

*Hammock Reserve
Community Development District*

Agenda

March 17, 2020

AGENDA

Hammock Reserve

Community Development District

219 East Livingston Street, Orlando, Florida 32801
Phone: 407-841-5524 – Fax: 407-839-1526

March 10, 2020

**Board of Supervisors
Hammock Reserve
Community Development District**

Dear Board Members:

The regular meeting of the Board of Supervisors of **Hammock Reserve Community Development District** will be held **Tuesday, March 17, 2020 at 1:15 PM at 346 E. Central Ave., Winter Haven, FL 33880**. Following is the advance agenda for the meeting:

Board of Supervisors Meeting

1. Roll Call
2. Public Comment Period (¹Speakers will fill out a card and submit it to the District Manager prior to the beginning of the meeting)
3. Approval of Minutes of the January 29, 2020 Landowners' and Board of Supervisors Meetings
4. Public Hearing
 - A. Public Hearing on the Adoption of the Fiscal Year 2020 Budget
 - i. Consideration of Resolution 2020-32 Adoption of the Fiscal Year 2020 Budget and Appropriating Funds
5. Consideration of Resolution 2020-33 Adopting an Internal Controls Policy
6. Consideration of Personnel Leasing Agreement
7. Consideration of Uniform Collection Agreement with Polk County Tax Collector
8. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. District Manager's Report
9. Other Business
10. Supervisors Requests and Audience Comments
11. Adjournment

¹ Comments will be limited to three (3) minutes

The second order of business is the Public Comment Period where the public has an opportunity to be heard on propositions coming before the Board as reflected on the agenda, and any other items. Speakers must fill out a Request to Speak form and submit it to the District Manager prior to the beginning of the meeting.

The third order of business is the approval of the minutes of the January 29, 2020 Landowners' and Board of Supervisors meetings. A copy of the minutes from each meeting are enclosed for your review.

The fourth order of business opens the Public Hearing. Section A is the Public Hearing on the Adoption of the Fiscal Year 2020 Budget. Sub-Section 1 is the Consideration of Resolution 2020-32 Adoption of the Fiscal Year 2020 Budget and Appropriating Funds. A copy of the resolution is enclosed for your review.

The fifth order of business is the Consideration of Resolution 2020-33 Adopting an Internal Controls Policy. A copy of the resolution is enclosed for your review.

The sixth order of business is the consideration of the Personnel Leasing Agreement. A copy of the agreement is enclosed for your review.

The seventh order of business is the Consideration of Uniform Collection Agreement with Polk County Tax Collector. A copy of the agreement is enclosed for your review.

The eighth order of business is Staff Reports. Any staff reports will be discussed at this time.

The balance of the agenda will be discussed at the meeting. In the meantime, if you should have any questions, please do not hesitate to contact me.

Sincerely,

Jill Burns
District Manager

CC: Roy Van Wyk, District Counsel

Enclosures

MINUTES

**MINUTES OF MEETING
HAMMOCK RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

The Landowners' Election meeting of the Hammock Reserve Community Development District was held Wednesday, **January 29, 2020** at 1:05 p.m. at 346 E. Central Ave. Winter Haven, Florida.

Present were:

Rennie Heath
Lauren Schwenk
Patrick Marone
Andrew Rhinehart
Jill Burns
Jack Berry
Michelle Rigoni

District Manager, GMS
Landowner

FIRST ORDER OF BUSINESS

**Determination of Number of Voting Units
Represented**

Ms. Burns noted that Jack Berry was the landowner representative for JMBI Real Estate, LLC who would be voting on behalf of the entity.

SECOND ORDER OF BUSINESS

Call to Order

Ms. Burns called the meeting to order.

THIRD ORDER OF BUSINESS

**Election of Chairman for the Purpose of
Conducting the Landowners' Meeting**

Ms. Burns was asked to conduct the meeting.

FOURTH ORDER OF BUSINESS

Nominations for the Position of Supervisor

Ms. Burns asked for nominations to fill the five vacancies. Mr. Berry nominated Rennie Heath, Lauren Schwenk, Patrick Marone, Andrew Rhinehart, and Matthew Cassidy.

FIFTH ORDER OF BUSINESS

Casting of Ballots

Ms. Burns asked Mr. Berry to fill out the ballot for how many votes each nominated candidate would receive. Mr. Berry gave Rennie Heath and Lauren Schwenk 2 votes each, and gave Patrick Marone, Andrew Rhinehart, and Matthew Cassidy 1 vote each.

SIXTH ORDER OF BUSINESS

Ballot Tabulation

Ms. Burns noted that Mr. Heath and Ms. Schwenk would serve four year terms, and Mr. Marone, Mr. Rhinehart, and Mr. Cassidy would serve two year terms.

SEVENTH ORDER OF BUSINESS

Landowner's Questions and Comments

There were no questions or comments.

