

COPY

SETTLEMENT AGREEMENT

BETWEEN

**LAKE GRADY ROAD AND BRIDGE DISTRICT,
HILLSBOROUGH COUNTY,**

ANGELA S. CUDLIPP AND MICHAEL P. CUDLIPP,

CUDLIPP CONSTRUCTION AND DEVELOPMENT COMPANY

AND

ZARAGOSA PROPERTIES, INC.

WITH APPROVAL BY

SHADOW RUN HOMEOWNERS ASSOCIATION

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SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement"), dated for reference as of the 18th day of Feb., 1998, is hereby made and entered by LAKE GRADY ROAD AND BRIDGE DISTRICT, a special taxing district organized and operating under the laws of the State of Florida (the "Lake Grady District"); HILLSBOROUGH COUNTY, a political subdivision of the State of Florida ("County"); ANGELA S. CUDLIPP and MICHAEL P. CUDLIPP (jointly and severally, "Cudlippo"); CUDLIPP CONSTRUCTION AND DEVELOPMENT COMPANY, a Florida corporation for profit wholly owned by the Cudlippo (the "Cudlipp Corporation") (the Cudlippo and the Cudlipp Corporation being hereinafter referred to jointly and severally as "Cudlipp"); and ZARAGOSA PROPERTIES, INC., a for-profit corporation organized and existing under the laws of the Republic of Panama and authorized to do business in the State of Florida ("Zaragosa").

Recitals.

WHEREAS, the parties to this Agreement are also parties or parties-in-interest in certain bankruptcy proceedings and multiple civil actions since as far back as 1987; and,

WHEREAS, the parties have determined that the amicable resolution, in whole or in part, of those bankruptcy proceedings and civil actions is in their best interests; and,

WHEREAS, Lake Grady District was the Debtor in those certain proceedings styled In Re: The Matter of Lake Grady Road and Bridge District, brought under Chapter 9 of the U.S. Bankruptcy Code, in the Bankruptcy Court for the Middle District of Florida, Tampa Division, Case No. 87-1590-8P9 ("Bankruptcy Proceedings") which was closed by the Bankruptcy Court, by Order dated January 4, 1996; and,

WHEREAS, ancillary to the Bankruptcy Proceedings, Zaragosa had commenced that certain adversary proceeding against Lake Grady District and others, styled Zaragosa Properties, Inc. v.

Richard Ake, Clerk of the Circuit Court, et al., in the Bankruptcy Court for the Middle District of Florida, Tampa Division, Case No. 90-349 ("Bankruptcy Adversary Proceeding") which was dismissed by the Bankruptcy Court by Order dated December 28, 1995, and Lake Grady District is a party in a related state court proceeding styled Lake Grady Road and Bridge District v. Zaragosa Properties, Inc., now pending in the Circuit Court for the Thirteenth Judicial Circuit in and for Hillsborough County, Florida, as Case No. 90-17936 ("Lake Grady District v. Zaragosa"); and,

WHEREAS, the County is a defendant in that certain civil action filed by Lake Grady District styled Lake Grady Road and Bridge District v. Hillsborough County, now pending in the Circuit Court for the Thirteenth Judicial Circuit in and for Hillsborough County, Florida, as Case No. 89-4736 ("Lake Grady District v. Hillsborough County"); and,

WHEREAS, the Cudlippo have filed that certain civil action against Zaragosa and others styled Cudlipp, et al. v. Shadow Lakes, Inc., et al. in the Circuit Court for the Thirteenth Judicial Circuit in and for Hillsborough County, Florida, Case No. 89-8590 ("Cudlipp v. Shadow Lakes I"), in which the Cudlippo alleged entitlement to all right, title and interest of Zaragosa in all tax receivables of Lake Grady District and, as a result of the final judgment to be rendered after trial in that action, the Cudlippo may claim an interest in Lake Grady District's assets; and,

WHEREAS, Lake Grady District, the County, Zaragosa and others are defendants in that certain civil action filed by the Cudlippo styled Cudlipp, et al. v. Shadow Lakes, Inc., et al., now pending in the Circuit Court for the Thirteenth Judicial Circuit in and for Hillsborough County, Florida, as Case No. 93-7735 ("Cudlipp v. Shadow Lakes II"); and,

WHEREAS, Lake Grady District had filed that certain civil action styled Lake Grady Road and Bridge District v. Housel and Associates, C.P. Ward, Inc., et al., (now dismissed) in the Circuit

Court for the Thirteenth Judicial Circuit in and for Hillsborough County, Florida, as Case No. 88-10656 ("Lake Grady District v. C.P. Ward"); and,

WHEREAS, the Bankruptcy Proceedings, the Bankruptcy Adversary Proceeding and the other civil actions described above are collectively referred to in this Agreement as the "Litigations"; and,

WHEREAS, the parties have amicably arrived at settlement terms whereby efforts to reopen the Bankruptcy Proceedings will not be pursued, and whereby all claims and causes of action which are or could have been involved in several of the other Litigations will be discharged; and,

WHEREAS, given that deficiencies in and failures of predecessor dams at the subdivision known as Shadow Run (hereinafter defined) were, directly or indirectly, pivotal reasons for the Bankruptcy Proceedings and the Litigations in the first place, the parties have elected to structure their settlement terms around the Restoration of the New Dam (as hereinafter defined), all as more particularly provided in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the various provisions set forth herein, the receipt and sufficiency of which are hereby acknowledged, the undersigned parties agree as follows:

Definitions.

The foregoing recitals, and the definitions which follow, constitute substantive provisions of this Agreement. In addition to other terms defined in the recitals and elsewhere in this Agreement, the following capitalized terms shall have the meanings stated:

"Completion of Restoration" means the point at which the Restoration of the New Dam has been completed in accordance with the Restoration Plans and this Agreement, all related costs have been paid, all required operating permits for the New Dam which are obtainable upon the

completion of the Restoration of the New Dam have been obtained and if completed in phases, the final phase of restoration has been completed.

"Construction Fund" means a segregated and separately designated bank account established in accordance with this Agreement which will be funded entirely by (a) Lake Grady District's remaining net proceeds from the Housel Settlement, tax proceeds received pursuant to paragraph 8 herein, and (b) net proceeds of sales of the Transferred Escheated Lots as provided for in this Agreement. The proceeds of this account will be the source of funding for the Restoration of the New Dam, and other matters provided for, under this Agreement.

"Escheated Lots" means those fifty (50) lots within Shadow Run, listed on Exhibit 1 attached hereto, to which the County hereby represents that it currently holds recorded tax deeds issued by virtue of escheatment for unpaid taxes.

"Housel Settlement" means Lake Grady District's 1995 settlement with defendant Housel and Associates in Lake Grady District v. C.P. Ward, as a result of which settlement Lake Grady District received certain net proceeds.

"Maintenance and Repair Expenses" means all expenses for the operation, maintenance and repair of the New Dam after the Completion of Restoration, including but not limited to inspections, upkeep and maintenance; ad valorem taxes; utilities; assessments; operating permits and other regulatory compliance expenses; mowing of grass, resurfacing of the roadway or pathway over the New Dam (if such roadway or pathway is built), and other grounds maintenance; liability insurance; and repairs not covered by warranties.

"Maintenance Entity" means a Florida not-for-profit corporation created by the Shadow Run Homeowner's Association, Inc., ("SRHOA"), as selected and approved in accordance with the provisions of this Agreement, which Maintenance Entity will own and have all operational,

maintenance and repair responsibilities (including but not limited to responsibility for Maintenance and Repair Expenses) for the New Dam after its construction.

"Maintenance Fund" means a non-IOTA, interest-bearing account, to be established in accordance with this Agreement as a reserve for the payment of Maintenance and Repair Expenses for the New Dam after its construction.

"New Dam" means the new and/or newly reconstructed and duly permitted embankment, with an overall length of approximately 1,200 feet, to be constructed at Shadow Run in an operable and safe condition, and with the capacity to effectively retain water at a level sufficient to establish a recreational lake for the ongoing benefit of the landowners within Shadow Run, in accordance with Restoration Plans (when prepared) and this Agreement. The New Dam shall include a slurrywall in the embankment as may be required for safety and permitting considerations. The slurrywall may be constructed under a separate contract and at a later time if Lake Grady District does not have sufficient funds to construct the New Dam all at once, and subject to the consent of and any conditions set by SWFWMD and any other permitting agencies. The New Dam may also include a private roadway and/or passageway above the embankment which will be constructed as part of the New Dam if, and only if, there are sufficient funds available or to become available for its construction, failing which the County shall not unreasonably withhold its consent to construction of the remainder of the New Dam.

