



# **HOBE-ST. LUCIE CONSERVANCY DISTRICT**

## **MARTIN COUNTY**

**REGULAR BOARD OF SUPERVISORS MEETING  
DECEMBER 13, 2023  
9:30 A.M.**

**Special District Services, Inc.  
The Oaks Center  
2501A Burns Road  
Palm Beach Gardens, FL 33410**

**[www.hobestluciecd.org](http://www.hobestluciecd.org)  
561.630.4922 Telephone  
877.SDS.4922 Toll Free  
561.630.4923 Facsimile**

**AGENDA**  
**HOBE-ST. LUCIE CONSERVANCY DISTRICT**  
Conference Room at Becker Tree Farm  
2400 SE Bridge Road  
Hobe Sound, Florida 33455  
**REGULAR BOARD OF SUPERVISORS MEETING**  
December 13, 2023  
9:30 a.m.

- A. Call to Order
- B. Proof of Publication.....Page 1
- C. Establish Quorum
- D. Additions or Deletions to Agenda
- E. Comments from the Public for Items Not on the Agenda
- F. Approval of Minutes
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- G. Old Business
  - 1. Status Update Regarding RG Reserve Pipe Permit
  - 2. Status Update Regarding Howe Holdings Agreements
  - 3. Consider SFWMD Access Permit for Geotech - Hydro Logic Monitoring.....Page 11
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- H. New Business
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- I. Administrative Matters
  - 1. Engineer's Report
  - 2. Attorney's Report
  - 3. Manager's Report
  - 4. Field Operations Report
- J. Board Members Comments
- K. Adjourn



Florida

PO Box 631244 Cincinnati, OH 45263-1244

GANNETT

# **PROOF OF PUBLICATION**

Laura Archer  
Peter Pimentel  
Hobe-St. Lucie Conservancy District  
2501 Burns RD # A  
Palm Beach Gardens FL 33410-5207

STATE OF WISCONSIN, COUNTY OF BROWN


Before the undersigned authority personally appeared, who on oath says that he or she is the Legal Advertising Representative of the Indian River Press Journal/St Lucie News Tribune/Stuart News, newspapers published in Indian River/St Lucie/Martin Counties, Florida; that the attached copy of advertisement, being a Legal Ad in the matter of Govt Public Notices, was published on the publicly accessible websites of Indian River/St Lucie/Martin Counties, Florida, or in a newspaper by print in the issues of, on:

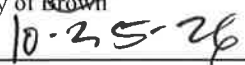
10/13/2023

Affiant further says that the website or newspaper complies with all legal requirements for publication in chapter 50, Florida Statutes.

Subscribed and sworn to before me, by the legal clerk, who is personally known to me, on 10/13/2023

  
\_\_\_\_\_  
Legal Clerk

  
\_\_\_\_\_  
Notary, State of WI, County of Brown

  
\_\_\_\_\_  
My commission expires

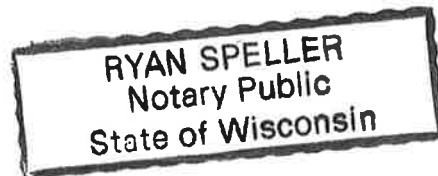
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HOBE-ST. LUCIE  
CONSERVANCY DISTRICT  
FISCAL YEAR 2023/2024  
REGULAR MEETING SCHEDULE  
NOTICE IS HEREBY GIVEN that  
the Board of Supervisors of the  
Hobe-St. Lucie Conservancy District  
will hold Regular Meetings in the  
Conference Room at Becker Tree  
Farm located at 2400 SE Bridge  
Road, Hobe Sound, Florida 33455 at  
9:30 a.m. on the following dates:  
October 25, 2023  
November 15, 2023  
December 13, 2023  
January 24, 2024  
February 28, 2024  
March 27, 2024  
April 24, 2024  
May 22, 2024  
June 26, 2024  
July 24, 2024  
August 28, 2024  
September 25, 2024

The purpose of the meetings is to  
conduct any business coming before  
the Board. Meetings are open to the  
public and will be conducted in  
accordance with the provisions of  
Florida law. A copy of the Agenda  
for any of the meetings may be  
obtained from the District's website  
or by contacting the District  
Manager at (561) 630-4922 and/or toll  
free at 1-877-737-4922 prior to the  
date of the particular meeting.  
From time to time one or more  
Supervisors may participate by  
telephone; therefore a speaker  
telephone will be present at the  
meeting location so that Supervisors  
may be fully informed of the  
discussions taking place. Said  
meetings may be continued as found  
necessary to a time and place  
specified on the record.  
If any person decides to appeal any  
decision made with respect to any  
matter considered at these  
meetings, such person will need a  
record of the proceedings and such  
person may need to insure that a  
verbatim record of the proceedings  
is made at his or her own expense  
and which record includes the  
testimony and evidence on which the  
appeal is based.  
In accordance with the provisions of  
the Americans with Disabilities Act,  
any person requiring special  
accommodations or an interpreter to  
participate at any of these meetings  
should contact the District Manager  
at (561) 630-4922 and/or toll-free at 1-  
877-737-4922 at least seven (7) days  
prior to the date of the particular  
meeting.  
Meetings may be cancelled from  
time to time without advertised  
notice.  
HOBE-ST. LUCIE CONSERVANCY  
DISTRICT  
www.hobestluciecd.org  
PUBLISH: STUART NEWS 10/13/23  
#9389027



MINUTES OF THE BOARD OF SUPERVISORS MEETING  
OF HOBE-ST. LUCIE CONSERVANCY DISTRICT  
October 25, 2023

Pursuant to the above Notice, the Board of Supervisors of Hobe-St. Lucie Conservancy District held its Board of Supervisors Meeting on October 25, 2023 at 9:30 A.M. at the Becker Tree Farm & Nursery located at 2400 SE Bridge Road, Hobe Sound, Florida 33455.