EIGHTH ORDER OF BUSINESS

Adjournment

Ms. Burns adjourned the meeting at 1:07 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman

**MINUTES OF MEETING
HAMMOCK RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

The Regular meeting of the Board of Supervisors of the Hammock Reserve Community Development District was held Wednesday, **January 29, 2020** at 1:07 p.m. at 346 E. Central Ave. Winter Haven, Florida.

Present and constituting a quorum:

Rennie Heath	Chairman
Lauren Schwenk	Vice Chairman
Patrick Marone	Assistant Secretary
Andrew Rhinehart	Assistant Secretary

Also present were:

Jill Burns	District Manager, GMS
Michelle Rigoni	Hopping Green & Sams
Dennis Wood <i>via phone</i>	Wood & Associates Engineering

FIRST ORDER OF BUSINESS

Roll Call

Ms. Burns called the meeting to order and called the roll. There were four members present, constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Ms. Burns asked for any public comments. There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Administration of Oaths of Office to Newly Elected Board Members

Ms. Burns swore in Mr. Heath, Ms. Schwenk, Mr. Marone, and Mr. Rhinehart. Ms. Burns noted that Mr. Cassidy would be sworn in at the next meeting.

B. Consideration of Resolution 2020-27 Canvassing and Certifying the Results of the Landowners’ Election

Ms. Burns noted that the results of the Landowners’ Election were four-year terms for Mr. Heath and Ms. Schwenk, and two-year terms for Mr. Marone, Mr. Cassidy, and Mr. Rhinehart.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, Resolution 2020-27 Canvassing and Certifying the Results of the Landowners’ Election, was approved.

C. Election of Officers

Ms. Burns noted that at the last meeting they elected Rennie Heath as Chairman, Lauren Schwenk as Vice Chairman, and Matthew Cassidy, Patrick Marone, and Andrew Rhinehart as Assistant Secretaries. Ms. Burns was elected as Secretary and George Flint was elected as an Assistant Secretary. The board chose to keep the same slate of officers.

D. Consideration of Resolution 2020-28 Electing Officers

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, Resolution 2020-28 Electing Officers, was approved.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the December 17, 2019 Meeting

Ms. Burns asked for any comments, questions, or changes to the December 17, 2019 meeting minutes. The board had no changes.

On MOTION by Mr. Rhinehart, seconded by Mr. Heath, with all in favor, the Minutes of the December 17, 2019 Meeting, were approved.

FIFTH ORDER OF BUSINESS

Public Hearings

A. Public Hearing on the Imposition of Special Assessments

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, Opening the Public Hearing, was approved.

i. Presentation of Engineer’s Report

Ms. Burns confirmed that the proper notices were made for the public hearings in accordance with Florida laws. Mr. Wood noted Hammock Reserve was approximately 110 acres

within Haines City. They are predicted to have 437 single family lots. Mr. Wood noted the Engineer's Report addresses all the infrastructure needed to construct the subdivision. There are two phases, Phase 1 consists of 231 lots, and Phase 2 consists of 206 lots, for a total of 437 lots. The Phase 1 total cost is \$5,658,000. The Phase 2 total cost is \$5,057,000. The total of the two phases, and all 437 lots, is \$10,715,000.

Ms. Rigoni noted that this report had been approved in substantial form at a prior meeting, she asked if any substantial changes had been made to the report. Mr. Wood answered no, there had been no substantial changes. Ms. Rigoni asked if the cost estimates in the Engineer's Report were reasonable and proper for the type and scope of the project. Mr. Wood answered yes. Ms. Rigoni asked Mr. Wood if he was aware of any reasons to believe the project could not be carried out by the district. Mr. Wood answered no.

ii. Presentation of Assessment Methodology

Ms. Burns reviewed the methodology and noted that the report allocates the debt to properties based on the benefit they receive from the Capital Improvement Plan. The assessment report will be supplemented with at least one more Supplemental Methodology that will reflect the actual terms of the bonds at the time they are issued.

Ms. Burns reviewed the tables. Table 1 outlines units and states that there are 437 units of similar size. The ERU for all 437 lots is 1. Table 2 shows the Capital Improvement Plan and outlines the costs that Mr. Wood reviewed in his report. Table 3 shows the bonds sizing of \$14,000,000 in order to generate the construction funds necessary to build the improvements in Table 2. Table 4 shows the improvement cost per unit. Table 5 shows the par debt per unit which is \$32,037 for each of the 437 units. Table 6 shows the Net and Gross Annual Debt Assessments per unit. The Gross Annual Assessment Amount per unit is estimated to be \$2,503, which includes the collection fees for early payment discounts for Polk County. Table 7 shows the owner and property ID's. Ms. Burns asked for any questions on the report, the board had none.