"Restoration Budget" means the budget to be adopted by Lake Grady District for the Restoration Expenses, based initially upon preliminary engineering estimates of the costs of the Restoration Plans, and as thereafter amended in accordance with signed contracts therefor, and with change orders, cost overruns and/or other legitimate cost recalculations relating to or affecting the Restoration Expenses.

"Restoration Expenses" means the various costs of formulating and effecting the Restoration Plans, and all expenses incident thereto, whether for services, materials or otherwise, including but not limited to design functions; permit applications and issuances; bid documents; construction; construction administration and management; inspections; compliance with permit requirements and applicable law; professionals retained by Lake Grady District (i.e., attorneys, accountants and other professionals); and the day-to-day operating expenses of Lake Grady District to maintain its existence, or comply with statutory requirements or this Agreement.

"Restoration of the New Dam" means the design and construction of the New Dam.

"Restoration Plans" means the various design, engineering, planning and construction contracts and plans and specifications, for the Restoration of the New Dam, and the requirements of permits applicable to such Restoration.

"Shadow Run" means the subdivision located in Sections 25, 26, 27, 35 and 36, Township 30 South, Range 20 East, more particularly described in the maps or plats thereof in Plat Book 46, page 24, and Plat Book 47, page 47, of the public records of Hillsborough County, Florida.

"SRHOA" means the Shadow Run Homeowners Association, Inc., a Florida not-for-profit corporation, the shareholders of which are the landowners at Shadow Run.

"Tax Delinquent Lots" means the two (2) lots in Shadow Run designated in Exhibit 2 hereof.

"Transferred Escheated Lots" The Escheated Lots, ownership of which is transferred from the County to the Lake Grady Road and Bridge District in accordance with the terms of this Agreement.

PARAGRAPH 1. Due Execution and Delivery Requirements. A. This Agreement shall not be deemed duly executed and delivered until the following requirements are satisfied:

(1) Each party shall have fully executed and delivered this Agreement, in accordance with any prior corporate, governmental or other authorizations as are applicable to the respective parties in order to render such execution and delivery legally effective;

(2) Contemporaneously with each party's execution and delivery of this Agreement, such party shall have served upon all other parties reasonable written evidence that the above-described authorizations were duly obtained, and have not been terminated or revoked;

(3) Each party shall have served upon all other parties reasonable written evidence of its acceptance of the execution and delivery of this Agreement, and of the above-described authorizations, as applicable, which acceptance shall be promptly so served and shall not be unreasonably withheld, conditioned or delayed by any party; and,

(4) Upon satisfaction of requirements (1), (2) and (3) above, County shall have served a fully executed counterpart of this Agreement upon the Lake Grady District, Cudlipp and Zaragosa, which service County shall promptly effect.

(B) Upon satisfaction of the foregoing requirements, the parties shall be contractually bound hereby only to the extent of requiring Lake Grady District to seek to obtain approval by SRHOA within (45) forty-five days of full execution by the parties to this Agreement, as required under paragraph 2 below, and the other parties shall refrain from any act or omission which unreasonably impedes such SRHOA approval, of

the conditions precedent set forth in paragraph 2, below. Barring such approval within the designated time frame, this agreement shall have no force and effect.

(C) Until such time as this Agreement is executed in final form by all parties (with the express concurrence of all parties to every change from the typed text hereof as evidenced by signature or initialing at the location of the change and approval obtained from SRHOA), this Agreement shall have no force and effect whatsoever. This Agreement shall be void in the event that it is not so executed and delivered by all parties and approved by SRHOA on or before May 1, 1998. This Agreement may be executed in Counterparts.

PARAGRAPH 2. Condition Precedent Related to SRHOA Approval.

A. Except as expressly provided in subparagraph "A(5)" of paragraph 1, above, the following is a condition precedent to all other provisions of this Agreement:

(1) **SRHOA Approval.**

SRHOA shall have duly approved this Agreement in writing, including without limitation, the express approval to incur all obligations set out in Paragraph 28 and throughout this Agreement pertaining to the Maintenance Entity. The SRHOA approval shall be evidenced by execution of the Approval section at the end of this document by an authorized representative of SRHOA and shall signify its intent to be bound by the terms and conditions of this Agreement related to the obligations of the SRHOA. SRHOA is not a party to this Agreement or a Third Party beneficiary of this Agreement.

PARAGRAPH 3. Conditions Precedent Related to Dismissal of Litigations. Except as expressly provided in subparagraph "A(5)" of paragraph 1 above, once SRHOA approval under paragraph "2" shall have occurred, the finalization of all matters specified in the next numbered paragraph of this Agreement (entitled "Resolution of Certain Litigations") shall be conditions precedent to the remaining provisions of this Agreement becoming operative and binding, unless such provision states that it shall operate upon the occurrence of only the SRHOA approval requirement of Paragraph "2".

PARAGRAPH 4. Resolution of Certain Litigations. Upon Lake Grady District's receipt and acceptance of deeds and other instruments of conveyance from the parties and SRHOA, in accordance with paragraph 9, and contemporaneous with Lake Grady District's recordation of such deeds and instruments, the parties (as applicable) hereby covenant and agree to be bound, and/or to promptly and diligently undertake certain actions with respect to the Litigations, as follows:

A. As to the Bankruptcy Proceedings, Lake Grady District and the other parties to this Agreement hereby agree that no prior applications to obtain tax deeds or other actions by the County related to the Escheated Lots or the Tax Delinquent Lots violated the automatic stay provisions of Bankruptcy Code §362, or any order of the Bankruptcy Court entered in the Bankruptcy Proceedings, and no further actions by the County related to the Escheated Lots and Tax Delinquent Lots shall be challenged by Lake Grady District and other parties to this Agreement on the basis of the invalidity of the prior actions referenced above.

B. Lake Grady District and Zaragosa shall enter into a joint stipulation of dismissal with prejudice of the Bankruptcy Adversary Proceeding. The parties

agree to take no action to reopen the Bankruptcy Adversarial Proceeding. In the event an issue arises as to the validity of the dismissal of the Bankruptcy Adversarial Proceeding, all parties shall fully cooperate to obtain an order of dismissal from the Bankruptcy Court. In any event, the parties to the Bankruptcy Adversary Proceeding hereby agree to bear their respective costs, expenses and attorneys' fees therein.

C. As to the Bankruptcy Proceedings, the parties to this Agreement hereby agree to bear their respective costs, expenses and attorneys' fees.

D. Lake Grady District and Zaragosa shall enter into a joint stipulation of dismissal with prejudice of Lake Grady District v. Zaragosa, with the respective parties each bearing their own costs, expenses and attorneys' fees.

E. Lake Grady District and County shall enter into a joint stipulation of dismissal with prejudice of Lake Grady District v. Hillsborough County, with the respective parties each bearing their own costs, expenses and attorneys' fees.

F. As regards Cudlipp v. Shadow Lakes II, Cudlipp, Lake Grady District and County will voluntarily dismiss each other with prejudice as to all claims in the action, with the respective parties each bearing their own costs, expenses and attorneys' fees. The foregoing notwithstanding, Cudlipp may proceed as it deems advisable against Zaragosa in the Litigations, and no provision of this Agreement shall be construed as limiting Cudlipp's complete discretion with respect to the prosecution, settlement, or any other matter whatsoever as to proceeding against Zaragosa in the Litigations.

PARAGRAPH 5. Construction Fund.

A. Promptly upon obtaining SRHOA approval under paragraph 2 of this Agreement Lake Grady District shall deposit all of its then-remaining proceeds from the Housel Settlement into a segregated and separately designated bank account to be referred to as the Construction Fund.

B. Lake Grady District expressly represents that, at the time of its execution of this Agreement, its net proceeds from the Housel Settlement and tax proceeds received prior to execution of this Agreement are the only material monetary assets of Lake Grady District, and that any additional such monetary assets are uncertain at best. Accordingly, anything to the contrary in this Agreement notwithstanding, Lake Grady District shall have the right, at any time during the term of this Agreement, to direct expenditures of Housel Settlement and any other Lake Grady District monies deposited into the Construction Fund, to pay for attorneys' fees and other professional fees, and expenses incident to maintenance of Lake Grady District's existence, its meeting applicable statutory requirements, negotiating this Agreement, and meeting the terms and provisions of this Agreement. All such expenditures shall be lawful, reasonable and reasonably invoiced.

C. Pending the Completion of Restoration, in accordance with this Agreement, Lake Grady District shall serve monthly notices upon the County, Cudlipp and Zaragosa of Construction Fund collections and disbursements. Upon the Completion of Restoration, any remaining balance in the Construction Fund shall be applied in accordance with paragraph 13C.