Present were Rick Melchiori, Edward Weinberg and Robert Brown, Supervisors; Michael McElligott of Special District Services, Inc. as District Manager; Robert Higgins of Higgins Engineering, Inc. as District Engineer; and Mary M. Viator, Attorney and Secretary. Also in attendance was Mr. Ray Spears of The Grassroots Corp., Mr. Paul Whalen, Mr. Jonathan Ricketts, P.E., and Donald Barnes. Attending via telephone was Mr. Jacques Mouracadeh of Coventry Development, Mr. Mark Raymond, Bond Counsel and Brett Sealy attended via telephone.

CALL TO ORDER

The Board of Supervisors Meeting was called to order by President Melchiori.

ESTABLISHMENT OF QUORUM

The President announced a quorum was present and it was in order to transact any business to come before the Board.

ADDITIONS OR DELETIONS TO AGENDA

The Board amended the Agenda to consider New Business before Old Business.

COMMENTS FROM THE PUBLIC FOR ITEMS NOT ON THE AGENDA

None.

APPROVAL OF MINUTES

A motion was made by Mr. Weinberg, seconded by Mr. Brown and unanimously passed approving the Minutes of the July 26, 2023 Board of Supervisors Board Meeting.

NEW BUSINESS

1. Consider Resolution No. 2023-05 – Authorizing Amended and Restated Bond Resolution for Unit of Development No. 1A

Mr. Mark Raymond, Bond Counsel, presented Resolution No. 2023-05, authorizing the Amended and Restated Unit of Development 1A as follows:

RESOLUTION NO. 2023-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT AMENDING AND RESTATING IN ITS ENTIRETY RESOLUTION NO. 2022-06.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT, THAT:

**Section 1.** Resolution No. 2022-06 of the Board of Supervisors of Hobe-St. Lucie Conservancy District, adopted on June 22, 2022, is hereby amended and restated in its entirety to provide:

[Remainder of page is intentionally blank. The next page is the first page of the amended and restated Resolution No. 2022-06]

RESOLUTION NO. 2022-06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT INITIALLY AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF NOT EXCEEDING \$227,353,500.00 BONDS OF SUCH DISTRICT TO FINANCE THE COST OF IMPROVEMENTS WITH RESPECT TO UNIT OF DEVELOPMENT NO. 1A OF THE DISTRICT; PROVIDING THAT SUCH BONDS SHALL BE PAYABLE SOLELY FROM DRAINAGE TAXES LEVIED BY THE DISTRICT ON THE LANDS WITHIN UNIT OF DEVELOPMENT NO. 1A, AND OTHER MONIES AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES, AND REMEDIES FOR THE OWNERS OF SUCH BONDS; PROVIDING FOR THE CREATION OF SPECIAL FUNDS AND ACCOUNTS; APPOINTING A TRUSTEE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

(Copy filed in District Records)

Mr. Melchiori and Mr. Weinberg announced a Conflict of Interest. Form 8B Filed in District records.

2. Consider – Adoption of Resolution 2023-06 – Approval of Award Resolution for Hobe -St. Lucie Conservancy District Unit of Development No. 1A

Mr. Mark Raymond, Bond Counsel, presented Resolution No. 2023-06, authorizing the Award Resolution.

Following discussion by the Board, a motion was made by Mr. Brown, seconded by Mr. Weinberg and unanimously passed adopting the following Resolution:

#### **RESOLUTION 2023-06**

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$72,000,000.00 AGGREGATE PRINCIPAL AMOUNT OF THE DISTRICT'S IMPROVEMENT BONDS, UNIT OF DEVELOPMENT NO. 1A, SERIES 2023; PROVIDING A METHOD TO DETERMINE THE PRINCIPAL AMOUNT, INTEREST RATES, MATURITY SCHEDULE AND REDEMPTION PROVISIONS FOR SUCH SERIES 2023 BONDS; PROVIDING A METHOD FOR AWARDED THE SALE OF SERIES 2023 BONDS TO THE UNDERWRITER AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; AUTHORIZING THE PREPARATION AND USE OF A PRELIMINARY LIMITED OFFERING MEMORANDUM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM AND A BOND PURCHASE AGREEMENT; APPOINTING A TRUSTEE FOR THE SERIES 2023 BONDS; SUPPLEMENTING CERTAIN PROVISIONS OF RESOLUTION NO. 2022-06 OF THE DISTRICT; AUTHORIZING AND DIRECTING CERTAIN OFFICIALS OF THE DISTRICT TO TAKE ALL ACTION REQUIRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2023 BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2023 BONDS; AND PROVIDING AN EFFECTIVE DATE.