Ms. Rigoni asked Ms. Burns if the lands subject to the Special Assessments receive special benefits from the district's Capital Improvement Plan, and Ms. Burns answered yes. Ms. Rigoni asked if the special benefits the lands receive as set forth in the Final Assessment Roll will be equal to, or in excess of, the Special Assessments. Ms. Burns answered yes. Ms. Rigoni asked if the Special Assessments are reasonably and fairly apportioned among the lands within the districts

subject to those Special Assessments. Ms. Burns answered yes. Ms. Rigoni asked if it was reasonable, proper, and just, to assess the costs of the infrastructure improvements against the lands within the district, in accordance with the methodology. Ms. Burns answered yes, it is. Ms. Rigoni asked if it was in the best interest of the district that the Special Assessments be paid and collected in accordance with the methodology. Ms. Burns answered yes.

iii. Consideration of Resolution 2020-29 Levying Special Assessments

Ms. Rigoni explained that Resolution 2020-29 adopts the Engineer’s Report and the Assessment Methodology. It confirms findings that the costs in the Engineer’s Report are reasonable, proper, and just. Section 3 authorizes the district’s project for construction and acquisition of the infrastructure improvements as set forth in the Engineer’s Report. Section 4 sets forth the estimated costs of the project. Section 5 equalizes, approves, confirms, and levies the Special Assessments. Section 6 addresses the finalization of the Special Assessments once the project has been completed. Section 7 provides for the payment and collection of those Special Assessments. Section 8 provides for application of true-up payments in certain circumstances when true-up may be required. Section 9 provides that certain property owned by HOA’s, POA’s, and governments are exempt from the Special Assessments. Section 10 provides for the recording of an Assessment Notice, which will be presented after the resolution.

Ms. Burns asked for any other questions or public comments on the resolution. The board had no questions and there were no public comments.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, Resolution 2020-29 Levying Special Assessments, was approved.

iv. Consideration of Notice of Special Assessments

Ms. Burns stated this notice will be recorded to show there is a governmental lien on the lands within the district.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Notice of Special Assessments and Authorization for Staff to Record the Notice, was approved.

On MOTION by Ms. Schwenk, seconded by Mr. Heath, with all in favor, Closing the Public Hearing, was approved.

B. Public Hearing on Adoption of District Rules of Procedure

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, Opening the Public Hearing, was approved.

Ms. Burns confirmed proper notice of rule development and rulemaking were made in accordance with Florida law.

i. Consideration of Resolution 2020-30 Adopting the Rules of Procedure

Ms. Burns presented Resolution 2020-30 and noted that the rules had not changed since the board saw them at the prior meeting. Ms. Burns asked for any questions from the board, the board had no questions.

On MOTION by Ms. Schwenk, seconded by Mr. Rhinehart, with all in favor, Resolution 2020-30 Adopting the Rules of Procedure, was approved.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, Closing the Public Hearing, was approved.

C. Public Hearing on the District’s Use of the Uniform Method of Levying, Collection, & Enforcement of Non Ad-Valorem Assessments

On MOTION by Ms. Schwenk, seconded by Mr. Rhinehart, with all in favor, Opening the Public Hearing, was approved.

Ms. Burns confirmed that proper notice of public hearing for Uniform Method was given in accordance with Florida Law.

i. Consideration of Resolution 2020-31 Expressing the District’s Intent to Utilize the Uniform Method of Collection

Ms. Burns presented Resolution 2020-31 and noted that this would allow the district to use the Polk County tax bill to collect assessments. It does not obligate them to do so until they are ready.

It was noted for the record that there were no members of the public present.

On MOTION by Mr. Rhinehart, seconded by Mr. Heath, with all in favor, Resolution 2020-31 Expressing the District’s Intent to Utilize the Uniform Method of Collection, was approved.

On MOTION by Ms. Schwenk, seconded by Mr. Rhinehart, with all in favor, Closing the Public Hearing, was approved.

SIXTH ORDER OF BUSINESS

Ranking of Proposals for District Engineering Services and Selection of District Engineer

Ms. Burns stated that they received one proposal from Wood & Associates and she suggested ranking them #1, in accordance with the evaluation criteria.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, Ranking Wood & Associates #1 and Authorization for Staff to send a Notice of Intent to Award, Authorization for Counsel to Draft the Agreement, and Authorization for the Chairman to Sign the Form of Agreement once Drafted, was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Website Services Agreement

Ms. Burns noted the board had previously approved the quote at the last meeting, this was the form of agreement that needed approval.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Website Services Agreement, was approved.

EIGHTH ORDER OF BUSINESS

Ratification of 2020 Data Sharing and Usage Agreement with Polk County Property Appraiser

Ms. Burns noted this is an agreement that they send for all districts. It is related to not disclosing exempt parcels.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the 2020 Data Sharing and Usage Agreement with the Polk County Property Appraiser, was ratified.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Rigoni noted that the bond validation was scheduled to be held on February 26th at 9:15 a.m.

B. Engineer

Mr. Wood had nothing further to report.

C. District Manager’s Report

Ms. Burns had nothing further to report.

TENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

There being none, the next item followed.

TWELTH ORDER OF BUSINESS

Adjournment

Ms. Burns adjourned the meeting at 1:20 p.m.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the meeting was adjourned at 1:20 p.m.

Mr. Cassidy showed up after the meeting was adjourned and Ms. Burns swore him in.

