.00	\$ 576,736.90	\$ 657,106.70	\$ 699,570.95	\$ 794,942.55	\$ 788,245.35	\$ 435,047.83	\$ 239,252.98	\$ 7,663.00	\$ 4,838,907.40

Description	Contract	Projection	Difference
General Conditions	\$ 157,690.00	\$ 157,690.00	\$ -
Earthwork	\$ 236,143.90	\$ 236,143.90	\$ -
Grassing	\$ 177,424.25	\$ 177,424.25	\$ -
Sewer	\$ 467,159.50	\$ 467,159.50	\$ -
Storm	\$ 1,046,754.50	\$ 1,046,754.50	\$ -
Watermain	\$ 682,023.00	\$ 682,023.00	\$ -
Reuse	\$ 505,159.00	\$ 505,159.00	\$ -
Forcemain	\$ 546,143.00	\$ 546,143.00	\$ -
Conduit Allowance	\$ 124,400.00	\$ 124,400.00	\$ -
Roadway	\$ 896,010.25	\$ 896,010.25	\$ -

Sumo
4/13/23

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that **Hanover 623 Holdings, LLC**, a Florida limited liability company, whose address for purposes hereof is 605 Commonwealth Avenue, Orlando, Florida 32803 ("**Seller**"), and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, to it paid by the **Lake Harris Community Development District**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes* ("**District**") whose address is 219 East Livingston Street, Orlando, Florida 32801, the receipt whereof is hereby acknowledged, has granted, bargained, sold, transferred and delivered, and by these presents does grant, bargain, sell, transfer, and deliver unto the District, its successors and assigns, the following described property, assets and rights, to-wit:

SEE EXHIBIT A ("PROPERTY")

TO HAVE AND TO HOLD all of the foregoing unto the District, its successors and assigns, for its own use forever, free and clear and discharged of and from any and all obligations, claims or liens.

AND the Seller does hereby covenant to and with the District, its successors and assigns, that they are the lawful owners of the above-described personal property and assets; that said personal property and assets are free from all liens and encumbrances; that Seller has good right to sell said personal property and assets; that all contractors, subcontractors and material men furnishing labor or materials relative to the construction of the personal property and assets have been paid in full; and that Seller will warrant and defend the sale of its said personal property and assets hereby made, unto the District, its successors and assigns, against the lawful claims and demands of all persons whosoever.

[signature contained on following page]

IN WITNESS WHEREOF, the Seller has caused this instrument to be executed in its name this 26 day of July 2024.

Signed, sealed and delivered in the presence of:

HANOVER 623 HOLDINGS, LLC,
a Florida limited liability company

By: Hanover Land Company, LLC, its Manager

Witnessed. [Signature]

Print Name: TAN TRAN

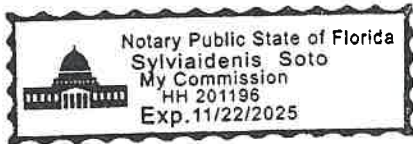
[Signature]
Print Name: ANDRES ARVELO

By: [Signature]
Print Name: Stephen W. Orosz
Print Title: Vice President

STATE OF FLORIDA
COUNTY OF ORANGE

I hereby certify that on this day, before me by means of physical presence or online notarization, an officer duly authorized to take acknowledgments, Stephen W. Orosz as Vice President of Hanover Land Company, LLC, a Florida limited liability company, as Manager of Hanover 623 Holdings, LLC, a Florida limited liability company, on behalf of the company, who executed the foregoing instrument, acknowledged before me that he executed the same on behalf of the foregoing entity and was identified in the manner indicated below.

Witness my hand and official seal this 26 day of July 2024.



[Signature]
Notary Public

Personally known:
Produced Identification: _____
Type of Identification: _____

EXHIBIT A: PROPERTY

EXHIBIT A

Description of Improvements to be Acquired:

Phase 2 Stormwater: Any and all ponds/stormwater management facilities together with master drainage pipes, structures, inlets, manholes, mitered end sections, headwalls, water control structures, catch-basins, publicly-owned pipes providing drainage, curb and gutter providing drainage for streets and rights-of-way, dry stormwater retention basins, and related landscaping and stormwater facilities in and for the development of Eagletail Landing- Phase 2, all located on portions of the real property described in the following legal description:

TRACT S-5, AND THAT CERTAIN 10' AND 20' PRIVATE DRAINAGE EASEMENTS (ABBREVIATED "D.E.") LOCATED ALONG BACK AND/OR SIDE OF CERTAIN LOTS AND TRACTS, IF ANY, AS SHOWN ON THE PLAT KNOWN AS EAGLETAIL LANDING – PHASE 2, RECORDED IN THE OFFICIAL RECORDS OF LAKE COUNTY, FLORIDA, AT PLAT BOOK 83, PAGES 21 THROUGH 26, INCLUSIVE.

Description of Related Work Product to be Acquired:

Any and all site plans, construction and development drawings, plans and specifications, documents, surveys, engineering and soil reports and studies, licenses, permits, zoning approvals, entitlements, permits, drainage rights, bonds, and similar or equivalent private and governmental documents of every kind and character whatsoever pertaining or applicable to or in any way connected with the above improvements which constitute portions of Series 2023 Project of the Lake Harris Community Development District also known as Eagletail Landings – Phase 2, and Approved September 15, 2021.

PREPARED BY AND RETURN TO:

Michelle K. Rigoni, Esq.
KUTAK ROCK LLP
107 West College Avenue
Tallahassee, Florida 32301

SPECIAL WARRANTY DEED
WITH GRANT OF NON-EXCLUSIVE, PERPETUAL EASEMENT

THIS SPECIAL WARRANTY DEED is executed as of this 26 day of July 2024, by **HANOVER 623 HOLDINGS, LLC**, a Florida limited liability company, whose address is 605 Commonwealth Avenue, Orlando, Florida 32803, (hereinafter called the “Grantor”), in favor of **LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government, with a mailing address of 219 East Livingston Street, Orlando, Florida 32801 (hereinafter called the “Grantee”).

[Wherever used herein, the terms “Grantor” and “Grantee” shall include the singular and plural, heirs, legal representatives, successors and assigns of individuals, and the successors and assigns of corporations, as the context requires.]

WITNESSETH:

That the Grantor, for and in consideration of the sum of \$10.00 and other valuable considerations, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the Grantee, all that certain land, and related easement rights, situated in Lake County, Florida, further described in **Exhibit A**. Subject to restrictions, covenants, conditions and easements, of record; however, reference hereto shall not be deemed to reimpose same.

TOGETHER with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the Grantor hereby covenants with said Grantee that the Grantor is lawfully seized of said land in fee simple; that the Grantor has good right and lawful authority to sell and convey said land; and hereby warrants the title to said land and will defend the same against the lawful claims of all persons or entities whomsoever claiming by, through or under Grantor.

Grantor represents that Grantor has complied with the requirements of Section 196.295, *Florida Statutes*.

Note to Recorder: This deed conveys unencumbered property to a local unit of special-purpose government for no taxable consideration. Accordingly, pursuant to Rule 12B-4.014, F.A.C., only minimal documentary stamp tax is being paid hereon.

IN WITNESS WHEREOF, the Grantor has hereunto set its hand and seal the day and year first above written.