(Copy filed in District Records)

Mr. Melchiori and Mr. Weinberg announced a Conflict of Interest. Form 8B filed in District Records.

3. Consider Approval of Proposed BNY Mellon Corporate Trust for Trustee Services

The Proposal from BNY Mellon Corporate Trust for Corporate Trustee Services was presented by Mr. Mark Raymond who explained the Proposal for Trustee Services relating to the proposed issuance of bonds for Unit of Development No. 1A.

A Motion was made by Mr. Weinberg seconded by Mr. Brown and u unanimously passed approving the Proposal from BNY Mellon Corporate Trust for Trustee Services.

Mr. Melchiori and Mr. Weinberg announced a Conflict of Interest. Form 8B filed in district Records.

4. Consider Approval of Landowner's Agreement between HSLCD and Discovery Hobe Sound Investures LLC for Unit of Development No. 1A

The District Attorney presented the proposed Landowner's Agreement between the District and Discovery Hobe Sound Investures LLC.

A Motion was made by Mr. Brown seconded by Mr. Weinberg and unanimously passed approving the Landowner's Agreement between the District and Discovery Hobe Sound Investures LLC, subject to final review.

Mr. Melchiori and Mr. Weinberg announced a Conflict of Interest. Form 8B filed in District Records.

5. Consider Resolution No. 2023-07 Adopting Fiscal Year 2022/2023 Amended Budget:

Mr. Michael McElligott presented the Proposed Amended Budget for Fiscal 2022/2023 for the Board's consideration.

Mr. McElligott presented the proposed assessment breakdown for Fiscal Year 2022/2023.

The Board discussed the general administrative budget as well as the maintenance

expenses for the respective Units of Development. The Board also discussed the expenses associated with the operation and maintenance of the backbone of the District's system.

Mr. McElligott additionally addressed the cost associated with the backbone system and addressed the funds in the Balance of the District.

Following a discussion by the Board, a motion was made by Mr. Weinberg and seconded by Mr. Brown and unanimously passed Adopting Resolution No. 2023-07 approving the proposed Amended Budget for Fiscal Year 2022/2023 as discussed.

#### RESOLUTION NO. 2023-07

#### A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HOBE-ST. LUCIE CONSERVANCY DISTRICT APPROVING A PROPOSED AMENDED BUDGET FOR FISCAL YEAR 2022/2023

(Copy filed in District Records)

7. Consider Approval of Request from Jonathan Ricketts to line a portion of HSLCD  
IC #2

Mr. Jonathan Ricketts, P.E., on behalf of SS Ranch, LLC requested permission to construct an impermeable liner on a small section of Irrigation Canal No. 2 (IC2).

SS Ranch is currently constructing a golf course north of Kanner Highway (SR 706) on the property immediately west of IC2. The golf course will have a large variation in the topography as a key part of the course. To achieve that goal, some of this varying topography will be constructed immediately west of the IC2 and is proposed to be as low as 16.0 NAVD.

When the pumps are running for IC2, the elevation of the water inside the canal reaches approximately. 21.5 NAVD. To prevent the water from the canal from seeping into the golf course. It is proposed to line the canal with an impermeable barrier. The liner would be constructed starting immediately south of the IC2 pump station located at the canal's juncture with the C44 Canal. The liner would stop just north of the existing box culverts located at Kaner



Highway. Construction of the liner would likely take approximately 2-3 weeks. During construction, a temporary bypass canal would be constructed to insure continuous deliveries of water through the canal.

Upon approval, construction plans will be finalized for review and approval by Mr. Robert Higgins, District Engineer.

Mr. Higgins commented on the impacts to future usage outside the cross sections. It was confirmed the work would be configured within the water line and there would be no changes to the canal. Costs were to be borne by the Petitioner.

Following discussions by the Board, a motion was made by Mr. Brown, seconded by Mr. Weinberg and unanimously passed, approving the concept subject to issuance of a District Permit to perform the subject work.

6. Consider Approval of Estimated Repair Cost – Higgins Engineering, Inc. and
8. Consider Proposal to Automate the Pasture Pump were combined.

The District Engineer addressed the proposed improvements and costs to the Capital Improvement Plan for automating the Pasture Pump. Mr. Melchiori inquired whether they were any additional costs. The need to construct a small building to cover the controls and to move the panels closer to the pumps was discussed.

Following discussions by the Board, a motion was made by Mr. Brown, seconded by Mr. Weinberg and unanimously passed to approve the proposal to automate the Pasture Pumps in the amount not to exceed \$50,000.00.

#### OLD BUSINESS

1. Update Regarding RG Reserve Pipe Permit Application

The District Engineer indicated he had previously reached out to the Consultant of

RG Reserve who was putting together a plan for the Engineers review. The District Engineer indicated the need for RG Reserve to pay for the District's review and the adverse effects resulting from the washout of the structure. The District Engineer indicated the previous damage to the District Facilities could occur again including seepage into the Districts Canal. The District Engineer was directed to re-send the demand letter to SFWMD relating any permits for mitigation as well as the Mitigation Bank security.