Secretary/Assistant Secretary

Chairman/Vice Chairman

SECTION IV

SECTION A

SECTION 1

RESOLUTION 2020-32

THE ANNUAL APPROPRIATION RESOLUTION OF THE HAMMOCK RESERVE COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Hammock Reserve Community Development District (the “District”) was established by Ordinance No. 19-1665, adopted by the City Commission of the City of Haines City, Florida, effective as of December 5, 2019; and

WHEREAS, the District Manager has prepared and submitted to the Board of Supervisors of the Hammock Reserve Community Development District (the “Board”) the proposed budget for the Fiscal Year 2019-2020, which concludes September 30, 2020; and

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

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

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

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HAMMOCK RESERVE COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference;

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.016, *Florida Statutes*, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget under subparagraphs c. and d. above are posted on the District’s website within 5 days after adoption and remain on the website for at least 2 years.

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

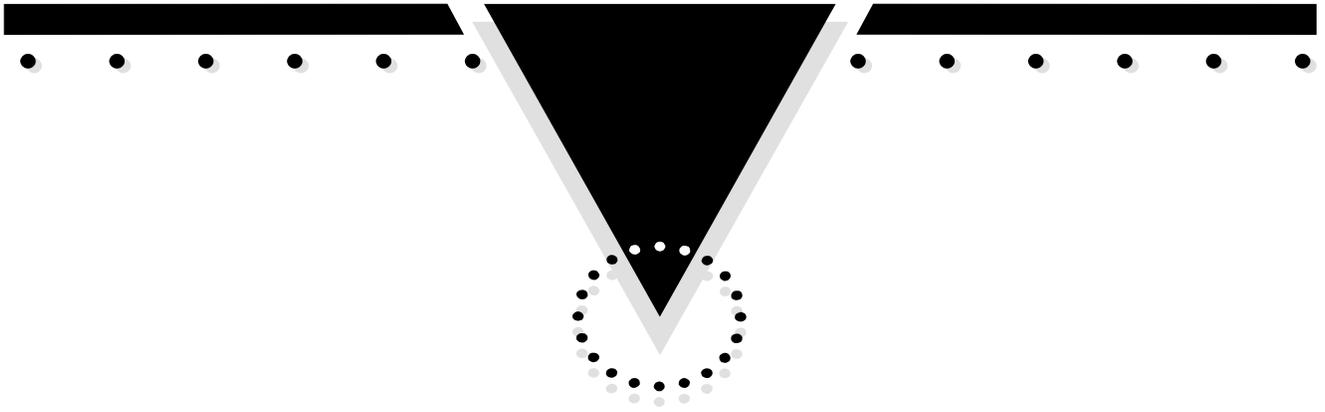
PASSED AND ADOPTED this 17th day of March, 2020.

ATTEST:

**HAMMOCK RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors



Hammock Reserve Community Development District

Proposed Budget
FY 2020

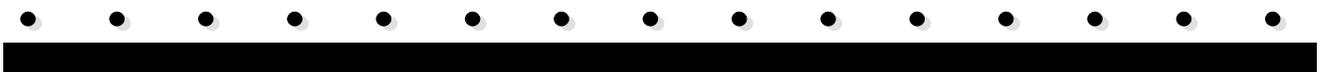


Table of Contents

1 General Fund

2-3 General Fund Narrative

Hammock Reserve

Community Development District

Proposed Budget General Fund

Description	Proposed Budget FY2020
--------------------	---------------------------------------

Revenues

Developer Contributions	\$99,238
-------------------------	----------

Total Revenues	\$99,238
-----------------------	-----------------

Expenditures

Administrative

Supervisor Fees	\$10,000
-----------------	----------

Engineering	\$12,500
-------------	----------

Attorney	\$20,833
----------	----------

Management Fees	\$29,167
-----------------	----------

** Information Technology	\$3,575
---------------------------	---------

Telephone	\$250
-----------	-------

Postage	\$833
---------	-------

Insurance	\$5,000
-----------	---------

Printing & Binding	\$833
--------------------	-------

Legal Advertising	\$10,000
-------------------	----------

Other Current Charges	\$5,000
-----------------------	---------

Office Supplies	\$521
-----------------	-------

Travel Per Diem	\$550
-----------------	-------

Dues, Licenses & Subscriptions	\$175
--------------------------------	-------

Total Expenditures	\$99,238
---------------------------	-----------------

Excess Revenues/(Expenditures)	\$0
---------------------------------------	------------

* Budget is prorated from December 2019 to September 2020.

** Budget amount includes a one-time website creation fee.

Hammock Reserve

Community Development District

GENERAL FUND BUDGET

REVENUES:

Developer Contributions

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

EXPENDITURES:

Administrative:

Supervisor Fees

Chapter 190, Florida Statutes, allows for each Board member to receive \$200 per meeting, not to exceed \$4,800 per year paid to each Supervisor for the time devoted to District business and meetings.

Engineering

The District's engineer will be providing general engineering services to the District, e.g. attendance and preparation for monthly board meetings, review invoices and various projects as directed by the Board of Supervisors and the District Manager.