“GRANTOR”

Signed, sealed and delivered

HANOVER 623 HOLDINGS, LLC, a Florida limited liability company

By: Hanover Land Company, LLC
Its: Manager

By: [Signature]
Name: Stephen W. Orosz
Title: Vice President

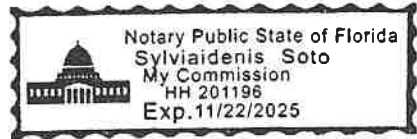
[Signature]
Print Name: TAN TRAN
Address: 605 Commonwealth Ave
Orlando, FL 32803

[Signature]
Print Name: ANDRES ANEB
Address: 605 COMMONWEALTH AVE
Orlando, FL. 32803

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 26 day of July, 2024, by Stephen W. Orosz as Vice President of Hanover Land Company, LLC, as Manager of Hanover 623 Holdings, LLC, a Florida limited liability company, who is personally known to me or produced _____ as identification.

[Signature]
NOTARY PUBLIC, STATE OF FLORIDA



Sylviaidenis Soto
(Print, Type or Stamp Commissioned Name of Notary Public)

Exhibit A
Legal Description

PROPERTY:

TRACT S-5, AS SHOWN ON THE PLAT KNOWN AS EAGLETAIL LANDING – PHASE 2, RECORDED IN THE OFFICIAL RECORDS OF LAKE COUNTY, FLORIDA, AT PLAT BOOK 83, PAGES 21 THROUGH 26, INCLUSIVE.

GRANT OF EASEMENT:

NON-EXCLUSIVE, PERPETUAL EASEMENT RIGHTS MORE PARTICULARLY DESCRIBED AS:

THAT CERTAIN 10' AND 20' PRIVATE DRAINAGE EASEMENTS (ABBREVIATED "D.E.") LOCATED ALONG BACK AND/OR SIDE OF CERTAIN LOTS AND TRACTS, AS SHOWN ON THE PLAT KNOWN AS EAGLETAIL LANDING – PHASE 2, RECORDED IN THE OFFICIAL RECORDS OF LAKE COUNTY, FLORIDA, AT PLAT BOOK 83, PAGES 21 THROUGH 26, INCLUSIVE.

SECTION VI

**LAKE HARRIS
COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Lake Harris Community Development District
City of Leesburg, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lake Harris Community Development District, City of Leesburg, Florida ("District") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2023, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the 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.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 opinions. 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 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 would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 judgment, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 we 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 Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c) but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 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, contracts, grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

June 5, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Lake Harris Community Development District, City of Leesburg, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

The District was established pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes and created by Ordinance No. 22-30 of the City of City of Leesburg, Florida effective on April 25, 2022. As a result, the balances as of and for the period ended September 30, 2022 are for less than a twelve month period.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$761,487.
- The change in the District's total net position in comparison with the prior fiscal year was \$761,305, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2023, the District's governmental funds reported combined ending fund balance of \$399,488, an increase of \$391,400 in comparison with the prior fiscal year. The total fund balance is restricted for debt service and capital projects and the remainder is unassigned fund balance.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessments and developer contributions. The District does not have any business-type activities. The governmental activities of the District include the general government (management) function.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Key components of the District's net position are reflected in the following table:

NET POSITION		
SEPTEMBER 30,		
	2023	2022
Current and other assets	\$ 406,970	\$ 15,913
Capital assets, net of depreciation	4,906,758	-
Total assets	<u>5,313,728</u>	<u>15,913</u>
Current liabilities	72,284	7,825
Long-term liabilities	4,479,957	7,906
Total liabilities	<u>4,552,241</u>	<u>15,731</u>
Net position		
Net investment in capital assets	502,822	-
Restricted	332,825	-
Unrestricted	(74,160)	182
Total net position	<u>\$ 761,487</u>	<u>\$ 182</u>

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION		
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2023	2022*
Revenues:		
Program revenues		
Operating grants and contributions	\$ 51,983	\$ 35,939
Capital grants and contributions	1,117,098	-
Total revenues	<u>1,169,081</u>	<u>35,939</u>
Expenses:		
General government	55,251	35,757
Bond issue costs	287,681	-
Interest	64,844	-
Total expenses	<u>407,776</u>	<u>35,757</u>
Change in net position	761,305	182
Net position - beginning	182	-
Net position - ending	<u>\$ 761,487</u>	<u>\$ 182</u>

*For the period from inception April 25, 2022 through September 30, 2022

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2023 was \$407,776. The costs of the District's activities were primarily funded by program revenues which were comprised of Developer contributions. The District also received funds from investment earnings which are included in program revenues.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2023, the District had \$4,906,758 invested in capital assets which represents infrastructure under construction. In the government-wide financial statements no depreciation has been taken. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2023, the District had \$4,485,000 Bonds outstanding. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

Subsequent to fiscal year end the District anticipates an increase in operations as the District is built out.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Lake Harris Community Development District's Finance Department at 219 E. Livingston Street, Orlando, FL 32801.

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 7,611
Due from Developer	1,732
Restricted assets:	
Investments	397,627
Capital assets:	
Nondepreciable	4,906,758
Total assets	5,313,728
 LIABILITIES	
Accounts payable	5,750
Contracts and retainage payable	1,732
Accrued interest payable	64,802
Non-current liabilities:	
Due within one year	65,000
Due in more than one year	4,414,957
Total liabilities	4,552,241
 NET POSITION	
Net investment in capital assets	502,822
Restricted for debt service	321,804
Restricted for capital projects	11,021
Unrestricted	(74,160)
Total net position	\$ 761,487

See notes to the financial statements

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 55,251	\$ 49,024	\$ -	\$ (6,227)
Maintenance and operations	-	-	1,095,677	1,095,677
Interest on long-term debt	64,844	2,959	21,421	(40,464)
Bond issue costs	287,681	-	-	(287,681)
Total governmental activities	407,776	51,983	1,117,098	761,305
				761,305
				182
				\$ 761,487

See notes to the financial statements

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash and cash equivalents	\$ 7,611	\$ -	\$ -	\$ 7,611
Investments	-	386,606	11,021	397,627
Due from Developer	-	-	1,732	1,732
Total assets	<u>\$ 7,611</u>	<u>\$ 386,606</u>	<u>\$ 12,753</u>	<u>\$ 406,970</u>
LIABILITIES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5,750	\$ -	\$ -	\$ 5,750
Contract Payable	-	-	1,732	1,732
Total liabilities	<u>5,750</u>	<u>-</u>	<u>1,732</u>	<u>7,482</u>
Fund balances:				
Restricted for:				
Debt service	-	386,606	-	386,606
Capital projects	-	-	11,021	11,021
Unassigned	1,861	-	-	1,861
Total fund balances	<u>1,861</u>	<u>386,606</u>	<u>11,021</u>	<u>399,488</u>
Total liabilities and fund balances	<u>\$ 7,611</u>	<u>\$ 386,606</u>	<u>\$ 12,753</u>	<u>\$ 406,970</u>

See notes to the financial statements

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Fund balance - governmental funds	\$	399,488
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	4,906,758		
Accumulated depreciation	-		4,906,758

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable	(64,802)		
Bonds payable	(4,479,957)		(4,544,759)