PARAGRAPH 6. Maintenance Fund.

A. The Maintenance Fund must be initially funded in the amount of \$50,000.00 before construction for Restoration of the New Dam is commenced. Such initial

funding shall be effected, at the reasonable discretion of Lake Grady District, once there are sufficient additional sums in the Construction Fund to cover the Restoration Budget and Restoration of the New Dam is ready to commence.

B. Upon the Completion of Restoration, the Maintenance Fund shall be increased to \$100,000.00 from sums remaining in the Construction Fund, as provided in Paragraph 13C.

C. Lake Grady District's failure to meet the obligations of this Paragraph 6, shall constitute a material breach of this Agreement for which any party shall have the right of enforcement by specific performance and injunction.

PARAGRAPH 7: Restoration of the New Dam.

A. Within a reasonable time after obtaining SRHOA approval of all conditions precedent under paragraph 2, Lake Grady District (with such uncompensated assistance of Cudlipp as Lake Grady District may reasonably request from time to time) shall have obtained preliminary engineering estimates and developed preliminary design criteria for the Restoration Plans and prepared the Restoration Budget. Further progress on those matters, on Lake Grady District's adoption of the Restoration Budget and on Lake Grady District's solicitation of construction contracts, permits and other matters applicable to Restoration of the New Dam, shall be pursued with reasonable diligence corresponding with the progress of the quiet title proceedings (provided for in paragraph 9 herein), and the availability of funding to cover the Restoration Expenses.

B. Lake Grady District shall have complete authority respecting the Restoration Plans and contracts therefor, but hereby agrees to make reasonable efforts to contract with reasonably competent third parties for the various aspects of the Restoration

of the New Dam. Lake Grady District shall obtain the consent of the design consultants and construction contractors to Lake Grady District's future assignment of all contract rights under the design and construction contracts for the restoration of the New Dam. Cudlipp and the County may, at their respective option and expense, participate in Lake Grady District's efforts regarding such contracts, but may do so in an advisory capacity only, and such participation shall not in any event unreasonably impede Lake Grady District's efforts.

C. Cudlipp and Zaragosa hereby agree not to compete or bid for any services or contracts whatsoever related to the Restoration of the New Dam, and further agree not to allow any persons or entities affiliated with or related to them, respectively, to do so.

D. In connection with the Restoration of the New Dam, the County agrees to provide such affirmative guidance, cooperation and assistance as Lake Grady District may reasonably request from time to time in order to resolve permitting issues related to the subject matter of this Agreement with the various governmental agencies having jurisdiction of any aspect(s) of such issues. The County's assistance shall consist of introduction to the various agencies, and guidance as to which agencies may need to be contacted. Such assistance shall not imply that the County has any permitting obligations. Such assistance shall not be inconsistent with any legal obligations of the County acting in its governmental capacity. Such cooperation shall not be construed as creating an obligation to review, nor in any way imply a representation that the County has conducted any reviews of, structural or other aspects of the New Dam; nor that the County recommends approval or rejection of the permit application; nor that the County assumes liability for any repairs

of the New Dam. Neither the above provisions nor any other provision of this Agreement shall be construed to require that the County:

- (1) assume any responsibility for applying for, obtaining, or complying with applicable permits;
- (2) advocate that Lake Grady District's applications should be granted;
- (3) act contrary to its general responsibilities in its governmental capacity;
- (4) expend any funds for Restoration of the New Dam, Restoration Expenses, or Maintenance and Repair Expenses (except for transferring ownership of Escheated Lots pursuant to this Agreement);
- (5) accept any role beyond its general responsibilities in its governmental capacity;
- (6) assume any financial responsibility for the New Dam beyond the transferring of ownership of Escheated Lots under the provisions of this Agreement.

E. Nevertheless, the County hereby agrees to give all reasonable priority to, and to expeditiously review and rule upon, all matters related to the Restoration of the New Dam which may require action by the County, or which may be within the County's jurisdiction.

PARAGRAPH 8. Tax Proceeds. In the event and to the extent that the County collects any interest payment, as a holder of tax certificates for the two (2) Tax Delinquent Lots, described in Exhibit 2, above and beyond any sums collected by the Clerk of Circuit Court for the opening bid

amount on such lots, the County shall remit one-half (1/2) of the interest payment so collected by County to Lake Grady District. Lake Grady District shall deposit such funds and any other funds it receives for payment of taxes on the Tax Delinquent Lots into the Construction Fund.

PARAGRAPH 9. Title to Site of New Dam.

A. Unless waived in writing by Lake Grady District, within forty-five (45) days after SRHOA approval of this Agreement under Paragraph 2, Lake Grady District shall conduct a title search to determine the holder(s) of record title to the site of the New Dam at its own the reasonable expense (the "Title Search").

B. Unless waived in writing by Lake Grady District, should the Title Search indicate that title to such site is subject to clouds or encumbrances that are not reasonably likely to be cleared by obtaining any deeds or releases from the parties to this Agreement and the SRHOA, then Lake Grady District shall, within three (3) months after SRHOA approval under Paragraph 2, give notice of such matters to the other parties to this Agreement and elect to (a) terminate the further operation of this Agreement as a result thereof, and return the Transferred Escheated Lots or the proceeds from their sale to the County or (b) allow the Agreement to continue to take effect. Within one month after Lake Grady District's election to continue with such Agreement, the parties shall be obligated to do the following:

- (1) The County shall, at its sole expense, take formal action necessary to vacate the roadway on the site of the New Dam in accordance with applicable law.

(2) The County shall execute and deliver a quit claim deed for the site of the New Dam to Lake Grady District. The other Parties and SRHOA shall each execute and deliver quit claim deeds and/or other instruments, in recordable form, which shall convey their respective interests in the site of the New Dam to Lake Grady District. Lake Grady District shall record the referenced deed in accordance with subparagraph "(4)" below.

(3) The parties, other than County, shall, if requested by Lake Grady District, use all reasonable diligence to assist in obtaining, and/or shall execute, such deeds and/or other instruments as may be requested by Lake Grady District to vest title (as between the parties to this Agreement) to the site of the New Dam in Lake Grady District.

(4) Lake Grady District shall record all referenced deeds and instruments of conveyance within one (1) month of receipt of all of same, and contemporaneous with Lake Grady's dismissal of litigation in accordance with Paragraph 3.

C. Lake Grady District shall prosecute a quiet title action to perfect its title to the site of the New Dam, and title to the Escheated Lots in the respective names of Lake Grady District or the County as provided in paragraph 10B and C herein and to fund all expenses of such action from Housel Settlement proceeds, notwithstanding any provisions of this Agreement to the contrary. The outcome of such proceedings shall not affect any obligations under this Agreement, nor form the basis for Lake Grady District to rescind this Agreement.

D. The costs of preparation of such deeds and/or other instruments referred to in this numbered paragraph, the recordation thereof, and Florida documentary stamp taxes due thereon ("Deed Advances") shall be paid from the Construction Fund.

PARAGRAPH 10. Marketing and Sale of Escheated Lots.

A. The parties have utilized an Analysis of Retail Value of the Escheated Lots to determine the number of lots to be retained by the County. The Analysis, performed by Lee Pallardy, Inc., and dated July 3, 1997, is hereby incorporated by reference. The appraiser determined a range of values for each of the Escheated Lots based on 1997 conditions and industry standards for such property valuation, and based on criteria agreed upon by the County and Lake Grady District. The appraiser then determined the median value for each lot based on the low and high values for the lot. The market value range found in the Analysis for each of the escheated lots is reflected at Exhibit 3 attached hereto. The appraiser did not conduct a formal appraisal of the Escheated Lots.

B. The County shall retain the following Escheated Lots which have a total median value of approximately \$200,000 based on the Analysis of Retail Value of Escheated Lots:

- ◆ Lot 11-block 16
- ◆ Lot 7-block 16
- ◆ Lot 16-block 16
- ◆ Lot 18-block 16
- ◆ Lot 65-block 12
- ◆ Lot 26-block 12

- ◆ Lot 20-block 14
- ◆ Lot 22-block 14
- ◆ Lot 2- block 19

C. The County shall transfer ownership of the remaining Escheated Lots to Lake Grady District by Resolution pursuant to Florida Statute Section 125.38 (1995). The Resolution is attached hereto as Exhibit 4.