Attorney

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

Management Fees

The District will incur costs for Management, Accounting and Administrative services during the Fiscal Year.

Information Technology

Represents costs related to the District's accounting and information systems, District's website creation and maintenance, electronic compliance with Florida Statutes and other electronic data requirements.

Telephone

Telephone and fax machine.

Postage

The District incurs charges for mailing of Board meeting agenda packages, overnight deliveries, correspondence, etc.

Hammock Reserve Community Development District

GENERAL FUND BUDGET

Insurance

The District's general liability, public official's liability insurance and property insurance coverages.

Printing & Binding

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

Legal Advertising

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

Other Current Charges

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

Office Supplies

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

Travel Per Diem

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

Dues, Licenses & Subscriptions

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

SECTION V

RESOLUTION 2020-33

**A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE
HAMMOCK RESERVE COMMUNITY DEVELOPMENT
DISTRICT ADOPTING AN INTERNAL CONTROLS POLICY
CONSISTENT WITH SECTION 218.33, FLORIDA STATUTES;
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Hammock Reserve Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within the City of Haines City, Florida; and

WHEREAS, consistent with Section 218.33, *Florida Statutes*, the District is statutorily required to establish and maintain internal controls designed to prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), *Florida Statutes*; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets; and

WHEREAS, to demonstrate compliance with Section 218.33, *Florida Statutes*, the District desires to adopt by resolution the Internal Controls Policy attached hereto as **Exhibit A**.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF THE HAMMOCK RESERVE COMMUNITY
DEVELOPMENT DISTRICT:**

SECTION 1. The attached Internal Controls Policy attached hereto as **Exhibit A** is hereby adopted pursuant to this Resolution.

SECTION 2. If any provision of this Resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

SECTION 3. This Resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

PASSED AND ADOPTED THIS 17TH DAY OF MARCH, 2020.

ATTEST:

**HAMMOCK RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

EXHIBIT “A”

HAMMOCK RESERVE COMMUNITY DEVELOPMENT DISTRICT INTERNAL CONTROLS POLICY

1. Purpose.

- 1.1. The purpose of this internal controls policy is to establish and maintain internal controls for the Hammock Reserve Community Development District.
- 1.2. Consistent with Section 218.33(3), *Florida Statutes*, the internal controls adopted herein are designed to:
 - 1.2.1. Prevent and detect Fraud, Waste, and Abuse (as hereinafter defined).
 - 1.2.2. Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
 - 1.2.3. Support economical and efficient operations.
 - 1.2.4. Ensure reliability of financial records and reports.
 - 1.2.5. Safeguard Assets (as hereinafter defined).

2. Definitions.

- 2.1. “Abuse” means behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances. The term includes the misuse of authority or position for personal gain.
- 2.2. “Assets” means District assets such as cash or other financial resources, supplies, inventories, equipment and other fixed assets, real property, intellectual property, or data.
- 2.3. “Auditor” means the independent auditor (and its employees) retained by the District to perform the annual audit required by state law.
- 2.4. “Board” means the Board of Supervisors for the District.
- 2.5. “District Management” means (i) the independent contractor (and its employees) retained by the District to provide professional district management services to the District and (ii) any other independent contractor (and its employees) separately retained by the District to provide amenity management services, provided said services include a responsibility to safeguard and protect Assets.

- 2.6. “Fraud” means obtaining something of value through willful misrepresentation, including, but not limited to, intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity’s assets, bribery, or the use of one’s position for personal enrichment through the deliberate misuse or misapplication of an organization’s resources.
- 2.7. “Internal Controls” means systems and procedures designed to prevent and detect fraud, waste, and abuse; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets.
- 2.8. “Risk” means anything that could negatively impact the District’s ability to meet its goals and objectives. The term includes strategic, financial, regulatory, reputational, and operational risks.
- 2.9. “Waste” means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

3. Control Environment.

3.1. Ethical and Honest Behavior.

- 3.1.1. District Management is responsible for maintaining a work environment that promotes ethical and honest behavior on the part of all employees, contractors, vendors and others.
- 3.1.2. Managers at all levels must behave ethically and communicate to employees and others that they are expected to behave ethically.
- 3.1.3. Managers must demonstrate through words and actions that unethical behavior will not be tolerated.

4. Risk Assessment.

- 4.1. Risk Assessment. District Management is responsible for assessing Risk to the District. District Management’s Risk assessments shall include, but not be limited to:
 - 4.1.1. Identifying potential hazards.
 - 4.1.2. Evaluating the likelihood and extent of harm.
 - 4.1.3. Identifying cost-justified precautions and implementing those precautions.

5. Control Activities.

5.1. Minimum Internal Controls. The District hereby establishes the following minimum Internal Controls to prevent and detect Fraud, Waste, and Abuse:

5.1.1. Preventive controls designed to forestall errors or irregularities and thereby avoid the cost of corrections. Preventive control activities shall include, but not be limited to, the following:

5.1.1.1. Identifying and segregating incompatible duties and/or implementing mitigating controls.

5.1.1.2. Performing accounting functions in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

5.1.1.3. Requiring proper authorizations to access and/or modify accounting software.

5.1.1.4. Implementing computerized accounting techniques (e.g. to help identify coding errors, avoid duplicate invoices, etc.).