Net position of governmental activities	\$	761,487
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See notes to the financial statements

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Developer contributions	\$ 49,024	\$ -	\$ 1,732	\$ 50,756
Interest earnings	-	2,959	21,421	24,380
Total revenues	<u>49,024</u>	<u>2,959</u>	<u>23,153</u>	<u>75,136</u>
EXPENDITURES				
Current:				
General government	55,251	-	-	55,251
Debt service:				
Principal	-	-	7,906	7,906
Bond issuance costs	-	-	287,681	287,681
Capital outlay	-	-	3,812,813	3,812,813
Total expenditures	<u>55,251</u>	<u>-</u>	<u>4,108,400</u>	<u>4,163,651</u>
Excess (deficiency) of revenues over (under) expenditures	(6,227)	2,959	(4,085,247)	(4,088,515)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(2,362)	2,362	-
Bond proceeds	-	386,009	4,098,991	4,485,000
Original issue discount	-	-	(5,085)	(5,085)
Total other financing sources (uses)	<u>-</u>	<u>383,647</u>	<u>4,096,268</u>	<u>4,479,915</u>
Net change in fund balances	(6,227)	386,606	11,021	391,400
Fund balances - beginning	<u>8,088</u>	<u>-</u>	<u>-</u>	<u>8,088</u>
Fund balances - ending	<u>\$ 1,861</u>	<u>\$ 386,606</u>	<u>\$ 11,021</u>	<u>\$ 399,488</u>

See notes to the financial statements

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Net change in fund balances - total governmental funds	\$ 391,400
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, the cost of those assets is eliminated in the statement of activities and capitalized in the statement of net position.	3,812,813
Repayment of long-term liabilities are reported as expenditures in the governmental fund statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	7,906
Governmental funds report the face amount of Bonds issued as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	(4,485,000)
In connection with the issuance of the Bonds, the original issue discount/premium is reported as a financing use/source when debt is first issued, whereas this amount is eliminated in the statement of activities and reduces/increases long-term liabilities in the statement of net position.	5,085
Amortization of Bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(42)
The statement of activities reports noncash contributions as revenues, but these revenues are not reported in the governmental fund financial statements.	1,093,945
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the governmental fund financial statements.	(64,802)
Change in net position of governmental activities	<u>\$ 761,305</u>

See notes to the financial statements

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - NATURE OF ORGANIZATION AND REPORTING ENTITY

Lake Harris Community Development District (the "District") was established by the Board of Commissioners of City of Leesburg's approval of Ordinance No. 22-30 effective on April 25, 2022 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. The Board exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. As of September 30, 2023, three of the Board members are affiliated with Hanover Land Company ("Developer").

The Board has the responsibility for:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

Assessments are non-ad valorem assessments on benefited property within the District. Operating and maintenance assessments are based upon the adopted budget and levied annually at a public hearing of the District. Debt service assessments are levied when Bonds are issued and assessed and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection under Florida Statutes. Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by the County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the debt service assessments on their property subject to various provisions in the Bond documents.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

No depreciation has been taken in the current fiscal year as the District's infrastructure and other capital assets are under construction.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 - BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board, unless otherwise delegated by the Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriations for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District's investments were held as follows at September 30, 2023:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
US Bank Gcts 0490	\$ 397,627	N/A	N/A
	<u>\$ 397,627</u>		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

However, the Bond Indenture limits the type of investments held using unspent proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2023 were as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Transfer out</u>
Debt service	\$ -	\$ (2,362)
Capital projects	<u>2,362</u>	<u>-</u>
Total	<u>\$ 2,362</u>	<u>\$ (2,362)</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the debt service fund to the capital projects fund were made in accordance with the Bond Indentures.

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Infrastructure under construction	\$ -	\$ 4,906,758	\$ -	\$ 4,906,758
Total capital assets, not being depreciated	-	4,906,758	-	4,906,758
Governmental activities capital assets, net	\$ -	\$ 4,906,758	\$ -	\$ 4,906,758

The infrastructure intended to serve the District has been estimated at a total cost of approximately \$25,514,674. A portion of the project costs was expected to be financed with the proceeds from the issuance of Bonds with the remainder to be funded by the Developer and conveyed to the District. Upon completion, certain improvements are to be conveyed to others for ownership and maintenance responsibilities. During the current fiscal year the District acquired infrastructure improvements from the Developer at a total cost of \$3,797,526. In addition, the Developer contributed \$1,096,945 of infrastructure improvements to the District during the current fiscal year.

NOTE 7 – LONG-TERM LIABILITIES

Series 2023

On July 6, 2023, the District issued \$4,485,000 of Special Assessment Bonds, Series 2023, consisting of multiple term bonds with due dates ranging from May 1, 2030 – May 1, 2053 and fixed interest rates ranging from 4.7% to 5.625%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2024 through May 1, 2053.

The Series 2023 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2023.

Changes in long-term liability activity for the fiscal year ended September 30, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2023	\$ -	\$ 4,485,000	\$ -	\$ 4,485,000	\$ 65,000
Less: original issue discount	-	(5,085)	(42)	(5,043)	-
Direct borrowings:					
Developer advances	7,906	-	7,906	-	-
Total	\$ 7,906	\$ 4,479,915	\$ 7,864	\$ 4,479,957	\$ 65,000

NOTE 7 – LONG-TERM LIABILITIES (Continued)

At September 30, 2023, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2024	\$ 65,000	\$ 199,477	\$ 264,477
2025	65,000	240,376	305,376
2026	70,000	237,320	307,320
2027	75,000	234,030	309,030
2028	75,000	230,504	305,504
2029-2033	450,000	1,093,096	1,543,096
2034-2038	585,000	960,136	1,545,136
2039-2043	765,000	784,644	1,549,644
2044-2048	1,005,000	549,844	1,554,844
2049-2053	1,330,000	232,312	1,562,312
	<u>\$ 4,485,000</u>	<u>\$ 4,761,739</u>	<u>\$ 9,246,739</u>

NOTE 8 - DEVELOPER TRANSACTIONS

The Developer has agreed to fund the general operations of the District. In connection with that agreement, Developer contributions to the general fund was \$49,024 as of September 30, 2023.

NOTE 9 - CONCENTRATION

The District's activity is dependent upon the continued involvement of the Developer and major landowners, the loss of which could have a material adverse effect on the District's operations.

NOTE 10 - MANAGEMENT COMPANY

The District has contracted with a management company to perform services which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims since inception of the District.

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Developer Contributions	\$ 135,210	\$ 49,024	\$ (86,186)
Total revenues	<u>135,210</u>	<u>49,024</u>	<u>(86,186)</u>
EXPENDITURES			
Current:			
General government	135,210	55,251	79,959
Total expenditures	<u>135,210</u>	<u>55,251</u>	<u>79,959</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>(6,227)</u>	<u>\$ (6,227)</u>
Fund balance - beginning		<u>8,088</u>	
Fund balance - ending		<u>\$ 1,861</u>	

See notes to required supplementary information

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2023.

**LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
CITY OF LEESBURG, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	0
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	2
Employee compensation	\$ 800.00
Independent contractor compensation	\$ 4,167,753.03
Construction projects to begin on or after October 1; (\$65K)	Not applicable
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate	Operations and maintenance - N/A Debt service - N/A
Special assessments collected	N/A
Outstanding Bonds:	see Note 7 for details.