D. Any time prior to Completion of the Restoration, Lake Grady District may request that up to six of its lots be exchanged for comparable County lots if Lake Grady District obtains an offer to purchase the County lot being requested. Lots shall be comparable if they have a value differential of no greater than \$1,000, up or down, based on values at the time of exchange. At either the County's or Lake Grady's request, Lake Grady District shall obtain a fair market appraisal for each of the lots which it seeks to exchange for County's lots. The County may obtain an appraisal of the lots being requested by Lake Grady or may rely upon the offer to purchase such lots to determine the value of the lots. The appraisals shall be performed by a mutually acceptable appraiser and shall take into consideration all aspects of the property including suitability for construction and mitigation costs. The County and Lake Grady shall share the cost of the appraisals equally. The County shall reasonably comply with Lake Grady District's request to exchange lot or lots, but reserves the right to refuse to accept any lot which is not of comparable value at the time of exchange. Furthermore, the County reserves the right to refuse to accept any lot which is less than the median value assigned to the lot at the time of execution of the Agreement. Lake Grady District shall bear the costs associated with the requested Transfer.

E. The County shall delay the sale of the Escheated Lots which it retains for a period of three years from the date of SRHOA's approval of this Agreement or until Lake Grady District has sold its lots, whichever is sooner.

F. Lake Grady District shall select a marketing and sales entity to be retained under a written contract which will provide that such entity will be paid pro rata commissions from the proceeds of sales of the Transferred Escheated Lots.

PARAGRAPH 11. Proceeds of Sale of Transferred Escheated Lots.

A. Prior to Completion of Restoration, the proceeds from the sale of each Transferred Escheated Lot shall be promptly distributed by Lake Grady District upon each closing thereof in the following order, until such proceeds, in each instance of sale, are depleted:

(1) Payment of Lake Grady District's closing costs as seller (including, but not necessarily limited to, the commissions due the marketing/sales entity, fee title insurance and similar customary seller costs), under the contract.

(2) Payment into the Construction Fund of the amount necessary to cover any deficit between the balance in the Construction Fund, and the then-unpaid total Restoration Expenses under the Restoration Budget.

(3) Payment to fund the Maintenance Fund to a balance of \$100,000.00; and then,

(4) Payment into the Construction Fund.

B. Upon Completion of Restoration, after all payments under the above-enumerated subparagraphs "(1)" through "(4)" have been made, any proceeds remaining from pending sales of Transferred Escheated Lots shall thereafter be disbursed in accordance with Paragraph 13C.

PARAGRAPH 12. Audit Rights. Any party may conduct, at its own expense, one or more audits of the Construction Fund and/or the Maintenance Fund, upon fifteen (15) days advance written notice. In each instance, such audit shall be performed at reasonable times at the location of such fund's books and records, and with due diligence toward completion of such audit no later than the last business day of the third calendar month after the date of such advance written notice. Failing such completion, the auditing party shall give a new written notice hereunder. Upon request, a copy of any audit shall be furnished to any party to this Agreement at the expense of the party requesting a copy of the audit.

PARAGRAPH 13. Commencement and Completion of Restoration of the New Dam.

A. **Deadline for Commencement.** Notwithstanding any provision of this Agreement to the contrary:

(1) Construction of the Restoration of the New Dam must in any event be materially commenced by May 1, 2006; and,

(2) Once commenced, construction of the Restoration of the New Dam shall proceed continuously and with reasonable progress toward completion, provided, however, that Lake Grady District shall not be responsible for any delays after

commencement beyond its reasonable control. Notwithstanding, the preceding sentence, Lake Grady may enter into a separate contract to construct the slurrywall in the embankment of the dam at a later time if Lake Grady District does not have sufficient funds to construct the New Dam all at once, and subject to the consent of and any conditions set by SWFWMD and any other permitting agencies.

B. **Timing of Restoration of the New Dam.** Subject to the preceding subparagraph "A", Lake Grady District shall proceed by reasonable efforts to arrange the commencement of construction of the Restoration of the New Dam, and to see that the construction of Restoration of the New Dam proceeds reasonably continuously and with reasonable progress toward completion, upon the occurrence of all of the following factors for a sufficient time to afford ample opportunity to effect such commencement and completion:

(1) Lake Grady District has adopted the Restoration Budget, the Restoration Plans have been finalized, and the said budget and plans remain in effect without the likelihood or pendency of material changes;

(2) Lake Grady District has entered into the necessary contracts for the construction of the Restoration of the New Dam; and the third party contractors are ready, willing and able to perform, and are not in default of those contracts, and there is no likelihood of any material legal or practical delays;

(3) The ready availability of all necessary materials, and labor, services and contractors with suitable qualifications, for commencement and completion of construction of Restoration of the New Dam pursuant to the contracts therefor;

(4) Lake Grady District has obtained and recorded Quit Claim Deeds from all parties to this Agreement and from SRHOA for the site of the New Dam.

(5) Lake Grady has placed \$50,000.00 in the Maintenance Fund;

(6) the ready and continuing availability to Lake Grady District of sufficient sums in the Construction Fund to effect Completion of Restoration, with the exception of construction of the slurrywall in the embankment of the dam, without the likelihood of any material legal or practical delays;

(7) the absence of impediments beyond Lake Grady District's reasonable control to the application of such sums as are required to pay all Restoration Expenses;

(8) the ready availability to Lake Grady District of all required permits from all pertinent regulatory agencies for, and the absence of any legal or other governmental actions materially prohibiting, delaying, or otherwise impeding, construction of Restoration of the New Dam.

(9) the prior occurrence or performance of all conditions precedent provided for under and in full accordance with this Agreement, and of the funding of the Maintenance Fund as required by this Agreement;

(10) the absence of any material breach or anticipatory repudiation, or any revocation of any material prior action, by any party (other than Lake Grady District without reasonable cause) under this Agreement or any other agreement made in connection with the subject matter of this Agreement, as a result of which requiring Lake

Grady District to commence or continue the construction of the New Dam would be unreasonable;

(11) the absence of any material failure by any party (other than Lake Grady District as to matters within its reasonable control) to maintain the ability to perform its obligations under this Agreement, or under any other agreement made in connection with the subject matter of this Agreement, as a result of which requiring Lake Grady District to commence or continue the construction of the New Dam would be unreasonable; and,

(12) the absence of any other material circumstance, as a result of which requiring that Lake Grady District commence or continue the construction of the New Dam would be unreasonable.

C. Disposition of Remaining Funds Upon Completion of Restoration. Upon the Completion of Restoration, Lake Grady District shall serve notice thereof upon the other parties to this Agreement and the following shall occur in the sequence indicated:

(1) Lake Grady District shall disburse sufficient funds from the Construction Fund to increase the Maintenance Fund to \$100,000.00 if the balance in such fund is less than \$100,000.00; then

(2) Lake Grady District shall disburse the \$100,000 from the Maintenance Fund and convey title to the New Dam and the site thereof by quit claim deed

to the Maintenance Entity and the Maintenance Entity shall record the deed within thirty (30) days of receiving it; and

(3) Lake Grady District shall assign to the Maintenance Entity all of the then-existing and required permits for, and all then-existing design and construction contract rights and warranties related to, the Restoration of the Dam; and

(4) Lake Grady District shall disburse the remaining proceeds from any pending sale of the Transferred Escheated Lots, the proceeds of the Construction Fund, and title by Quit Claim Deed to any unsold Transferred Escheated Lots in accordance with joint-written instructions from both Cudlipp and Zaragosa addressed to Lake Grady District, provided, however, that whenever this Agreement calls for written instructions from Cudlipp and/or joint written instructions from Cudlipp and Zaragosa, and in any instance such instructions are not actually received by Lake Grady District within sixty (60) days, then Lake Grady District shall interplead the remaining funds and property and seek declaratory or other relief by instituting a civil action, whereupon Cudlipp and Zaragosa shall have no further claims against any of the parties to this Agreement with respect to such funds. Upon failure of either Cudlipp or Zaragosa to claim such funds and property in the court proceeding within three months of placing the funds therein, this agreement shall serve as evidence of the intent of the parties that the Court disburse the funds to the Maintenance Entity.

D. **Failure to Commence or Complete the New Dam.**

(1) **Arbitrary Failure to Proceed.**

(a) If Restoration of the New Dam does not commence and/or proceed toward, and effect Completion of Restoration in accordance with the preceding subparagraphs "A" and "B", or if Restoration of the New Dam does not commence by the deadline provided by subparagraph "A" due to a material breach by Lake Grady District of the provisions of said subparagraph "B", then it shall be deemed for purposes of this Agreement that Lake Grady District has arbitrarily failed to construct the New Dam.