2. Update Regarding Howe Holdings Agreement

The District Engineer commented on the Howe Holdings Agreement.

The District Engineer explained that Howe Holdings had signed the Irrigation Agreement. He was awaiting the original re-executed Agreement when the landowner would be back. He confirmed the parties were in agreement.

The District Manager indicated the Invoice had been sent to Howe Holdings and he was awaiting payment.

3. Status Update Regarding SFWMD Access Permit for Geotech

The District Engineer reported on the status of the Access Permit for Geotech relating to access and hydrological matters. Page 3 of the Permit was limited to water level monitoring.

4. Status Update on Unit of Development No. 6

The District Manager stated a Request had been received from SFWMD to consider creating a New Unit of Development in a portion of the Balance of the District.

The Board discussed the proposed boundaries of Unit No. 6 which included SFWMD lands and lands owned by TIIFT and HSLCD. A legal description was needed along with authorization of all of the Landowners in the Unit be included in the Project, including the TIIFT and HSLCD parcel(s).

The Board discussed continuing with the formation process but directed that the consent of both TIFT and HSLCD was needed before designation of Unit of Development No. 6 at this time.

#### ADMINISTRATIVE MATTERS

1. District Engineer's Report

The District Engineer commented on the District's operations

2. District Attorney's Report

The District Attorney reported on matters as they appeared on the Agenda.

The Attorney further reported on HB 7063 relating to the prohibition of special assessments on agricultural lands.

3. Manager's Report

The District Manager reported on matters as they appeared on the Agenda.

The District Manager also reported on facilitating the Board's ethical reporting requirements.

4. Field Operations Report

Mr. Spears commented on field operations.

#### SUPERVISOR COMMENTS

None.

#### NEXT MEETING

The Board confirmed the November Board Meeting would be held on November 29, 2023, in the Becker Tree Farm Conference Room.

ADJOURN

There being no further business to come before the Board, the Meeting was adjourned.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

**CONSIDER SFWMD ACCESS  
PERMIT FOR GEOTECH - HYDRO  
LOGIC MONITORING**

**TO BE DISTRIBUTED  
UNDER SEPARATE COVER**

November 29, 2023

RE: Hobe-St. Lucie Conservancy District Auditor Renewal

At the November 18, 2020 Hobe-St. Lucie Conservancy District Board Of Supervisors meeting, the firm of Grau & Associates was selected to perform the 9-30-2020, 9-30-2021 and 9-30-2022 year end audits of the District with an option to perform the 9-30-2023 and 9-30-2024 audit.

The fees for the 9-30-2020 audit were \$3,000. The fees for the 9-30-2021 audit were \$3,100. And the fees for the 9-30-2022 audit were \$3,200. The proposed fee for the 9-30-2023 audit is \$3,300. And the proposed fee for the 9-30-2024 audit is \$3,400.


Management is pleased with the professionalism and the competence of the Grau & Associates partners and staff; therefore management recommends that the Board approve the renewal option for the Fiscal Year Ending 9-30-2023 and 9-30-2024 audits for Grau & Associates.

Special District Services, Inc.



# HIGGINS ENGINEERING, INC.

## MEMORANDUM

TO: Hobe St. Lucie Conservancy District, Board of Supervisors  
FROM: Robert W. Higgins, P.E., District Engineer   
DATE: October 19, 2023  
RE: Higgins Engineering, Inc. Rate Increase

Higgins Engineering, Inc. was retained by the Hope St. Lucie Conservancy District in 2007 as the Engineer for the District. Since that time Higgins Engineering, Inc. has not requested a fee increase, but would like you to entertain one at this time based on the CPI increases between 2007 and 2022. The previous rate schedule would be as follows:

	<u>2007 Rate</u> <u>Per Hour</u>	<u>Proposed 2023 Rate</u> <u>Per Hour</u>
Senior Engineer	\$200.00	\$250.00
Engineer	\$160.00	\$180.00
Jr. Engineer	\$120.00	\$140.00
Draftsman	\$ 90.00	\$110.00
Administrative	\$ 60.00	\$ 70.00

Reimbursable Expenses at cost

All services will continue to be performed as directed by the Board.

In advance thank you for your consideration of this request. We look forward to continuing to work with the District.

RWH/jp  
07-18

# Holland & Knight

777 South Flagler Drive, Suite 1900, West Tower | West Palm Beach, FL 33401 | T 561.833.2000  
Holland & Knight LLP | [www.hklaw.com](http://www.hklaw.com)

Denise J. Ganz  
561.650.8340  
[Denise.Ganz@hklaw.com](mailto:Denise.Ganz@hklaw.com)

December 5, 2023

Hobe-St. Lucie Conservancy District  
c/o District Manager  
2501 Burns Road, Suite A  
Palm Beach Gardens, FL 33410

Re: Bond Counsel Services

Ladies and Gentlemen:

Thank you for considering retaining Holland & Knight LLP (H&K) to represent the Hobe-St. Lucie Conservancy District, a water control district of the State of Florida located in Martin County, Florida (the "District"), as its Bond Counsel in connection with the financing of various public improvements through the issuance of a tax-exempt obligation (referred to as Improvement Bonds, Unit 1A) (collectively, the "Obligations").