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

To the Board of Supervisors
Lake Harris Community Development District
City of Leesburg, 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 of the governmental activities and the major fund of Lake Harris Community Development District, City of Leesburg, Florida ("District") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

June 5, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
Lake Harris Community Development District
City of Leesburg, Florida

We have examined Lake Harris Community Development District, City of Leesburg, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2023. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

This report 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, management, and the Supervisors of Lake Harris Community Development District, City of Leesburg, Florida and is not intended to be and should not be used by anyone other than these specified parties.

June 5, 2024



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
Lake Harris Community Development District
City of Leesburg, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Lake Harris Community Development District, City of Leesburg, Florida ("District") as of and for fiscal year ended September 30, 2023, and have issued our report thereon dated June 5, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional 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 June 5, 2024, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Lake Harris Community Development District, City of Leesburg, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Lake Harris Community Development District, City of Leesburg, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

June 5, 2024

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None.

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2022.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2023.

3. 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 which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2023.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.
7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 23.

SECTION VII

SECTION C

SECTION 1

Lake Harris Community Development District

Summary of Check Register

October 1, 2023 to December 31, 2023

Fund	Date	Check No.'s	Amount
General Fund	10/24/23	42-45	\$ 160,592.09
	10/25/23	46	\$ 8,793.66
	11/3/23	47	\$ 1,732.20
	11/13/23	48-49	\$ 3,973.89
	11/28/23	50	\$ 467.00
	12/11/23	51-52	\$ 7,615.69
Total Amount			\$ 183,174.53

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
10/24/23	00002	8/31/23 00058169	202308 310-51300-48000	NOT OF BUDGET MTG FY-24	*	840.28	
		9/30/23 00059102	202309 310-51300-48000	BOS MEETING-FY24	*	130.08	
							970.36 000042
10/24/23	00003	8/29/23 19215	202308 300-15500-10000	FY24 INSURANCE POLICY	*	5,200.00	
							5,200.00 000043
10/24/23	00005	8/15/23 3265510	202307 310-51300-31500	ATTORNEY SVCS-JUL23	*	970.48	
							970.48 000044
10/24/23	00010	10/20/23 10202023	202310 300-20700-10000	DEBT SVCS TRNF-DIRECT BIL	*	153,451.25	
							153,451.25 000045
10/25/23	00001	10/01/23 21	202310 310-51300-34000	MANAGEMENT FEES-OCT23	*	3,125.00	
		10/01/23 21	202310 310-51300-35200	WEBSITE ADMIN-OCT23	*	100.00	
		10/01/23 21	202310 310-51300-35100	INFORMATION TECH-OCT23	*	150.00	
		10/01/23 21	202310 310-51300-31300	DISSEMINATION SVCS-OCT23	*	416.67	
		10/01/23 21	202310 310-51300-51000	OFFICE SUPPLIES	*	.09	
		10/01/23 21	202310 310-51300-42000	POSTAGE	*	1.90	
		10/01/23 22	202310 310-51300-31700	ASSESSMENT ROLL-FY24	*	5,000.00	
							8,793.66 000046
11/03/23	00005	9/27/23 3282423	202310 300-20700-10200	SER23 FR#1	*	1,732.20	
							1,732.20 000047
11/13/23	00004	10/02/23 89513	202310 310-51300-54000	SPECIAL DISTRICT FEE FY24	*	175.00	
							175.00 000048
11/20/23	00001	11/01/23 23	202311 310-51300-34000	MANAGEMENT FEES-NOV23	*	3,125.00	
		11/01/23 23	202311 310-51300-35200	WEBSITE ADMIN-NOV23	*	100.00	

LKHA LAKE HARRIS CD CWRIGHT

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
11/01/23	23	202311	310-51300-35100	INFORMATION TECH-NOV23	*	150.00	
11/01/23	23	202311	310-51300-31300	DISSEMINATION SVCS-NOV23	*	416.67	
11/01/23	23	202311	310-51300-51000	OFFICE SUPPLIES	*	.15	
11/01/23	23	202311	310-51300-42000	POSTAGE	*	3.17	
11/01/23	23	202311	310-51300-42500	COPIES	*	3.90	
GOVERNMENTAL MANAGEMENT SERVICES							3,798.89 000049
11/28/23	00005	11/22/23	3311991 202310 310-51300-31500	ATTORNEY SVCS-OCT23	*	467.00	
KUTAK ROCK LLP							467.00 000050
12/11/23	00001	12/01/23	24 202312 310-51300-34000	MANAGEMENT FEES-DEC23	*	3,125.00	
12/01/23	24	202312	310-51300-35200	WEBSITE ADMIN-DEC23	*	100.00	
12/01/23	24	202312	310-51300-35100	INFORMATION TECH-DEC23	*	150.00	
12/01/23	24	202312	310-51300-31300	DISSEMINATION SVCS	*	416.67	
12/01/23	24	202312	310-51300-51000	OFFICE SUPPLIES	*	.12	
12/01/23	24	202312	310-51300-42000	POSTAGE	*	14.71	
GOVERNMENTAL MANAGEMENT SERVICES							3,806.50 000051
12/11/23	00005	9/27/23	3282422 202308 310-51300-31500	ATTORNEY SVCS-AUG23	*	3,543.69	
10/25/23	3296815	202309	310-51300-31500	ATTORNEY SVC-SEP23	*	265.50	
KUTAK ROCK LLP							3,809.19 000052
TOTAL FOR BANK A						183,174.53	
TOTAL FOR REGISTER						183,174.53	

LKHA LAKE HARRIS CD CWRIGHT

Lake Harris Community Development District

Summary of Check Register

January 1, 2024 to January 31, 2024

Fund	Date	Check No.'s	Amount
General Fund	1/2/24	53	\$ 346.50
	1/18/24	54	\$ 3,791.67
Total Amount			\$ 4,138.17

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
1/02/24	00005	12/13/23 3326123	202311 310-51300-31500	ATTORNEY SVCS-NOV23	*	346.50	
							346.50 000053
----- KUTAK ROCK LLP -----							
1/18/24	00001	1/01/24 25	202401 310-51300-34000	MANAGEMENT FEES-JAN24	*	3,125.00	
		1/01/24 25	202401 310-51300-35200	WEBSITE ADMIN-JAN24	*	100.00	
		1/01/24 25	202401 310-51300-35100	INFORMATION TECH-JAN24	*	150.00	
		1/01/24 25	202401 310-51300-31300	DISSEMINATION SVCS-JAN24	*	416.67	
							3,791.67 000054
----- GOVERNMENTAL MANAGEMENT SERVICES -----							
TOTAL FOR BANK A						4,138.17	
TOTAL FOR REGISTER						4,138.17	

Lake Harris Community Development District

Summary of Check Register

February 1, 2024 to February 29, 2024

Fund	Date	Check No.'s	Amount
General Fund	2/7/24	55-56	\$ 365.50
	2/19/24	57	\$ 3,796.72
Total Amount			\$ 4,162.22