(b) In such event, upon the demand of the County, Lake Grady District shall disburse the respective balances of the Construction Fund and the Maintenance Fund, first, to pay to third parties all accrued obligations, Lake Grady District's attorneys' fees and other professional fees, and expenses incident to maintenance of Lake Grady District's existence, its meeting applicable statutory requirements, and meeting the terms and provisions of this Agreement; (all such expenditures to be lawful, reasonable and reasonably invoiced); and, thereafter, to disburse all remaining funds to the County. Then, insofar as there are sufficient funds made available to the County from the Construction Fund and the Maintenance Fund to do so, the County agrees as follows:

(i) at the County's complete discretion (so long as exercised and effectuated within a reasonable time), to either effect the Completion of Restoration, or the total demolition of the uncompleted dam structure then situate upon the site of the New Dam and/or of the remnants of any predecessor dam, as applicable. If the County elects demolition, the County shall arrange within a reasonable time, and to the extent there are sufficient funds remaining, for the construction upon such sites of a pedestrian and bicycle pathway upon a safe and stable structural base.

(ii) after the aforesaid disbursements, to retain thirty (30%) percent of the remaining balance of such funds as were received by the County from the Construction Fund (less the value of the Escheated Lots previously retained by the County pursuant to this Agreement), said retained amounts to constitute part of the County's general revenues, and the further application of which shall be in the County's complete discretion;

(iii) thereafter, the County shall disburse to Cudlipp and Zaragosa all of the then-remaining balance of such funds as were received by the County from the Construction Fund, in accordance with joint written instructions from both Cudlipp and Zaragosa as such may be addressed either to Lake Grady District or to the County, provided, however, that whenever this Agreement calls for written instructions from Cudlipp and/or joint written instructions from Cudlipp and Zaragosa, and in any instance such instructions are not actually received by County within sixty (60) days after written demand therefor, then the County may interplead the remaining funds or seek declaratory or other relief by instituting a civil action, whereupon Cudlipp and Zaragosa shall have no further claims against any of the parties to this Agreement with respect to such funds. Upon failure of either Cudlipp or Zaragosa to claim such funds in the court proceeding within three months of placing the funds therein, this agreement shall serve as evidence of the intent of the parties that the Court disburse the funds to the Maintenance Entity.

(2) **All Other Cases of Failure to Proceed.**

(a) Except as provided in the preceding subparagraph (1), in the event that Restoration of the New Dam is either not commenced or completed,

it shall be deemed for purposes of this Agreement that Lake Grady District has failed for reasonable cause to construct the New Dam. In such event, Lake Grady District shall give written notice thereof, and of the intention of Lake Grady District to proceed in accordance with this subparagraph (2), to the other parties to this Agreement. Further in such event, Lake Grady District hereby agrees to promptly disburse the respective balances of the Construction Fund to pay first, to third parties all accrued obligations, Lake Grady District's attorneys' fees and other professional fees, and expenses incident to maintenance of Lake Grady District's existence, its meeting applicable statutory requirements, and meeting the terms and provisions of this Agreement (all such expenditures to be lawful, reasonable and reasonably invoiced)

(b) Thereafter, Lake Grady District shall disburse such balances as may then be remaining as follows:

(i) to affect total demolition of the uncompleted New Dam, and/or the remnants of any predecessor dam, as applicable and pay for the costs incident to such demolition.

(c) Thereafter, Lake Grady District shall disburse any remaining balances in the Construction Fund for one or more of the following purposes, in the complete discretion of Lake Grady District:

(i) to SRHOA, conditioned upon the further application of any such payment to general recreational, security or aesthetic amenities for Shadow Run; and/or,

(ii) to all then-current Shadow Run landowners, pro rata; and/or,

(iii) for the purpose of constructing a private pedestrian and/or bicycle path upon a safe and stable structure at the site of the New Dam.

PARAGRAPH 14. Zaragosa's Corporate Status.

A. As of its execution of this Agreement, and thereafter through the consummation of the various actions and transactions which are the subject of this Agreement, Zaragosa hereby specifically covenants and warrants, cumulative to the other provisions of this Agreement, as follows:

(1) Zaragosa shall, at its sole expense, maintain active and current status both as a for-profit corporation under the laws of Panama, and as a foreign corporation registered to do business in Florida, and shall promptly provide dispositive evidence thereof to any party requesting same from time to time, and to all parties to this Agreement on each anniversary date of the execution of this Settlement Agreement.

PARAGRAPH 15. Cudlipp Corporation's Status.

A. As of its execution of this Agreement, and thereafter through the consummation of the various actions and transactions which are the subject of this Agreement, Cudlipp Corporation hereby specifically covenants and warrants, cumulative to the other provisions of this Agreement, as follows:

(1) Cudlipp Corporation shall, at its sole expense, maintain active and current status as a Florida for-profit corporation and shall promptly provide

dispositive evidence thereof to all parties to this Agreement on each anniversary date of the execution of this Settlement Agreement.

PARAGRAPH 16. Time of the Essence. With respect to time periods stated herein, time is expressly declared to be of the essence of this Agreement. If the last day of any time period stated herein shall fall on a Saturday, Sunday or legal holiday in Florida, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not such a day. The term "business days" shall mean any day of the week other than Saturday, Sunday or a legal holiday in Florida.

PARAGRAPH 17. Notices.

A. All notices, demands, requests, and other communications required or permitted under this Agreement shall be in writing, shall reference this Agreement by title and date, and shall be sent by (a) registered or certified mail, whereupon notice shall be deemed to have been given on the third day after deposit for mailing; or (b) delivery by courier or other hand delivery, overnight delivery, or facsimile transmission with confirmed transmission delivery), whereupon notice shall be deemed to have been given on the day of delivery. If the day of notice is a Saturday, Sunday, or legal holiday, notice shall be deemed to have been given on the first calendar day thereafter which is not a Saturday, Sunday, or legal holiday.

B. Such notices, demands, requests, and other communications shall be served on all parties to this Agreement, and shall be addressed to the parties at their

respective addresses set forth below (or at such party's most recent address specified by notice in accordance with this paragraph):

If to Lake Grady District:

- Gregory J. Orcutt, Esquire
Anderson and Orcutt, P.A.
The SunTrust Financial Centre, Ste. 2400
401 E. Jackson St.
Tampa, Florida 33602

If to County:

- County Administrator
601 East Kennedy Blvd. 26th Floor
Tampa, Florida 33602

and

- County Attorney
601 East Kennedy Blvd. 27th Floor
Tampa, Florida 33602

If to Cudlipp:

- P.O. Box 530926
Miami, Florida 33153

If to Zaragosa:

- Larry Foyle, Esquire
Kaas Hodges, P.A.
Post Office box 800
Tampa, Florida 33601

PARAGRAPH 18. Governing Law; Venue. The laws of the State of Florida shall govern the validity, enforcement and interpretation of, and all matters relating to, this Agreement, without

regard to Florida principles of conflicts or choice of laws. Venue and convenient forum for any legal action arising out of this Agreement shall unconditionally lie in Hillsborough County, Florida.

PARAGRAPH 19. Release of All Prior Claims.

A. Except as otherwise expressly provided in this Agreement, the parties, for themselves and for anyone claiming by, through or under them respectively, do each hereby mutually, fully and forever disclaim, waive, surrender, remise, release, acquit, satisfy and discharge each other, jointly and severally, from any past, present or future rights, claims, powers, prerogatives, privileges and interests (beneficial or otherwise) which they may jointly or severally have, alone or with others (including but not limited to others not party to this Agreement), respecting or in any manner related to any existing or other predecessor dam of the New Dam, or any matters related to any existing or other predecessor dam of the New Dam, as well as from all claims and causes of action which have or, in the most liberal sense known to the law could have been, asserted in the Litigations.

B. It is understood and agreed that no release made above shall be construed as an admission of liability by any party, and each party denies liability, for any claims asserted prior to this Agreement by any other party and hereinabove released.

PARAGRAPH 20. No Intent to Encumber Escheated Lots. This Agreement shall not be construed to be an encumbrance on any of the Escheated Lots and shall not be recorded in the Public Records in any name which would cause such encumbrance.

PARAGRAPH 21. Warranty of Authorization. Each signatory hereof for the respective parties represents, warrants and confirms that he(she) has the authority to execute, deliver and enter into this Release for such party.

PARAGRAPH 22. Headings; Construction. The headings used in this Agreement have been inserted for the convenience of reference only, do not constitute matters to be substantively construed in interpreting this Agreement, and do not limit the substantive effect of the provisions of this Agreement which follow such headings.

PARAGRAPH 23. Invalid Provisions. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable by mutual agreement of the parties or a court of competent jurisdiction, such provision shall be modified to the minimum extent necessary to make its application valid or enforceable and, unless the same would result in a manifest injustice to a party, the validity and enforceability of all other provisions of this Agreement shall not be affected thereby.