5.1.1.5. Maintaining a schedule of the District's material fixed Assets.

5.1.1.6. Maintaining physical control over the District's material and vulnerable Assets (e.g. lock and key, computer passwords, network firewalls, etc.).

5.1.1.7. Retaining and restricting access to sensitive documents.

5.1.1.8. Performing regular electronic data backups.

5.1.2. Detective controls designed to measure the effectiveness of preventive controls and to detect errors or irregularities when they occur. Detective control activities shall include, but not be limited to, the following:

5.1.2.1. Preparing financial reports in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

5.1.2.2. Reviewing financial statements and investigating any material variances between budgeted expenses and actual expenses.

5.1.2.3. Establishing and implementing periodic reconciliations of bank, trust, and petty cash accounts.

- 5.1.2.4. Establishing an internal protocol for reporting and investigating known or suspected acts of Fraud, Waste, or Abuse.
 - 5.1.2.5. Engaging in periodic physical inventory counts and comparisons with inventory records.
 - 5.1.2.6. Monitoring all ACH (electronic) transactions and the sequencing of checks.
- 5.2. Implementation. District Management shall implement the minimum Internal Controls described herein. District Management may also implement additional Internal Controls that it deems advisable or appropriate for the District. The specific ways District Management implements these minimum Internal Controls shall be consistent with Generally Accepted Accounting Principles (GAAP) and otherwise conform to Governmental Accounting Standards Board (GASB) and American Institute of Certified Public Accountants (AICPA) standards and norms.

6. Information and Communication.

- 6.1. Information and Communication. District Management shall communicate to its employees (needing to know) information relevant to the Internal Controls, including but not limited to any changes to the Internal Controls and/or changes to laws, rules, contracts, grant agreements, and best practices.
- 6.2. Training. District Management shall regularly train its employees (needing the training) in connection with the Internal Controls described herein and promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.

7. Monitoring Activities.

- 7.1. Internal Reviews. District Management shall internally review the District's Internal Controls at least once per year. In connection with this internal review, District Management shall:
 - 7.1.1.1. Review its operational processes.
 - 7.1.1.2. Consider the potential risk of Fraud, Waste, or Abuse inherent in each process.
 - 7.1.1.3. Identify the controls included in the process, or controls that could be included, that would result in a reduction in the inherent risk.
 - 7.1.1.4. Assess whether there are Internal Controls that need to be improved or added to the process under consideration.

- 7.1.1.5. Implement new controls or improve existing controls that are determined to be the most efficient and effective for decreasing the risk of Fraud, Waste or Abuse.
- 7.1.1.6. Train its employees on implemented new controls or improvements to existing controls.
- 7.2. External Audits and Other Reviews. Audits and other reviews may be performed on various components of the District's Internal Controls by the Auditor consistent with Government Auditing Standards (GAS). Audits may identify material deficiencies in the Internal Controls and make recommendations to improve them. District Management shall communicate and cooperate with the Board and the Auditor regarding the potential implementation of Auditor recommendations.

Specific Authority: §§ 190.011(5)], 218.33(3), *Florida Statutes*

Effective date: March 17, 2020

SECTION VI

PERSONNEL LEASING AGREEMENT

THIS PERSONNEL LEASING AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into this 17th day of March, 2020, by and between **JMBI Real Estate, LLC**, a Florida limited liability company (hereinafter referred to as "Lessor"), and the **Hammock Reserve Community Development District**, a special-purpose unit of local government established pursuant to Chapter 190, Florida Statutes (hereinafter referred to as "Lessee" or "District").

RECITALS

WHEREAS, the District is responsible for constructing certain infrastructure improvements within and about the boundaries of the District; and

WHEREAS, pursuant to Chapter 190, Florida Statutes, Governmental Management Services – Central Florida, LLC, (referred to herein as the "District Manager") is charged with the supervision of the works of the District including the hiring or provision of employees and other personnel; and

WHEREAS, the District desires to enter into a lease agreement with Lessor to provide certain administrative personnel to assist the District Manager and the district engineer, Wood & Associates Engineering, LLC ("District Engineer") with the administration and processing of construction related activities; and

WHEREAS, Lessor agrees to provide such a person who may work under the direction of the District Manager from time to time under such terms as are detailed below.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. RECITALS. The recitals set forth above are true and correct and are hereby incorporated in and made a part of this Agreement.

2. LEASE OF PERSONNEL. For and in consideration of the compensation described in Section 6 below, Lessee hereby agrees to lease from Lessor, and Lessor hereby agrees to lease to Lessee, an individual or individuals, acceptable to Lessee, for whatever sufficient time each week is necessary to complete the work (herein referred to as the "Construction Administrator"). The Construction Administrator's salary and benefits shall be determined and paid by Lessor. At the discretion of Lessor, Lessor may terminate the employment of the individual or individuals serving as Construction Administrator; in such event, Lessor shall attempt to employ a replacement, acceptable to Lessee, to serve as Construction Administrator.