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
2/05/24	00012	1/26/24	A0196182	202401 310-51300-49000 MEETING SPACE JUL & AUG23	*	375.00		
		1/26/24	A0196182	202401 310-51300-49000 MEETING SPACE JUL & AUG23	V	375.00-		
							LAKE-SUMTER STATE COLLEGE	.00 000055
2/07/24	00005	1/30/24	3342218	202312 310-51300-31500 ATTORNEY SVCS-DEC23	*	365.50		
							KUTAK ROCK LLP	365.50 000056
2/19/24	00001	2/01/24	26	202402 310-51300-34000 MANAGEMENT FEES-FEB24	*	3,125.00		
		2/01/24	26	202402 310-51300-35200 WEBSITE ADMIN-FEB24	*	100.00		
		2/01/24	26	202402 310-51300-35100 INFORMATION TECH-FEB24	*	150.00		
		2/01/24	26	202402 310-51300-31300 DISSEMINATION SVCS	*	416.67		
		2/01/24	26	202402 310-51300-51000 OFFICE SUPPLIES	*	.21		
		2/01/24	26	202402 310-51300-42000 POSTAGE	*	4.84		
							GOVERNMENTAL MANAGEMENT SERVICES	3,796.72 000057
						TOTAL FOR BANK A	4,162.22	
						TOTAL FOR REGISTER	4,162.22	

Lake Harris Community Development District

Summary of Check Register

March 1, 2024 to March 31, 2024

Fund	Date	Check No.'s	Amount
General Fund	3/11/24	58	\$ 3,795.52
	3/25/24	59	\$ 76,725.62
	3/28/24	60	\$ 832.10
Total Amount			\$ 81,353.24

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
3/11/24	00001	3/01/24 27	202403 310-51300-34000	MANAGEMENT FEES-MAR24	*	3,125.00	
		3/01/24 27	202403 310-51300-35200	WEBSITE ADMIN-MAR24	*	100.00	
		3/01/24 27	202403 310-51300-35100	INFORMATION TECH-MAR24	*	150.00	
		3/01/24 27	202403 310-51300-31300	DISSEMINATION SVCS-MAR24	*	416.67	
		3/01/24 27	202403 310-51300-51000	OFFICE SUPPLIES	*	.21	
		3/01/24 27	202403 310-51300-42000	POSTAGE	*	3.64	

GOVERNMENTAL MANAGEMENT SERVICES							
						3,795.52	000058
3/25/24	00010	3/25/24 03252024	202403 300-20700-10000	DIRECT ASSESS TRANSF S23	*	76,725.62	

LAKE HARRIS C/O USBANK							
						76,725.62	000059
3/28/24	00005	3/26/24 3368016-	202401 310-51300-31500	ATTORNEY SVCS-JAN24	*	416.05	
		3/26/24 3368016-	202402 310-51300-31500	ATTORNEY SVCS-PH 1 FEB24	*	416.05	

KUTAK ROCK LLP							
						832.10	000060

TOTAL FOR BANK A						81,353.24	
TOTAL FOR REGISTER						81,353.24	

Lake Harris Community Development District

Summary of Check Register

April 1, 2024 to May 31, 2024

Fund	Date	Check No.'s	Amount
General Fund	4/15/24	61-62	\$ 3,882.25
	4/29/24	63	\$ 5,100.00
	5/13/24	64	\$ 3,805.01
	5/15/24	65	\$ 76,725.62
	5/29/24	66	\$ 1,274.00
Total Amount			\$ 90,786.88

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
4/15/24	00011	3/31/24	00063352	202403 310-51300-48000		NOTICE OF MEETING	*	90.58		
									90.58	000061
GANNETT MEDIA CORP DBA										
4/15/24	00001	4/01/24	28	202404 310-51300-34000		MANAGEMENT FEES APR24	*	3,125.00		
		4/01/24	28	202404 310-51300-35200		WEBSITE ADMIN APR24	*	100.00		
		4/01/24	28	202404 310-51300-35100		INFORMATION TECH APR24	*	150.00		
		4/01/24	28	202404 310-51300-31300		DISSEMINATION SVCS APR24	*	416.67		
									3,791.67	000062
GOVERNMENTAL MANAGEMENT SERVICES										
4/29/24	00009	3/01/24	25281	202403 310-51300-32200		AUDIT FYE 09/30/2023	*	5,100.00		
									5,100.00	000063
GRAU AND ASSOCIATES										
5/13/24	00001	5/01/24	29	202405 310-51300-34000		MANAGEMENT FEES-MAY24	*	3,125.00		
		5/01/24	29	202405 310-51300-35200		WEBSITE ADMIN-MAY24	*	100.00		
		5/01/24	29	202405 310-51300-35100		INFORMATION TECH-MAY24	*	150.00		
		5/01/24	29	202405 310-51300-31300		DISSEMINATION SVCS	*	416.67		
		5/01/24	29	202405 310-51300-51000		OFFICE SUPPLIES	*	.06		
		5/01/24	29	202405 310-51300-42000		POSTAGE	*	13.28		
									3,805.01	000064
GOVERNMENTAL MANAGEMENT SERVICES										
5/15/24	00010	5/14/24	05142024	202405 300-20700-10000		DIRECT ASSESS TRFER S2023	*	76,725.62		
									76,725.62	000065
LAKE HARRIS C/O USBANK										
5/29/24	00005	4/30/24	3382837	202403 310-51300-31500		ATTORNEY SVCS-MAR24	*	538.00		
		5/28/24	3396062	202404 310-51300-31500		ATTORNEY SVCS-APR24	*	736.00		
									1,274.00	000066
KUTAK ROCK LLP										
								TOTAL FOR BANK A	90,786.88	
								TOTAL FOR REGISTER	90,786.88	

LKHA LAKE HARRIS CD NSOLER

Lake Harris Community Development District

Summary of Check Register

June 1, 2024 to August 12, 2024

Fund	Date	Check No.'s	Amount
General Fund	6/10/24	67	\$ 83.33
	6/19/24	68	\$ 3,803.29
	7/2/24	69	\$ 1,000.00
	7/16/24	70	\$ 3,811.04
	7/19/24	71-72	\$ 758.00
	7/25/24	73	\$ 345.00
	8/5/24	74	\$ 621.50
Total Amount			\$ 10,422.16