PARAGRAPH 24. Assignment and Delegation.

A. Each party warrants and represents that, except as otherwise provided herein, neither such party's entering into this Agreement, nor such party's performance of its obligations and covenants under this Agreement, is subject to the prior consent of any third party. Further, no party shall assign its interests, or delegate its obligations and covenants under this Agreement, in whole or in part, without the prior written consent of the other parties.

B. County's Board of County Commissioners authorizes the County Administrator and County Attorney, and Lake Grady District authorizes its Chairman and Legal Counsel to serve as their proper representatives for the purpose of administration of the terms of this Agreement, but reserve to themselves the authority to execute any proposed amendment of this Agreement.

PARAGRAPH 25. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties, and their respective heirs, personal representatives, successors and assigns.

PARAGRAPH 26. Entire Agreement. This Agreement contains the entire agreement between the parties relative to the subject matter hereof, and there are no other terms, conditions, promises, undertakings, statements or representations, express or implied, concerning the subject matter of this Agreement. Without affecting the generality of the foregoing sentence, this Agreement supersedes in their entirety all previous discussions, negotiations and agreements of the parties concerning the subject matter of this Agreement.

PARAGRAPH 27. Terms and Conditions Related to Obligations of the SRHOA:

Maintenance Entity Selection and Operating Terms. SRHOA's approval of this Agreement, as evidenced by its execution of the Approval section at the end of this Agreement, shall also signify its express approval of the following terms under which the Maintenance Entity shall operate and otherwise be

responsible for the New Dam upon the Completion of Restoration:

(1) that, before Completion of Restoration, SRHOA will duly form (subject to the provisions of subparagraphs "(2)" and "(3)", below) a Florida not-for-profit corporation, to serve as the Maintenance Entity. The landowners at Shadow Run shall serve as shareholders of the Maintenance Entity and shall select officers and directors of the Maintenance Entity from within their group. No landowner at Shadow Run may be an officer or director of SRHOA and the Maintenance Entity at the same time.

(2) that SRHOA, for itself and for the Maintenance Entity unconditionally approves the following terms and conditions:

(a) that, upon the Completion of Restoration, Lake Grady District will assign to the Maintenance Entity all of Lake Grady District's permits and its right, title and interest in construction warranties and design and construction contracts for the Restoration of the New Dam, and will execute and deliver to the Maintenance Entity a deed to the New Dam and the site thereof;

(b) that, upon delivery of the assignments and deed by Lake Grady District as aforesaid, the Maintenance Entity will accept delivery thereof, duly record the deed, within forty-five (45) days of receipt thereof and accept ownership of the New Dam; assume and have all operational, repair and maintenance responsibilities for the New Dam, to include regular inspections of the dam, for so long as the same shall be operated; and indemnify and hold harmless the parties to this Agreement from and against all operational, repair and maintenance responsibilities for the New Dam, and from and against all claims, liabilities, expenses and other matters relating to the New Dam (including, without limitation, its design and construction).

(3) That Lake Grady District and the County shall have the right to approve SRHOA's formation of the Maintenance Entity as aforesaid. Neither Lake Grady District nor the County shall unreasonably withhold, condition or delay such approval if the following are established to their respective reasonable satisfaction:

(a) That the Maintenance Entity has the legal capacity to own and maintain the New Dam, separate and apart from the County, or from Lake Grady District;

(b) That the Maintenance Entity and the obligations of such Maintenance Entity as are provided under this Agreement are acceptable to pertinent regulatory and permitting agencies.

(4) That SRHOA expressly covenants that the Maintenance Entity's legal existence will be maintained throughout such period as the New Dam is to be in existence and operated; and, SRHOA expressly covenants that SRHOA will maintain its own legal existence throughout such period as the New Dam is to be in existence and operated and, if the Maintenance Entity at any time fails to maintain its legal existence, or fails to maintain pertinent regulatory and permitting agency approval, its legal capacity to own and maintain the New Dam separate and apart from the County and Lake Grady District, then, in any such event, SRHOA shall promptly take, at its expense, all actions necessary for SRHOA to form a successor Florida not-for-profit corporation to assume all of the rights and obligations of the Maintenance Entity under the terms provided in this Agreement, including without limitation, ownership of, and all maintenance and repair responsibilities for, the New Dam; and,

(5) That SRHOA, the District, Cudlipp and Zaragosa agree and

acknowledge that in no event shall the County be requested by them or by the corporation formed by the SRHOA to become the owner of or the Maintenance Entity for the current dam or the New Dam or any roadway running above the dam.

(6) That SRHOA shall execute and deliver quit claim deeds and/or other instruments conveying their interests in the site of the New Dam in accordance with paragraph 9 of this Agreement.

PARAGRAPH 28. Default of SRHOA and/or Maintenance Entity:

In the event the Maintenance Entity or successor Maintenance Entity shall fail or refuse to operate the dam, or otherwise be in material breach of its obligations pursuant to this Agreement, the County shall upon 90 days prior notice to SRHOA and any then existing Maintenance Entity, and unless such failure, refusal or material breach is cured within such 90 days, have the right to cause the structure to cease to operate as a dam, and at its option will be allowed to dismantle the dam.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

WITNESSES:

L. M. West
Brenda S. Adams
(Print Name of Witness)

LORI M. WEST
BRENDA S. ADAMS

LAKE GRADY ROAD AND
BRIDGE DISTRICT

By:

Its:

David C. Levesque
CHAIRMAN

APPROVED BY COUNTY ATTORNEY

BY *Guilford Theodore*

APPROVED As To Form and
Legal Sufficiency.

(Print Name of Witness)

ATTEST:
FLORIDA



Richard Ake
Clerk of the Circuit Court

BY: *Gary Munn*
DEPUTY CLERK

COUNTY: HILLSBOROUGH COUNTY,

BY: *Thom Scott*
CHAIRMAN, BOARD OF COUNTY
COMMISSIONERS

WITNESSES:
[Signature]
MICHAEL P. CUDLIPP
(Print Name of Witness)

[Signature]
ANGELA S. CUDLIPP

[Signature]
JOSE A. Gregory
(Print Name of Witness)

[Signature]
MICHAEL P. CUDLIPP

[Signature]
ANGELA CUDLIPP
(Print Name of Witness)

[Signature]
JOSE A. Gregory
(Print Name of Witness)

CUDLIPP CONSTRUCTION AND
DEVELOPMENT COMPANY, a
Florida corporation

[Signature]
ANGELA CUDLIPP
(Print Name of Witness)

By: *[Signature]*
Its: President

BOARD OF COUNTY COMMISSIONERS
HILLSBOROUGH COUNTY FLORIDA
DOCUMENT No. 98-0274

(CORPORATE SEAL)

(Print Name of Witness)

CORPORATE ACKNOWLEDGMENT

STATE OF _____ :

COUNTY OF _____ :

THE FOREGOING INSTRUMENT was acknowledged before me this ____ day of _____, 19__, by _____, as _____ of **CUDLIPP CONSTRUCTION AND DEVELOPMENT COMPANY**, who has represented that he/she has the authority to act on behalf of and bind said corporation. He/she ___ is personally known to me or ___ has produced _____ as identification and did not take an oath. [Notary, check appropriate blank; and, if obtaining identification, fill in appropriate identification number.]

Notary Public

(Printed Name of Notary)

My Commission Expires:

(Serial Number, if any)

ZARAGOSA PROPERTIES, INC.

By: _____

Its: _____

(CORPORATE SEAL)

Deborah Cooper

Deborah Cooper
(Print Name of Witness)

[Signature]

Michelle D. Gilbert
(Print Name of Witness)

CORPORATE ACKNOWLEDGMENT

STATE OF _____ :

COUNTY OF BAHAMAS. :

AK

THE FOREGOING INSTRUMENT was acknowledged before me this 17 day of February, 1992, by Albert Ballard, as President of ZARAGOSA PROPERTIES, INC., who has represented that he/she has the authority to act on behalf of and bind said corporation. He/she is personally known to me or has produced

as identification and did not take an oath. [Notary, check appropriate blank; and, if obtaining identification, fill in appropriate identification number.]

Jewel Grace La'Vaughn Major
Notary Public
Jewel Grace La'Vaughn Major
(Printed Name of Notary)

My Commission Expires:

(Serial Number, if any)

APPROVAL OF HOMEOWNERS ASSOCIATION

In consideration of the Parties' agreement to construct a New Dam, and other consideration, the sufficiency of which is hereby acknowledged, the undersigned hereby approves the terms of the above Settlement Agreement and agrees to be bound by the obligations set forth therein pertaining to the Shadow Run Homeowners Association and the Maintenance Entity.