The purpose of this letter is to confirm our engagement as Bond Counsel in connection with the Obligations and to provide you with certain information concerning our fees, billing and collection policies, and other terms that will govern our relationship. Although we do not wish to be overly formal in our relationship with you, we have found it a helpful practice to confirm with our clients the nature and terms of our representation. Attached to this letter are our firm's standard terms of engagement. Please review these and let me know if you have any questions concerning our policies.

Bond Counsel's role generally is to document a tax-exempt bond transaction structured by the District and to render an objective legal opinion with respect to the authorization and issuance of those Obligations. Our services as Bond Counsel in connection with this transaction will include the following:

(1) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Bond Opinion") regarding the validity and binding effect of the Obligations, the source of payment and security for the Obligations, and the excludability of interest on the Obligations from gross income for federal income tax purposes, to the extent applicable.

(2) Prepare and review documents necessary or appropriate to the authorization, issuance and delivery of the Obligations, including resolutions, State of Florida filings, and federal tax filings of the Form 8038-G and coordinate the authorization and execution of such documents, and review enabling legislation.



- (3) Examination of applicable law.
- (4) Consultation with the parties prior to the issuance of the Obligations.
- (5) Preparation and/or review of (i) the basic documents authorizing and providing for the issuance and payment of the Obligations, including the Bond Resolution, and (ii) the forms of such closing documents, certificates and opinions of counsel as we deem necessary to render our opinion.
- (6) Review of an offering document or documents related to summaries of the bond documents.
- (7) Review of certified proceedings and performance of such additional duties as are necessary to render our opinion.

Our Bond Opinion (or applicable reliance opinion) will be addressed to the issuer of the Obligations, the District, the underwriter of the Obligations and the trustee for the Obligations, and will be delivered by us on the date the Obligations are exchanged for their purchase price (the "Closing").

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the District with applicable laws relating to the Obligations. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Obligations and their security. We understand that you will direct members of your staff and other employees of the District to cooperate with us in this regard.

It is our understanding that the Obligations have been judicially validated and that the assessment proceedings relating to the non-ad valorem assessments, the revenues of which will be pledged to the Obligations, have been concluded. Our services as Bond Counsel will include a review of these prior proceedings, including an analysis of the eligibility of the improvements proposed to be financed by the Obligations to be funded on a tax-exempt basis.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include:

- (a) Preparing the offering documents or bond purchase agreement related to the Obligations;
- (b) Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission (unless we are separately engaged for such purposes).

- (c) Preparing blue sky or investment surveys with respect to the Obligations.
- (d) Making an investigation or expressing any view as to the creditworthiness of the District or the Obligations.
- (e) Representing the District in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations (unless we are separately engaged for such purposes).
- (f) After Closing, providing continuing advice to the District or any other party concerning any actions necessary to assure that interest paid on the Obligations will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Obligations) (unless we are separately engaged for such purposes).
- (g) Providing financial advice or serving as a municipal advisor, financial advisor or swap advisor to the District.

Our engagement is also subject to the standard Terms of Engagement attached hereto as Exhibit "A."

The fee for our bond counsel services will be \$60,000 plus our actual out of pocket costs, which we would estimate to be nominal . Payment will be due upon the successful Closing of the issuance of the Obligations. If, for any reason, the Closing is not completed by July 31, 2024 or is consummated without the rendition of our opinion as bond counsel, we would bill at our hourly rates only for the amount of unbilled time we have expended in connection with this issue to that point, based on rates in effect from time to time during that period, plus any actual out-of-pocket expenses.

I hope that this letter adequately explains our role and our arrangements with you. If, however, you have any questions, please let me know. If the foregoing terms of our engagement and arrangements concerning our fees are acceptable, please so indicate by having the enclosed copy of this letter signed by an appropriate representative of the District and return it to us. Thank you for your cooperation and we look forward to working with you on this transaction.

Thank you very much.

Sincerely yours,

HOLLAND & KNIGHT LLP



Denise J. Ganz

The undersigned acknowledges and agrees to the terms of engagement as described in the aforesaid circumstances.

**HOBE-ST. LUCIE CONSERVANCY DISTRICT**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# ***HOLLAND & KNIGHT LLP***

## ***TERMS OF ENGAGEMENT***

We appreciate your decision to retain Holland & Knight LLP as your legal counsel.

This document explains how we work, our obligations to you, your obligations to us, what we will do on your behalf, and how our charges will be determined and billed. Experience has shown that an understanding of these matters will contribute to a better relationship between us, and that in turn makes our efforts more productive.

Our engagement and the services that we will provide to you are limited to the matter identified in the accompanying letter. Any changes in the scope of our representation as described in the letter must be approved in writing. We will provide services of a strictly legal nature related to the matters described in that letter. You will provide us with the factual information and materials we require to perform the services identified in the letter, and you will make such business or technical decisions and determinations as are appropriate. You will not rely on us for business, investment, or accounting decisions, or expect us to investigate the character or credit of persons or entities with whom you may be dealing, unless otherwise specified in the letter.