3. DUTIES. The Construction Administrator shall work for the benefit of the District and shall be responsible for performing such duties related to construction administration as directed by the District Manager and District Engineer. Specifically, the Construction Administrator's duties shall include, but not be limited to, reviewing all construction performance, field conditions, and requisitions and ensuring that the proper processes are followed, and documentation obtained pursuant to the requirements of the various District agreements regarding construction, construction funding, acquisition, completion, operation and maintenance of improvements. The Construction

Administrator shall obtain such documentation from contractors and vendors related to payments tendered and work performed, as required by the District from time to time. Lessor acknowledges the District is subject to certain prompt payment responsibilities required by law. In no event shall the actions or omissions of the Construction Administrator result in a breach by the District of its prompt payment responsibilities.

4. TERM. The term of this Agreement shall be the earlier of the project completion or a one (1) year period commencing as of the date written above (the "Commencement Date"). This Agreement shall automatically renew each year unless terminated by either party. Either party may terminate this Agreement at any time, with or without cause, by giving at least thirty (30) days written notice to the other party specifying the date the termination is to become effective. Notwithstanding the preceding sentence, Lessee shall have the right to immediately terminate this Agreement upon a breach by Lessor. Any termination of this Agreement shall not release Lessee of its obligation to pay Lessor the compensation due pursuant to Section 6 below for all periods prior to termination.

5. OFFICE SPACE AND SUPPORT SERVICES. Lessor shall provide the Construction Administrator such supplies or support as shall be reasonably necessary for the Construction Administrator to render services on behalf of Lessee in accordance with this Agreement all at no cost to Lessee.

6. COMPENSATION.

A. For and in consideration of the lease of the services of the Construction Administrator to Lessee by Lessor and the office space, supplies, support services and/or other overhead or facilities to be furnished to Lessee by Lessor pursuant to this Agreement, if any, Lessee shall pay Lessor six thousand dollars (\$6,000) per month. Payment shall occur as detailed in Subsection 6(B) below. Lessor agrees that it shall be solely responsible for all salary, employee benefits and all payroll-related taxes and charges associated with Lessor's employment of the person serving Lessee as Construction Administrator. In no event shall this Agreement be construed as an employment agreement between the Construction Administrator and Lessee, or between Lessor and Lessee.

B. Lessor shall submit monthly bills to the District Engineer that detail the Construction Administrator's efforts expended performing the duties imposed by this Agreement. The District Engineer shall review the monthly bills and upon approval shall prepare a requisition and transmit the requisition for payment in accordance with established District procedures as such may be modified from time to time.

C. The parties agree and covenant that any change in services or compensation under this Agreement shall reference this section of this Agreement in a writing signed by both parties hereto, approved by the District's Board of Supervisors.

7. CONTROL OF CONSTRUCTION ADMINISTRATOR. All services required to be rendered by the Construction Administrator hereunder shall be rendered subject to the consent, control and direction of Lessee through the offices of the Lessee's District Manager.

8. RELATIONSHIPS. Lessor and Lessee shall not, by virtue of this Agreement, be construed as joint venturers or partners of each other, and neither shall have the power to bind or

obligate the other. Lessor and Lessee acknowledge and agree that the Construction Administrator shall be an employee of Lessor. In furtherance thereof, Lessor shall be responsible for the payment of all compensation, taxes and employee benefits and other charges payable with respect to the Construction Administrator, including, but not limited to, all applicable federal income tax withholding, FICA, FUTA tax, unemployment compensation and any other taxes or charges imposed by law with respect to the Construction Administrator.

9. PREVAILING PARTY. If it should become necessary for either of the parties to resort to legal action, the non-prevailing party shall pay all reasonable legal fees and other expenses incurred by the prevailing party, including but not limited to attorneys' fees of in-house and outside counsel at all judicial levels.

10. JURY WAIVER. The parties hereby knowingly, irrevocably, voluntarily, and intentionally waive any rights to a trial by jury in respect of any action, proceeding or counter claim based on this Agreement or arising out of, under or in connection with this Agreement or any document or instrument executed in connection with this Agreement, or any course of conduct, course of dealing, statements (whether verbal or written) or action of any party hereto. This provision is a material inducement for the parties entering into the subject Agreement.

11. FORCE MAJEURE. Each party hereto shall give notice promptly to the other of the nature and extent of any event of force majeure claimed to delay or prevent its performance under this Agreement.

12. NOTICES. All notices, requests, consents and other communications hereunder ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

- A. If to Lessor:** JMBI Real Estate, LLC
346 East Central Avenue
Winter Haven, Florida 33880
Attn: Jack M. Berry III

- B. If to District:** Hammock Reserve Community Development District
219 East Livingston Street
Orlando, Florida 32801
Attn: District Manager

- With a copy to:** Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attn.: Roy Van Wyk

Except as otherwise provided herein, any Notice shall be deemed received only upon actual delivery at the address set forth herein. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the

parties may deliver Notice on behalf of the parties. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

13. INDEMNIFICATION. Lessor agrees to indemnify and hold the Lessee harmless from and against any and all damages, losses or claims, including but not limited to legal fees and expenses, to the extent that such damages, losses or claims are attributable to actions, omissions or negligence of the Construction Administrator.