SHADOW RUN
HOMEOWNERS ASSOCIATION

By: _____

Its: _____

(Print Name of Witness)

(CORPORATE SEAL)

STATE OF _____ :

COUNTY OF _____ :

THE FOREGOING INSTRUMENT was acknowledged before me this ____ day of

Handwritten initials

THE FOREGOING INSTRUMENT was acknowledged before me this ____ day of _____, 19____, by _____, as _____ of ZARAGOSA PROPERTIES, INC., who has represented that he/she has the authority to act on behalf of and bind said corporation. He/she ____ is personally known to me or ____ has produced _____ as identification and did not take an oath. [Notary, check appropriate blank; and, if obtaining identification, fill in appropriate identification number.]

Notary Public

(Printed Name of Notary)

My Commission Expires:

(Serial Number, if any)

APPROVAL OF HOMEOWNERS ASSOCIATION

In consideration of the Parties' agreement to construct a New Dam, and other consideration, the sufficiency of which is hereby acknowledged, the undersigned hereby approves the terms of the above Settlement Agreement and agrees to be bound by the obligations set forth therein pertaining to the Shadow Run Homeowners Association and the Maintenance Entity.

SHADOW RUN
HOMEOWNERS ASSOCIATION

By: [Signature]
Its: President - SRHOA

[Signature]
Albert M. Rousseau
(Print Name of Witness)

(CORPORATE SEAL)

STATE OF Florida :
COUNTY OF Hillsborough :

THE FOREGOING INSTRUMENT was acknowledged before me this 25 day of

EXHIBIT 1
LISTING OF THE 50 ESCHEATED LOTS

| FOLIO NO. | TAX DEED OR/PG | SUBDIVISION | LOT, BLOCK | DATE OF TAX DEED |
|------------|----------------|-------------------|------------|------------------|
| 76828.5024 | 5931-519 | Shadow Run Unit 1 | 12, 1 | 4/90 |
| 76828.5374 | 5944-1825 | Shadow Run Unit 1 | 1, 12 | 4/90 |
| 76828.5376 | 5944-1828 | Shadow Run Unit 1 | 2, 12 | 4/90 |
| 76828.5378 | 5944-1831 | Shadow Run Unit 1 | 3, 12 | 4/90 |
| 76828.5380 | 5944-1834 | Shadow Run Unit 1 | 4, 12 | 4/90 |
| 76828.5394 | 7984-206 | Shadow Run Unit 1 | 11, 12 | 12/95 |
| 76828.5402 | 5944-1837 | Shadow Run Unit 1 | 15, 12 | 4/90 |
| 76828.5408 | 5944-1840 | Shadow Run Unit 1 | 18, 12 | 4/90 |
| 76828.5412 | 5944-1843 | Shadow Run Unit 1 | 20, 12 | 4/90 |
| 76828.5414 | 5944-1846 | Shadow Run Unit 1 | 21, 12 | 4/90 |
| 76828.5416 | 5944-1849 | Shadow Run Unit 1 | 22, 12 | 4/90 |
| 76828.5424 | 7984-209 | Shadow Run Unit 1 | 26, 12 | 12/95 |
| 76828.5440 | 5949-1725 | Shadow Run Unit 1 | 34, 12 | 4/90 |
| 76828.5442 | 5949-1728 | Shadow Run Unit 1 | 35, 12 | 4/90 |
| 76828.5450 | 7984-212 | Shadow Run Unit 1 | 39, 12 | 12/95 |
| 76828.5452 | 5949.1731 | Shadow Run Unit 1 | 40, 12 | 4/90 |
| 76828.5454 | 5949-1734 | Shadow Run Unit 1 | 41, 12 | 4/90 |
| 76828.5522 | 5949-1737 | Shadow Run Unit 1 | 7, 16 | 4/90 |
| 76828.5526 | 5949-1740 | Shadow Run Unit 1 | 9, 16 | 4/90 |
| 76828.5528 | 5949-1743 | Shadow Run Unit 1 | 10, 16 | 4/90 |
| 76828.5530 | 5949.1746 | Shadow Run Unit 1 | 11, 16 | 4/90 |
| 76828.5540 | 5960-236 | Shadow Run Unit 1 | 16, 16 | 4/90 |
| 76828.5542 | 5960-239 | Shadow Run Unit 1 | 17, 16 | 4/90 |
| 76828.5544 | 5960-242 | Shadow Run Unit 1 | 18, 16 | 4/90 |
| 76828.5546 | 7984-214 | Shadow Run Unit 1 | 19, 16 | 12/95 |
| 76828.6008 | 6003-1542 | Shadow Run Unit 1 | 53, 12 | 6/90 |
| 76828.6010 | 5960-245 | Shadow Run Unit 2 | 54, 12 | 4/90 |

| | | | | |
|------------|-----------|-------------------|--------|------|
| 76828.6012 | 5960-248 | Shadow Run Unit 2 | 55, 12 | 4/90 |
| 76828.6014 | 5960-251 | Shadow Run Unit 2 | 56, 12 | 4/90 |
| 76828.6016 | 5960-254 | Shadow Run Unit 2 | 57, 12 | 4/90 |
| 76828.6018 | 5960-257 | Shadow Run Unit 2 | 58, 12 | 4/90 |
| 76828.6020 | 5960-260 | Shadow Run Unit 2 | 59, 12 | 4/90 |
| 76828.6022 | 5960-263 | Shadow Run Unit 2 | 60, 12 | 4/90 |
| 76828.6028 | 5960-266 | Shadow Run Unit 2 | 63, 12 | 4/90 |
| 76828.6030 | 5960-269 | Shadow Run Unit 2 | 64, 12 | 4/90 |
| 76828.6032 | 5960-272 | Shadow Run Unit 2 | 65, 12 | 4/90 |
| 76828.6034 | 5960-275 | Shadow Run Unit 2 | 66, 12 | 4/90 |
| 76828.6036 | 5976-278 | Shadow Run Unit 2 | 67, 12 | 4/90 |
| 76828.6070 | 5976-1056 | Shadow Run Unit 2 | 14, 14 | 5/90 |
| 76828.6072 | 5961-1059 | Shadow Run Unit 2 | 15, 14 | 5/90 |
| 76828.6074 | 5961-1954 | Shadow Run Unit 2 | 16, 14 | 4/90 |
| 76828.6076 | 5961-1957 | Shadow Run Unit 2 | 17, 14 | 4/90 |
| 76828.6078 | 5961-1960 | Shadow Run Unit 2 | 18, 14 | 4/90 |
| 76828.6080 | 5961-1963 | Shadow Run Unit 2 | 19, 14 | 4/90 |
| 76828.6082 | 5961-1966 | Shadow Run Unit 2 | 20, 14 | 4/90 |
| 76828.6086 | 5961-1969 | Shadow Run Unit 2 | 22, 14 | 4/90 |
| 76828.6110 | 6003-1545 | Shadow Run Unit 2 | 34, 14 | 6/90 |
| 76828.6204 | 5976-1062 | Shadow Run Unit 2 | 33, 18 | 5/90 |
| 76828.6210 | 5976-1065 | Shadow Run Unit 2 | 2, 19 | 5/90 |
| 76828.6220 | 5961-1972 | Shadow Run Unit 2 | 11, 14 | 4/90 |