We cannot guarantee the outcome of any matter. Any expression of our professional judgment regarding your matter or the potential outcome is, of course, limited by our knowledge of the facts and based on the law at the time of expression. It is also subject to any unknown or uncertain factors or conditions beyond our control.

### ***Confidentiality and Related Matters***

Regarding the ethics of our profession that will govern our representation, several points deserve emphasis. As a matter of professional responsibility, we are required to hold confidential all information relating to the representation of our clients, subject to certain exceptions that we will discuss with you. This professional obligation and the legal privilege for attorney-client communications exist to encourage candid and complete communication between a client and his lawyer. We can perform truly beneficial services for a client only if we are aware of all information that might be relevant to our representation. Consequently, we trust that our attorney-client relationship with you will be based on mutual confidence and unrestrained communication that will facilitate our proper representation of you.

Additionally, you should be aware that, in instances in which we represent a corporation or other entity, our client relationship is with the entity and not with its individual executives, shareholders, directors, members, managers, partners, or persons in similar positions, or with its parent, subsidiaries, or other affiliates. In those cases, our professional responsibilities are owed only to that entity, alone, and no conflict of interest will be asserted by you because we represent persons with respect to interests that are adverse to individual persons or business organizations who have a relationship with you. That is to say, unless the letter accompanying this document indicates otherwise, Holland & Knight's attorney-client relationship with the entity does not give rise to an attorney-client relationship with the parent, subsidiaries or other affiliates of the entity, and representation of the entity in this matter will not give rise to any conflict of interest in the event other clients of the firm are adverse to the parent, subsidiaries or other affiliates of the entity. Of course, we can also represent individual executives, shareholders, directors, members, managers, partners, and other persons related to the entity in matters that do not conflict with the interests of the entity, but any such representation will be the subject of a separate engagement letter. Similarly, when we represent a party on an insured claim, we represent the insured, not the insurer, even though we may be approved, selected, or paid by the insurer.

The firm attempts to achieve efficiencies and savings for its clients by managing the firm's administrative operations (e.g., file storage, document duplication, word processing, accounting/billing) in the most efficient manner possible, including outsourcing certain functions to third parties. Outsourcing in this manner may require the firm to allow access by third parties to your confidential information, and in some cases, these third parties may be located outside the United States. The firm will follow applicable legal ethics rules with regard to such outsourcing and protection of confidential information.

### ***Fees and Billing***

Clients frequently ask us to estimate the fees and other charges they are likely to incur in connection with a particular matter. We are pleased to respond to such requests whenever possible with an estimate based on our

professional judgment. This estimate always carries the understanding that, unless we agree otherwise in writing, it does not represent a maximum, minimum, or fixed fee quotation. The ultimate cost frequently is more or less than the amount estimated.

Legal Fees. We encourage flexibility in determining billing arrangements. For example, we often agree with our clients to perform services on a fixed-fee or other basis that we and the client believe will encourage efficiency and reflect the value of our services in relation to a particular objective.

If you and we have agreed on a fixed fee arrangement, our fees will not be limited to the fixed amount if you fail to make a complete and accurate disclosure of information that we have requested and that we reasonably require for our work, or if you materially change the terms, conditions, scope, or nature of the work, as described by you when we determined the fixed amount. If any of these events occurs, our fees will be based upon the other factors described below, unless you and we agree on a revised fixed fee.

If the accompanying engagement letter does not provide for a fixed fee, or if we do not otherwise confirm to you in writing a fee arrangement, our fees for services will be determined as described in the following paragraphs.

When establishing fees for services that we render, we are guided primarily by the time and labor required, although we also consider other appropriate factors, such as the novelty and difficulty of the legal issues involved; the legal skill required to perform the particular assignment; time-saving use of resources (including research, analysis, data and documentation) that we have previously developed and stored electronically or otherwise in quickly retrievable form; the fee customarily charged by comparable firms for similar legal services; the amount of money involved or at risk and the results obtained; and the time constraints imposed by either you or the circumstances. In determining a reasonable fee for the time and labor required for a particular matter, we consider the ability, experience, and reputation of the lawyer or lawyers in our firm who perform the services. To facilitate this determination, we internally assign to each lawyer an hourly rate based on these factors. Of course, our internal hourly rates change periodically to account for increases in our cost of delivering legal service, other economic factors, and the augmentation of a particular lawyer's ability, experience, and reputation. Any such changes in hourly rates are applied prospectively, as well as to unbilled time previously expended. We record and bill our time in one-tenth hour (six minute) increments.

When selecting lawyers to perform services for you, we generally seek to assign lawyers having the lowest hourly rates consistent with the skills, time demands, and other factors influencing the professional responsibility involved in each matter. That does not mean that we will always assign a lawyer with a lower hourly rate than other lawyers. As circumstances require, the services of lawyers in the firm with special skills or experience may be sought when that will either (a) reduce the legal expense to you, (b) provide a specialized legal skill needed, or (c) help move the matter forward more quickly. Also, to encourage the use of such lawyers in situations where their services can provide a significant benefit that is disproportionate to the time devoted to the matter, we may not bill for their services on an hourly rate basis but, if you agree in advance, we will adjust the fee on an "added value" basis at the conclusion of the matter if and to the extent their services contribute to a favorable result for you.