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
6/10/24	00012	6/04/24	A0203069	202405	310	51300	49000		MEETING SPACE MAY 22,2024	*	83.33		
LAKE-SUMTER STATE COLLEGE												83.33	000067
6/19/24	00001	6/01/24	30	202406	310	51300	34000		MANAGEMENT FEES-JUN24	*	3,125.00		
		6/01/24	30	202406	310	51300	35200		WEBSITE ADMIN-JUN24	*	100.00		
		6/01/24	30	202406	310	51300	35100		INFORMATION TECH-JUN24	*	150.00		
		6/01/24	30	202406	310	51300	31300		DISSEMINATION SVCS	*	416.67		
		6/01/24	30	202406	310	51300	51000		OFFICE SUPPLIES	*	.03		
		6/01/24	30	202406	310	51300	42000		POSTAGE	*	.64		
		6/01/24	30	202406	310	51300	42500		COPIES	*	10.95		
GOVERNMENTAL MANAGEMENT SERVICES												3,803.29	000068
7/02/24	00005	6/27/24	3411384	202405	310	51300	31500		ATTORNEY SVCS-MAY24	*	1,000.00		
KUTAK ROCK LLP												1,000.00	000069
7/16/24	00001	7/01/24	31	202407	310	51300	34000		MANAGEMENT FEES-JUL24	*	3,125.00		
		7/01/24	31	202407	310	51300	35200		WEBSITE ADMIN-JUL24	*	100.00		
		7/01/24	31	202407	310	51300	35100		INFORMATION TECH-JUL24	*	150.00		
		7/01/24	31	202407	310	51300	31300		DISSEMINATION SVCS	*	416.67		
		7/01/24	31	202407	310	51300	51000		OFFICE SUPPLIES	*	.03		
		7/01/24	31	202407	310	51300	42000		POSTAGE	*	19.34		
GOVERNMENTAL MANAGEMENT SERVICES												3,811.04	000070
7/19/24	00008	5/31/24	2203826	202407	300	20700	10200		031 FR#2	*	345.00		
GAI CONSULTANTS, INC.												345.00	000071
7/19/24	00005	4/30/24	3382839	202407	300	20700	10200		031 FR#2	*	413.00		
KUTAK ROCK LLP												413.00	000072
LKHA LAKE HARRIS CD CWRIGHT													

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
7/25/24	00008	7/01/24 2204948 031 FR#3	202407 300-20700-10200	GAI CONSULTANTS, INC.	*	345.00	345.00 000073
8/05/24	00005	7/29/24 3425550 ATTORNEY SVCS-JUN24	202406 310-51300-31500	KUTAK ROCK LLP	*	621.50	621.50 000074
TOTAL FOR BANK A						10,422.16	
TOTAL FOR REGISTER						10,422.16	

SECTION 2

Lake Harris
Community Development District

Unaudited Financial Reporting
July 31, 2024



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1 Balance Sheet

2-3 General Fund

4 Series 2023 Debt Service Fund

5 Series 2023 Capital Project Fund

6 Month to Month

7 Long Term Debt Report

8 Assessment Receipt Schedule

Lake Harris
Community Development District
Combined Balance Sheet
July 31, 2024

	<i>General Fund</i>	<i>Debt Service Fund</i>	<i>Capital Projects Fund</i>	<i>Totals Governmental Funds</i>
Assets:				
Cash:				
Operating Account	\$ 138,676	\$ -	\$ -	\$ 138,676
Series 2023:				
Reserve	\$ -	\$ 308,247	\$ -	\$ 308,247
Revenue	\$ -	\$ 127,103	\$ -	\$ 127,103
Construction	\$ -	\$ -	\$ 25,201	\$ 25,201
Cost of Issuance	\$ -	\$ -	\$ 0	\$ 0
Due from Developer	\$ 3,809	\$ -	\$ 375	\$ 4,184
Prepaid Expenses	\$ 3,192	\$ -	\$ -	\$ 3,192
Total Assets	\$ 145,677	\$ 435,349	\$ 25,576	\$ 606,603
Liabilities:				
Accounts Payable	\$ 6,453	\$ -	\$ -	\$ 6,453
Contracts Payable	\$ -	\$ -	\$ 375	\$ 375
Total Liabilities	\$ 6,453	\$ -	\$ 375	\$ 6,828
Fund Balance:				
Assigned:				
Debt Service - Series 2023	\$ -	\$ 435,349	\$ -	\$ 435,349
Capital Projects Fund	\$ -	\$ -	\$ 25,201	\$ 25,201
Unassigned	\$ 139,225	\$ -	\$ -	\$ 139,225
Total Fund Balances	\$ 139,225	\$ 435,349	\$ 25,201	\$ 599,775
Total Liabilities & Fund Balance	\$ 145,677	\$ 435,349	\$ 25,576	\$ 606,603

Lake Harris
Community Development District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending July 31, 2024

	Adopted Budget	Prorated Budget Thru 07/31/24	Actual Thru 07/31/24	Variance
Revenues:				
Assessments - Direct	\$ 191,014	\$ 191,014	\$ 191,014	\$ -
Developer Contributions	\$ 42,245	\$ 9,009	\$ 9,009	\$ -
Total Revenues	\$ 233,259	\$ 200,023	\$ 200,023	\$ -
Expenditures:				
<u>General & Administrative:</u>				
Supervisor Fees	\$ -	\$ -	\$ 1,000	\$ (1,000)
FICA Expense	\$ -	\$ -	\$ 77	\$ (77)
Engineering	\$ 15,000	\$ 12,500	\$ -	\$ 12,500
Attorney	\$ 25,000	\$ 20,833	\$ 4,907	\$ 15,927
Annual Audit	\$ 4,000	\$ 4,000	\$ 5,100	\$ (1,100)
Assessment Administration	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Arbitrage	\$ 450	\$ -	\$ -	\$ -
Dissemination	\$ 5,000	\$ 4,167	\$ 4,167	\$ -
Trustee Fees	\$ 4,020	\$ 1,064	\$ 1,064	\$ -
Management Fees	\$ 37,500	\$ 31,250	\$ 31,250	\$ -
Information Technology	\$ 1,800	\$ 1,500	\$ 1,500	\$ -
Website Maintenance	\$ 1,200	\$ 1,000	\$ 1,000	\$ -
Telephone	\$ 300	\$ 250	\$ -	\$ 250
Postage & Delivery	\$ 1,000	\$ 833	\$ 62	\$ 772
Insurance	\$ 5,000	\$ 5,000	\$ 5,200	\$ (200)
Printing & Binding	\$ 1,000	\$ 833	\$ 15	\$ 818
Legal Advertising	\$ 10,000	\$ 8,333	\$ 91	\$ 8,243
Other Current Charges	\$ 5,000	\$ 4,167	\$ 477	\$ 3,689
Office Supplies	\$ 625	\$ 521	\$ 1	\$ 520
Travel Per Diem	\$ 660	\$ 550	\$ -	\$ 550
Dues, Licenses & Subscriptions	\$ 175	\$ 175	\$ 175	\$ -
Total Administrative	\$ 122,730	\$ 101,977	\$ 61,084	\$ 40,893

Lake Harris
Community Development District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending July 31, 2024

	Adopted Budget	Prorated Budget Thru 07/31/24	Actual Thru 07/31/24	Variance
<i>Operations & Maintenance</i>				
Field Expenditures				
Field Management	\$ 15,000	\$ 12,500	\$ -	\$ 12,500
Landscape Maintenance	\$ 67,129	\$ 55,941	\$ -	\$ 55,941
Pond Disking	\$ 12,900	\$ 10,750	\$ 1,575	\$ 9,175
Landscape Replacement	\$ 2,500	\$ 2,083	\$ -	\$ 2,083
Electric	\$ 1,500	\$ 1,250	\$ -	\$ 1,250
Water & Sewer	\$ 5,000	\$ 4,167	\$ -	\$ 4,167
Irrigation Repairs	\$ 1,500	\$ 1,250	\$ -	\$ 1,250
General Repairs & Maintenance	\$ 2,500	\$ 2,083	\$ -	\$ 2,083
Contingency	\$ 2,500	\$ 2,083	\$ -	\$ 2,083
Total Operations & Maintenance	\$ 110,529	\$ 92,108	\$ 1,575	\$ 90,533
Total Expenditures	\$ 233,259	\$ 194,084	\$ 62,659	\$ 131,425
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ 5,939	\$ 137,364	\$ 131,425
Fund Balance - Beginning	\$ -		\$ 1,861	
Fund Balance - Ending	\$ -		\$ 139,225	

