

SUMMARY OF SETTLEMENT OF LITIGATION WITH SATELLITE BEACH PARTNERS

- 1) The lawsuit filed by Satellite Beach Partners, LLC ("SBP") against the District and the foreclosure lawsuit filed by the District against SBP and PCA-Satellite Beach Holdings, LLC ("PCA") is settled. The actions against the District have been dismissed.
- 2) The District received \$479,087.06 for settlement of the prior outstanding Operations and Maintenance (O&M) expenses owed by SBP to the District.
- 3) Beginning October 1, 2015 (FY15/16), SBP will pay its pro rata share of administrative expenses with a maximum cap of \$60,000 to the District. The \$60,000 maximum cap for payment of administrative expenses by SBP expires upon either: (a) the issuance of the certificate of occupancy for the last residential unit on SBP property or (b) eight (8) years from August 30, 2015, whichever is earlier.
- 4) SBP will connect to the District's stormwater infrastructure. SBP will pay 19.3% of the District's budgeted stormwater maintenance costs to the District. The 19.3% allocation of costs to SBP was calculated by the District Engineer based upon drainage basin acreage attributable to SBP property.
- 5) SBP may tie into the remaining infrastructure of the District, including utilities, easements, rights of way and roadways, but is not obligated to do so. If SBP connects to the aforementioned infrastructure, SBP shall pay the O&M expenses to the District for this infrastructure, in accordance with Florida law.
- 6) SBP residents may use the amenities of the District in accordance with the rules and regulations of the District, including payment of a membership fee or assessment.
- 7) SBP may seek removal from the District. SBP will be solely responsible for all costs associated with said removal. The District will cooperate with SBP regarding any legal requirements for removal.
- 8) District releases any claims it may have to the construction account funds under the current bonds.