Disbursements. In addition to legal fees, our statements will include out-of-pocket expenses that we have advanced on your behalf and our internal charges (which may exceed direct costs and allocated overhead expenses) for certain support activities. Alternatively, the firm may charge for such internal charges as a percentage of the fees charged. Advanced expenses generally will include, but are not limited to, such items as travel, postage, filing, recording, certification, and registration fees charged by governmental bodies. Our internal charges typically include, but are not limited to, such items as toll calls, facsimile transmissions, overnight courier services, certain charges for terminal time for computer research and complex document production, and charges for photocopying materials sent to the client or third parties or required for our use.

We may request an advance cost deposit when we expect that we will be required to incur substantial costs on behalf of the client.

During the course of our representation, it may be appropriate to hire third parties to provide services on your behalf. These services may include such things as consulting or testifying experts, investigators, providers of computerized litigation support, and court reporters. Because of the legal "work product" protection afforded to services that an attorney requests from third parties, in certain situations our firm may assume responsibility for retaining the appropriate service providers. Even if we do so, however, you will be responsible for paying all fees and expenses directly to the service providers or reimbursing us for these expenses.

The firm attempts to achieve efficiencies and savings for its clients when dealing with independent contractors. The firm may be able to obtain a reduced charge from the contractor if the firm provides certain functions, such as billing, collection, equipment, space, facilities, or clerical help. For these administrative and coordination services, the firm may charge an administrative fee, which will be separately disclosed to you.

**Billing.** We bill periodically throughout the engagement for a particular matter, and our periodic statements are due when rendered. If our fees are based primarily on the amount of our time devoted to the matter, our statements will be rendered monthly. In instances in which we represent more than one person with respect to a matter, each person that we represent is jointly and severally liable for our fees and expenses with respect to the representation. Our statements contain a concise summary of each matter for which legal services are rendered and a fee is charged.

If a statement remains unpaid for more than 30 days, you will be contacted by an H&K representative inquiring why it is unpaid. Additionally, if a statement has not been paid within 30 days from its date, the firm may impose an interest charge of 1.25 percent per month (a 15 percent annual percentage rate) from the 30th day after the date of the statement until it is paid in full. Interest charges apply to specific monthly statements on an individual statement basis. Any payments made on past due statements are applied first to the oldest outstanding statement.

It is the firm's policy that if an invoice remains unpaid for more than 90 days, absent extraordinary circumstances and subject to legal ethics constraints, H&K's representation will cease, and you hereby authorize us to withdraw from all representation of you. Any unapplied deposits will be applied to outstanding balances. Generally, the firm will not recommence its representation or accept new work from you until your account is brought current and a new deposit for fees and costs, in an amount that the firm determines, is paid to it.

In addition, if you do not pay H&K's statements as they become due, the firm may require a substantial partial payment and delivery of an interest-bearing promissory note as part of any arrangement under which it may, in its discretion, agree to continue its representation. Any such promissory note will serve merely as evidence of your obligation, and shall not be regarded as payment.

If allowed by applicable law, H&K is entitled to reasonable attorneys' fees and court costs if collection activities are necessary. In addition, H&K shall have all general, possessory, or retaining liens, and all special or charging liens, recognized by law.

Payment of our fees and costs is not contingent on the ultimate outcome of our representation, unless we have expressly agreed in writing to a contingent fee.

**Questions About Our Bills.** We invite you to discuss freely with us any questions that you have concerning a fee charged for any matter. We want our clients to be satisfied with both the quality of our services and the reasonableness of the fees that we charge for those services. We will attempt to provide as much billing information as you require and in such customary form that you desire, and are willing to discuss with you any of the various billing formats we have available that best suits your needs.

### ***Relationships with Other Clients***

Because we are a large, full-service law firm with offices located in various cities we may be (and often are) asked to represent a client with respect to interests that are adverse to those of another client who is represented by the firm in connection with another matter. Just as you would not wish to be prevented in an appropriate situation from retaining a law firm that competes with Holland & Knight LLP, our firm wishes to be able to consider the representation of other persons or entities that may be competitors in your industry or who may have interests that are adverse to yours, but with respect to matters that are unrelated in any way to our representation of you. The ethics that govern us permit us to accept such multiple representations, assuming certain conditions are met, as set forth below.

During the term of this engagement, we will not accept representation of another client to pursue interests that are directly adverse to your interests unless and until we make full disclosure to you of all the relevant facts, circumstances, and implications of our undertaking the two representations, and confirm to you in good faith that we have done so and that the following criteria are met: (i) there is no substantial relationship between any matter in which we are representing or have represented you and the matter for the other client; (ii) any confidential information that we have received from you will not be available to the lawyers and other Holland & Knight LLP personnel involved in the representation of the other client; (iii) our effective representation of you and the discharge of our professional responsibilities to you will not be prejudiced by our representation of the

other client; and (iv) the other client has also consented in writing based on our full disclosure of the relevant facts, circumstances, and implications of our undertaking the two representations. If the foregoing conditions are satisfied, we may undertake the adverse representation and all conflict issues will be deemed to have been resolved or waived by you.