EXHIBIT 2

LISTING OF THE TWO TAX DELINQUENT LOTS

FOLIO NO. 76828.5510

FOLIO NO. 76828.5512

Hillsborough County Real Estate Department -2-
c/o Mr. Michael Kelly, Director

July 3, 1997

| MARKET VALUE RANGE FOR SUBJECT LOTS | | | | | | | |
|-------------------------------------|-------|------|----------------------|-----|-------|------|----------------------|
| Lot | Block | Unit | Market Value | Lot | Block | Unit | Market Value |
| 12 | 1 | 1 | \$22,000 to \$27,000 | 53 | 12 | 2 | \$25,000 to \$30,000 |
| 1 | 12 | 1 | \$18,000 to \$23,000 | 54 | 12 | 2 | \$25,000 to \$30,000 |
| 2 | 12 | 1 | \$18,000 to \$23,000 | 55 | 12 | 2 | \$25,000 to \$30,000 |
| 3 | 12 | 1 | \$18,000 to \$23,000 | 56 | 12 | 2 | \$25,000 to \$30,000 |
| 4 | 12 | 1 | \$18,000 to \$23,000 | 57 | 12 | 2 | \$25,000 to \$30,000 |
| 11 | 12 | 1 | \$20,000 to \$25,000 | 58 | 12 | 2 | \$25,000 to \$30,000 |
| 15 | 12 | 1 | \$20,000 to \$25,000 | 59 | 12 | 2 | \$25,000 to \$30,000 |
| 18 | 12 | 1 | \$20,000 to \$25,000 | 60 | 12 | 2 | \$25,000 to \$30,000 |
| 20 | 12 | 1 | \$20,000 to \$25,000 | 63 | 12 | 2 | \$22,000 to \$27,000 |
| 21 | 12 | 1 | \$18,000 to \$23,000 | 64 | 12 | 2 | \$21,000 to \$26,000 |
| 22 | 12 | 1 | \$23,000 to \$28,000 | 65 | 12 | 2 | \$19,000 to \$24,000 |
| 26 | 12 | 1 | \$23,000 to \$28,000 | 66 | 12 | 2 | \$18,000 to \$23,000 |
| 34 | 12 | 1 | \$21,000 to \$26,000 | 67 | 12 | 2 | \$18,000 to \$23,000 |
| 35 | 12 | 1 | \$23,000 to \$28,000 | 14 | 14 | 2 | \$18,000 to \$23,000 |
| 39 | 12 | 1 | \$25,000 to \$28,000 | 15 | 14 | 2 | \$18,000 to \$23,000 |
| 40 | 12 | 1 | \$25,000 to \$28,000 | 16 | 14 | 2 | \$19,000 to \$24,000 |
| 41 | 12 | 1 | \$24,000 to \$27,000 | 17 | 14 | 2 | \$20,000 to \$25,000 |
| 7 | 16 | 1 | \$20,000 to \$25,000 | 18 | 14 | 2 | \$20,000 to \$25,000 |
| 9 | 16 | 1 | \$19,000 to \$24,000 | 19 | 14 | 2 | \$20,000 to \$25,000 |
| 10 | 16 | 1 | \$19,000 to \$24,000 | 20 | 14 | 2 | \$20,000 to \$25,000 |
| 11 | 16 | 1 | \$19,000 to \$24,000 | 22 | 14 | 2 | \$20,000 to \$25,000 |
| 16 | 16 | 1 | \$20,000 to \$25,000 | 34 | 14 | 2 | \$18,000 to \$23,000 |
| 17 | 16 | 1 | \$20,000 to \$25,000 | 33 | 18 | 2 | \$25,000 to \$30,000 |
| 18 | 16 | 1 | \$20,000 to \$25,000 | 2 | 19 | 2 | \$25,000 to \$30,000 |
| 19 | 16 | 1 | \$21,000 to \$26,000 | 11 | 14 | 2 | \$20,000 to \$25,000 |

The foregoing represents my opinion as to the range of values applicable to the subject lots. These ranges of value are predicated on a reasonable exposure time of 12 months to 24 months.

EXHIBIT 4

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF HILLSBOROUGH COUNTY, FLORIDA AUTHORIZING CONVEYANCE OF REAL PROPERTY TO THE LAKE GRADY ROAD AND BRIDGE DISTRICT.

Upon motion by Commissioner _____, seconded by Commissioner _____, the following Resolution was adopted by a vote of ___ to ___; Commissioner(s) _____ voting "NO".

WHEREAS, Florida Statutes, Section 125.38 authorizes the County to convey real property to a political subdivision of the State of Florida for public or community interest and welfare, upon request of the subdivision, and upon the County's determination that the property is required for such use and is not needed for County purposes, and

WHEREAS, Hillsborough County, by its Board of County Commissioners, holds title and possession to certain real property not needed for County use described in Attachment A.

WHEREAS, the Board of County Commissioners acquired title to such real property by escheatment, as also described in Attachment A.

WHEREAS, the Lake Grady Road & Bridge District is a political subdivision of the State of Florida and has requested as part of a settlement agreement presented to the County on February 18, 1998, that the 41 lots listed on Attachment A of this Resolution be conveyed to the District to generate funds for the restoration of a dam within the Shadow Run Subdivision, and

WHEREAS, the terms and conditions of the settlement agreement will serve as consideration for the conveyance of the lots;

ATTACHMENT A

| FOLIO NO. | TAX DEED OR/PG | SUBDIVISION | LOT,BLOCK | DATE OF TAX DEED |
|------------|----------------|-------------------|-----------|------------------|
| 76828.5024 | 5931-519 | Shadow Run Unit 1 | 12, 1 | 4/90 |
| 76828.5374 | 5944-1825 | Shadow Run Unit 1 | 1, 12 | 4/90 |
| 76828.5376 | 5944-1828 | Shadow Run Unit 1 | 2, 12 | 4/90 |
| 76828.5378 | 5944-1831 | Shadow Run Unit 1 | 3, 12 | 4/90 |
| 76828.5380 | 5944-1834 | Shadow Run Unit 1 | 4, 12 | 4/90 |
| 76828.5394 | 7984-206 | Shadow Run Unit 1 | 11, 12 | 12/95 |
| 76828.5402 | 5944-1837 | Shadow Run Unit 1 | 15, 12 | 4/90 |
| 76828.5408 | 5944-1840 | Shadow Run Unit 1 | 18, 12 | 4/90 |
| 76828.5412 | 5944-1843 | Shadow Run Unit 1 | 20, 12 | 4/90 |
| 76828.5414 | 5944-1846 | Shadow Run Unit 1 | 21, 12 | 4/90 |
| 76828.5416 | 5944-1849 | Shadow Run Unit 1 | 22, 12 | 4/90 |
| 76828.5440 | 5949-1725 | Shadow Run Unit 1 | 34, 12 | 4/90 |
| 76828.5442 | 5949-1728 | Shadow Run Unit 1 | 35, 12 | 4/90 |
| 76828.5450 | 7984-212 | Shadow Run Unit 1 | 39, 12 | 12/95 |
| 76828.5452 | 5949.1731 | Shadow Run Unit 1 | 40, 12 | 4/90 |
| 76828.5454 | 5949-1734 | Shadow Run Unit 1 | 41, 12 | 4/90 |
| 76828.5526 | 5949-1740 | Shadow Run Unit 1 | 9, 16 | 4/90 |
| 76828.5528 | 5949-1743 | Shadow Run Unit 1 | 10, 16 | 4/90 |
| 76828.5542 | 5960-239 | Shadow Run Unit 1 | 17, 16 | 4/90 |
| 76828.5546 | 7984-214 | Shadow Run Unit 1 | 19, 16 | 12/95 |
| 76828.6008 | 6003-1542 | Shadow Run Unit 1 | 53, 12 | 6/90 |
| 76828.6010 | 5960-245 | Shadow Run Unit 2 | 54, 12 | 4/90 |

| | | | | |
|------------|-----------|-------------------|--------|------|
| 76828.6012 | 5960-248 | Shadow Run Unit 2 | 55, 12 | 4/90 |
| 76828.6014 | 5960-251 | Shadow Run Unit 2 | 56, 12 | 4/90 |
| 76828.6016 | 5960-254 | Shadow Run Unit 2 | 57, 12 | 4/90 |
| 76828.6018 | 5960-257 | Shadow Run Unit 2 | 58, 12 | 4/90 |
| 76828.6020 | 5960-260 | Shadow Run Unit 2 | 59, 12 | 4/90 |
| 76828.6022 | 5960-263 | Shadow Run Unit 2 | 60, 12 | 4/90 |
| 76828.6028 | 5960-266 | Shadow Run Unit 2 | 63, 12 | 4/90 |
| 76828.6030 | 5960-269 | Shadow Run Unit 2 | 64, 12 | 4/90 |
| 76828.6034 | 5960-275 | Shadow Run Unit 2 | 66, 12 | 4/90 |
| 76828.6036 | 5976-278 | Shadow Run Unit 2 | 67, 12 | 4/90 |
| 76828.6070 | 5976-1056 | Shadow Run Unit 2 | 14, 14 | 5/90 |
| 76828.6072 | 5961-1059 | Shadow Run Unit 2 | 15, 14 | 5/90 |
| 76828.6074 | 5961-1954 | Shadow Run Unit 2 | 16, 14 | 4/90 |
| 76828.6076 | 5961-1957 | Shadow Run Unit 2 | 17, 14 | 4/90 |
| 76828.6078 | 5961-1960 | Shadow Run Unit 2 | 18, 14 | 4/90 |
| 76828.6080 | 5961-1963 | Shadow Run Unit 2 | 19, 14 | 4/90 |
| 76828.6110 | 6003-1545 | Shadow Run Unit 2 | 34, 14 | 6/90 |
| 76828.6204 | 5976-1062 | Shadow Run Unit 2 | 33, 18 | 5/90 |
| 76828.6220 | 5961-1972 | Shadow Run Unit 2 | 11, 14 | 4/90 |