Lake Harris

Community Development District

Debt Service Fund Series 2023

Statement of Revenues, Expenditures, and Changes in Fund Balance

For The Period Ending July 31, 2024

	Adopted Budget	Prorated Budget Thru 07/31/24	Actual Thru 07/31/24	Variance
Revenues:				
Special Assessments	\$ 308,247	\$ 306,902	\$ 306,902	\$ -
Interest	\$ -	\$ -	\$ 19,746	\$ 19,746
Total Revenues	\$ 308,247	\$ 306,902	\$ 326,648	\$ 19,746
Expenditures:				
Interest Expense - 11/1	\$ 77,762	\$ 77,762	\$ 77,762	\$ -
Principal Expense - 5/1	\$ 65,000	\$ 65,000	\$ 65,000	\$ -
Interest Expense - 5/1	\$ 121,715	\$ 121,715	\$ 121,715	\$ 0
Total Expenditures	\$ 264,477	\$ 264,477	\$ 264,477	\$ 0
Excess (Deficiency) of Revenues over Expenditures	\$ 43,770		\$ 62,171	
Other Financing Sources/(Uses):				
Transfer In/(Out)	\$ -	\$ -	\$ (13,427)	\$ (13,427)
Total Other Financing Sources/(Uses)	\$ -	\$ -	\$ (13,427)	\$ (13,427)
Net Change in Fund Balance	\$ 43,770		\$ 48,743	
Fund Balance - Beginning	\$ 77,762		\$ 386,606	
Fund Balance - Ending	\$ 121,532		\$ 435,349	

Lake Harris
Community Development District
Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending July 31, 2024

	Adopted Budget	Prorated Budget Thru 07/31/24	Actual Thru 07/31/24	Variance
Revenues:				
Developer Contributions	\$ -	\$ -	\$ 1,478	\$ 1,478
Interest	\$ -	\$ -	\$ 752	\$ 752
Total Revenues	\$ -	\$ -	\$ 2,230	\$ 2,230
Expenditures:				
Capital Outlay	\$ -	\$ -	\$ 1,478	\$ (1,478)
Total Expenditures	\$ -	\$ -	\$ 1,478	\$ (1,478)
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ -	\$ 752	\$ 3,708
Other Financing Sources/(Uses):				
Transfer In/(Out)	\$ -	\$ -	\$ 13,427	\$ 13,427
Total Other Financing Sources/(Uses)	\$ -	\$ -	\$ 13,427	\$ 13,427
Net Change in Fund Balance	\$ -	\$ -	\$ 14,179	
Fund Balance - Beginning	\$ -	\$ -	\$ 11,022	
Fund Balance - Ending	\$ -	\$ -	\$ 25,201	

Lake Harris
Community Development District
Month to Month

	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
Revenues:													
Assessments - Direct	\$ 95,507	\$ -	\$ -	\$ -	\$ 47,754	\$ -	\$ -	\$ 47,754	\$ -	\$ -	\$ -	\$ -	\$ 191,014
Developer Contributions	\$ 9,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,009
Total Revenues	\$ 104,516	\$ -	\$ -	\$ -	\$ 47,754	\$ -	\$ -	\$ 47,754	\$ -	\$ -	\$ -	\$ -	\$ 200,023
Expenditures:													
General & Administrative:													
Supervisor Fees	\$ 200	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ 1,000
FICA Expense	\$ 15	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ 77
Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dissemination Fee	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ -	\$ -	\$ 4,167
Trustee Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,064
Attorney	\$ 467	\$ 347	\$ 366	\$ 416	\$ 416	\$ 538	\$ 736	\$ 1,000	\$ 622	\$ -	\$ -	\$ -	\$ 4,907
Audit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,100
Assessment Administration	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Management Fees	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ -	\$ -	\$ 31,250
Information Technology	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ -	\$ -	\$ 1,500
Website Maintenance	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ -	\$ 1,000
Telephone	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage & Delivery	\$ 2	\$ 3	\$ 15	\$ -	\$ 5	\$ 4	\$ -	\$ 13	\$ 1	\$ 19	\$ -	\$ -	\$ 62
Insurance	\$ 5,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,200
Printing & Binding	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ -	\$ -	\$ -	\$ 15
Legal Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91
Other Current Charges	\$ 38	\$ 38	\$ 38	\$ 38	\$ 40	\$ 40	\$ 40	\$ 124	\$ 40	\$ 40	\$ -	\$ -	\$ 477
Office Supplies	\$ 0	\$ 0	\$ 0	\$ -	\$ 0	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	\$ -	\$ -	\$ 1
Travel Per Diem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues, Licenses & Subscriptions	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175
Total Administrative	\$ 14,889	\$ 4,614	\$ 4,210	\$ 4,246	\$ 4,253	\$ 10,628	\$ 4,568	\$ 5,359	\$ 4,465	\$ 3,851	\$ -	\$ -	\$ 61,084
Operations & Maintenance													
Field Expenditures													
Field Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscape Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pond Disking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,575
Landscape Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water & Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Irrigation Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operations & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,575
Total Expenditures	\$ 14,889	\$ 4,614	\$ 4,210	\$ 4,246	\$ 4,253	\$ 12,203	\$ 4,568	\$ 5,359	\$ 4,465	\$ 3,851	\$ -	\$ -	\$ 62,659
Excess (Deficiency) of Revenues over Expenditures	\$ 89,627	\$ (4,614)	\$ (4,210)	\$ (4,246)	\$ 43,501	\$ (12,203)	\$ (4,568)	\$ 42,394	\$ (4,465)	\$ (3,851)	\$ -	\$ -	\$ 137,364

Lake Harris
Community Development District
Long Term Debt Report

Series 2023, Special Assessment Revenue Bonds		
Interest Rate:	4.700%, 5.375%, 5.625%	
Maturity Date:	5/1/2053	
Reserve Fund Definition	Maximum Annual Debt Service	
Reserve Fund Requirement	\$308,247	
Reserve Fund Balance	\$308,247	
Bonds Outstanding - 7/6/2023		\$4,485,000
Less - Principal Payment - 5/1/24		(\$65,000)
Current Bonds Outstanding		\$4,420,000

Lake Harris
COMMUNITY DEVELOPMENT DISTRICT
Special Assessment Receipts
Fiscal Year 2024

Direct Bill Assessments

Hanover 623 Holdings LLC						
2024-01						
			\$ 260,749.45	\$ 98,048.13	\$ 162,701.32	
Date Received	Due Date	Check Number	Amount Received	Net Assessed	O & M	Series 2023 Debt Service
10/20/23	10/1/23	3184	\$130,374.73	\$130,374.73	\$49,024.07	\$81,350.66
2/13/24	2/1/24	3352	\$65,187.36	\$65,187.36	\$24,512.03	\$40,675.33
5/3/24	5/1/24	3478	\$65,187.36	\$65,187.36	\$24,512.03	\$40,675.33
			\$ 260,749.45	\$ 260,749.45	\$ 98,048.13	\$ 162,701.32