By making this agreement, we are establishing the criteria that will govern the exercise of your right under applicable ethical rules to object to our representation of another client whose interests are adverse to yours. If you contest in good faith the facts underlying our confirmation to you that the specified criteria have been met, then we will have the burden of reasonably supporting those facts.

### ***Knowledge Management Tool***

In order to better and more economically serve our clients, we have implemented a document search engine that will allow us to search the firm's institutional work product to determine whether there exist documents created for one client that can be used as a starting point for the preparation of new documents for other clients. Documents that are subject to ethics wall restrictions, have extraordinary confidentiality requirements, or contain sensitive client information will not be included in this system.

### ***Termination***

Upon completion of the matter to which this representation applies, or upon earlier termination of our relationship, the attorney-client relationship will end unless you and we have expressly agreed to a continuation with respect to other matters. We hope, of course, that such a continuation will be the case. The representation is terminable at will by either of us. The termination of the representation will not terminate your obligation to pay fees and expenses incurred prior to the termination and for any services rendered or disbursements required to implement the transition to new counsel.

\* \* \* \* \*

Your agreement to this engagement constitutes your acceptance of the foregoing terms and conditions. If any of them is unacceptable to you, please advise us now so that we can resolve any differences and proceed with a clear, complete, and consistent understanding of our relationship.



# Holland & Knight

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December 5, 2023

Hobe-St. Lucie Conservancy District  
c/o District Manager  
2501 Burns Road, Suite A  
Palm Beach Gardens, FL 33410

Attention: Michael McElligott

Re: Conflict of Interest Waiver

Dear Mr. McElligott:

The Hobe-St. Lucie Conservancy District, a water control district of the State of Florida located in Martin County, Florida (the "District") has asked Holland & Knight LLP ("H&K") to represent it as bond counsel in connection with the financing of various public improvements through the issuance of a tax-exempt obligation (referred to as Improvement Bonds, Unit 1A) (the "Bonds"). It is our understanding that (i) the District is also represented by District counsel, Caldwell Pacetti Edwards Schoech & Viator LLP; (ii) the Bonds will be payable from the revenues derived from the levy by the District of non-ad valorem assessments in the portion of the District designated as "Unit 1A;" and (iii) the land in Unit 1A is owned by an affiliate of Discovery Land Company.

H&K represents Discovery Land Company and its affiliates (collectively, the "Company") on various matters, including certain matters related to the proposed development in Unit 1A. It is further our understanding that the affiliate of the Company that is the landowner in Unit 1A is also represented by legal counsel in addition to H&K in connection with certain matters related to the proposed development in Unit 1A.

Our role as bond counsel is described in the engagement letter attached hereto (the "Engagement Letter"). We are requesting that the District waive the potential conflict of interest with respect to the representation by H&K of the District as bond counsel in connection with the Bonds, as described in the Engagement Letter (collectively, the "Transaction"), and H&K's representation of the Company in connection with matters relating to the proposed development in Unit 1A and other matters unrelated to the Transaction.

The applicable ethics rules permit us to represent clients with adverse or potentially adverse interests in circumstances where we will be able to provide competent and diligent representation to each client, and each client gives us informed consent, confirmed in writing.

Atlanta | Austin | Birmingham | Boston | Century City | Charlotte | Chattanooga | Chicago | Dallas | Denver | Fort Lauderdale  
Houston | Jacksonville | Los Angeles | Miami | Nashville | Newport Beach | New York | Orlando | Philadelphia  
Portland | Richmond | San Francisco | Stamford | Tallahassee | Tampa | Tysons | Washington, D.C. | West Palm Beach



We hereby confirm to the District that, after fully disclosing to you, on behalf of the District, the circumstances of this matter, we are able to provide competent and diligent representation to the District and the Company. We further confirm that we have received or are simultaneously seeking consent from the Company regarding the proposed representation.

In addition, by agreeing to waive any objection to the conflict, the District agrees and the Company will agree that in the event litigation develops between the District and the Company regarding the Transaction, each client will retain separate and independent counsel outside H&K to handle litigation work, and H&K will not represent either party in such a situation. H&K will also, at all times, observe the attorney-client privilege between it and each of its clients and will preserve the confidentiality of each client's respective information.

Under these circumstances, if the District agrees that H&K may undertake the concurrent representations of the District and the Company in the matters described above, and that the District is waiving any objections to the conflict of interest with respect to the concurrent representations, please indicate your informed consent and waiver by signing below. Also, please return the executed copy to me by scan or fax as soon as possible.

Thank you. We appreciate your cooperation.

Sincerely yours,

HOLLAND & KNIGHT LLP



Denise J. Ganz

DJG/lks

#234661173\_v2

### **CONFLICT WAIVER**

The Hobe-St. Lucie Conservancy District hereby provides informed consent to and waives any objection to the conflicts of interest associated with Holland & Knight LLP's concurrent representations of the District and the Company described above, subject to the terms and conditions described above.

### **HOBE-ST. LUCIE CONSERVANCY DISTRICT**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

**CONSIDER APPROVAL OF  
LANDOWNER'S AGREEMENT**

**TO BE DISTRIBUTED  
UNDER SEPARATE COVER**