Hanover 623 Holdings LLC						
2024-02						
			\$237,167.17	\$92,966.00	\$144,201.17	
Date Received	Due Date	Check Number	Amount Received	Net Assessed	O & M	Series 2023 Debt Service
10/20/23	10/1/23	3184	\$118,583.59	\$118,583.59	\$46,483.00	\$72,100.59
2/13/24	2/1/24	3353	\$59,291.79	\$59,291.79	\$23,241.50	\$36,050.29
5/3/24	5/1/24	3479	\$59,291.79	\$59,291.79	\$23,241.50	\$36,050.29
			\$ 237,167.17	\$ 237,167.17	\$ 92,966.00	\$ 144,201.17

SECTION 3



Memorandum

To: Board of Supervisors

From: District Management

Date: August 28, 2024

RE: HB7013 – Special Districts Performance Measures and Standards

To enhance accountability and transparency, new regulations were established for all special districts, by the Florida Legislature, during their 2024 legislative session. Starting on October 1, 2024, or by the end of the first full fiscal year after its creation (whichever comes later), each special district must establish goals and objectives for each program and activity, as well as develop performance measures and standards to assess the achievement of these goals and objectives. Additionally, by December 1 each year (initial report due on December 1, 2025), each special district is required to publish an annual report on its website, detailing the goals and objectives achieved, the performance measures and standards used, and any goals or objectives that were not achieved.

District Management has identified the following key categories to focus on for Fiscal Year 2025 and develop statutorily compliant goals for each:

- Community Communication and Engagement
- Infrastructure and Facilities Maintenance
- Financial Transparency and Accountability

Additionally, special districts must provide an annual reporting form to share with the public that reflects whether the goals & objectives were met for the year. District Management has streamlined these requirements into a single document that meets both the statutory requirements for goal/objective setting and annual reporting.

The proposed goals/objectives and the annual reporting form are attached as exhibit A to this memo. District Management recommends that the Board of Supervisors adopt these goals and objectives to maintain compliance with HB7013 and further enhance their commitment to the accountability and transparency of the District.

Exhibit A:
Goals, Objectives and Annual Reporting Form

Lake Harris Community Development District Performance Measures/Standards & Annual Reporting Form

October 1, 2024 – September 30, 2025

1. Community Communication and Engagement

Goal 1.1: Public Meetings Compliance

Objective: Hold at least three regular Board of Supervisor meetings per year to conduct CDD related business and discuss community needs.

Measurement: Number of public board meetings held annually as evidenced by meeting minutes and legal advertisements.

Standard: A minimum of three board meetings were held during the Fiscal Year.

Achieved: Yes No

Goal 1.2: Notice of Meetings Compliance

Objective: Provide public notice of meetings in accordance with Florida Statutes, using at least two communication methods.

Measurement: Timeliness and method of meeting notices as evidenced by posting to CDD website, publishing in local newspaper and via electronic communication.

Standard: 100% of meetings were advertised per Florida statute on at least two mediums (i.e., newspaper, CDD website, electronic communications).

Achieved: Yes No

Goal 1.3: Access to Records Compliance

Objective: Ensure that meeting minutes and other public records are readily available and easily accessible to the public by completing monthly CDD website checks.

Measurement: Monthly website reviews will be completed to ensure meeting minutes and other public records are up to date as evidenced by District Management's records.

Standard: 100% of monthly website checks were completed by District Management.

Achieved: Yes No

2. Infrastructure and Facilities Maintenance

Goal 2.1: Field Management and/or District Management Site Inspections

Objective: Field manager and/or district manager will conduct inspections per District Management services agreement to ensure safety and proper functioning of the District's infrastructure.

Measurement: Field manager and/or district manager visits were successfully completed per management agreement as evidenced by field manager and/or district manager's reports, notes or other record keeping method.

Standard: 100% of site visits were successfully completed as described within district management services agreement

Achieved: Yes No

Goal 2.2: District Infrastructure and Facilities Inspections

Objective: District Engineer will conduct an annual inspection of the District's infrastructure and related systems.

Measurement: A minimum of one inspection completed per year as evidenced by district engineer's report related to district's infrastructure and related systems.

Standard: Minimum of one inspection was completed in the Fiscal Year by the district's engineer.

Achieved: Yes No

3. Financial Transparency and Accountability

Goal 3.1: Annual Budget Preparation

Objective: Prepare and approve the annual proposed budget by June 15 and final budget was adopted by September 30 each year.

Measurement: Proposed budget was approved by the Board before June 15 and final budget was adopted by September 30 as evidenced by meeting minutes and budget documents listed on CDD website and/or within district records.

Standard: 100% of budget approval & adoption were completed by the statutory deadlines and posted to the CDD website.

Achieved: Yes No

Goal 3.2: Financial Reports

Objective: Publish to the CDD website the most recent versions of the following documents: Annual audit, current fiscal year budget with any amendments, and most recent financials within the latest agenda package.

Measurement: Annual audit, previous years' budgets, and financials are accessible to the public as evidenced by corresponding documents on the CDD's website.

Standard: CDD website contains 100% of the following information: Most recent annual audit, most recent adopted/amended fiscal year budget, and most recent agenda package with updated financials.

Achieved: Yes No

Goal 3.3: Annual Financial Audit

Objective: Conduct an annual independent financial audit per statutory requirements and publish the results to the CDD website for public inspection, and transmit to the State of Florida.

Measurement: Timeliness of audit completion and publication as evidenced by meeting minutes showing board approval and annual audit is available on the CDD’s website and transmitted to the State of Florida.

Standard: Audit was completed by an independent auditing firm per statutory requirements and results were posted to the CDD website and transmitted to the State of Florida.

Achieved: Yes No

Chair/Vice Chair: _____

Date: _____

Print Name: _____

Lake Harris Community Development District

District Manager: _____

Date: _____

Print Name: _____

Lake Harris Community Development District

SECTION 4

**BOARD OF SUPERVISORS MEETING DATES
LAKE HARRIS COMMUNITY DEVELOPMENT DISTRICT
FISCAL YEAR 2025**

The Board of Supervisors of the Lake Harris Community Development District will hold their regular meetings for Fiscal Year 2025 on the 4th Wednesday of each month, at the Cooper Memorial Library, 2525 Oakley Seaver Drive, Clermont, Florida 34711, at 9:30 a.m., unless otherwise indicated as follows:

**October 23, 2024
November 27, 2024
December 25, 2024 **Christmas Day*
January 22, 2025
February 26, 2025
March 26, 2025
April 23, 2025
May 28, 2025
June 25, 2025
July 23, 2025
August 27, 2025
September 24, 2025**

The meetings are open to the public and will be conducted in accordance with the provision of Florida Law for Community Development Districts. The meetings may be continued to a date, time, and place to be specified on the record at the meeting. A copy of the agenda for these meetings may be obtained from Governmental Management Services - Central Florida, LLC, 219 E. Livingston Street, Orlando, Florida 32801 or by calling (407) 841-5524.

There may be occasions when one or more Supervisors or staff will participate by telephone. Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (407) 841-5524 at least 48 hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Office.

A person who decides to appeal any decision made at the meeting with respect to any matter considered at the meeting is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

District Manager