14. LIMITATIONS ON LIABILITY PRESERVED. Lessor agrees that nothing contained in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability set forth in Section 768.28, Florida Statutes, and other law.

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

16. FURTHER ACTIONS. Each party shall take such actions to execute, file, record, publish and deliver such additional certificates, instruments, agreements and other documents as the other party may, from time to time, reasonably required in order to accomplish the purposes of this Agreement.

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

18. EFFECTIVE DATE. The Agreement shall be effective after execution by both parties hereto and shall remain in effect unless terminated by either of the parties hereto.

19. PUBLIC RECORDS. Lessor understands and agrees that all documents of any kind provided to the District or to District Staff in connection with the work contemplated under this Agreement may be public records and will be treated as such in accordance with Florida law.

20. WAIVER. No waiver of any breach of any term or condition of this Agreement shall be deemed to be a waiver of any subsequent breach of any term or condition of a like or different nature.

21. UNENFORCEABILITY. If any provisions of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall not, if possible, affect the validity or enforceability of any other provision of this Agreement, and this Agreement shall, if possible, be construed in all respects as if such invalid or unenforceable provision were omitted.

22. SURVIVAL OF TERMS. The terms, conditions, obligations and covenants in this Agreement shall survive its execution by the parties hereto and the consummation of the transactions between the parties contemplated herein.

23. CAPTIONS. The captions used herein are inserted only as a matter of convenience, and are not to be used in the interpretation of any provision hereof.

24. ENTIRE AGREEMENT; BINDING EFFECT. Except as to modifications made under Section 6(C), above, this Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes any prior agreements and understandings relating to such subject matter. This Agreement shall inure to the benefit of, and be binding upon and enforceable by, the parties hereto and their respective successors and permitted assigns. Neither party to this Agreement may assign their rights or obligations hereunder without the prior written consent of the other party. Any purported assignment without such prior written consent is void.

25. EXECUTION IN COUNTERPARTS. This instrument may be executed in any number of counterparts, each of which, when executed and delivered, shall constitute an original, and such counterparts together shall constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

In witness whereof, the parties execute this Agreement the day and year first written above.

ATTEST:

**HAMMOCK RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson/Vice Chairperson

WITNESS:

JMBI REAL ESTATE, LLC, a Florida
limited liability company

Print Name

Jack M. Berry III, Manager

SECTION VII

UNIFORM COLLECTION
AGREEMENT
DISTRICT

THIS AGREEMENT made and entered into this 11 day of, February 2020 by and between Hammock Reserve Community Development District (“District”), whose address is 219 East Livingston Street Orlando FL 32801 and the Honorable Joe G. Tedder, State Constitutional Tax Collector in and for the Polk County Political Subdivision, whose address is Polk County Tax Collectors Office, P.O. Box 1189, Bartow, Florida 33831-1189 (“Tax Collector”).

SECTION I

Findings and Determinations

The parties find and determine:

1. District is authorized to impose and levy, and by appropriate Resolution has expressed its intent to use the statutory uniform methodology of collection for, certain non-ad valorem special assessments for Hammock Reserve Community Development District as authorized by constitutional and statutory municipal home rule and by section 197.3632, Florida Statutes (2012) and Rule 12D-18, Florida Administrative Code.

2. The term “Assessments” means those certain levies by the District which purport to constitute non-ad valorem special assessments for Hammock Reserve CDD improvements and related systems, facilities and services pursuant to Ordinance 19-1665 a non-ad valorem special assessment is lienable under Section 4, Article X, Florida Constitution, if it results in a special benefit peculiar to the parcels of property involved, over and above general community benefit, as a result of a logical connection to the property involved from the system, facility and service provided by the District and if it is apportioned to the property fairly and reasonably.

3. The uniform statutory collection methodology is provided in section 197.3632, Florida Statutes, and Rule 12D-18, Florida Administrative Code (“uniform methodology”), with its enforcement provisions, including the use of tax certificates and tax deeds for enforcing against any delinquencies; and

4. The uniform methodology is more fair to the delinquent property owner than traditional lien foreclosure methodology.

5. The uniform methodology provides for more efficiency of collection by virtue of the Assessment being on the official tax notice issued by the Tax Collector which will produce positive economic benefits to the District and its citizens; and

6. The uniform methodology, through use of the official tax notice, will tend to eliminate confusion.

7. The Tax Collector, as the State Constitutional Officer for the county political subdivision, charged by general law in Chapter 197, Florida Statutes, and related rules and regulations, to function as the agent of the Florida Department of Revenue for purposes of the uniform methodology for the Assessments.

8. The sole and exclusive responsibility to determine, impose and levy the Assessments and to determine that it is a legal, constitutional and lienable non-ad valorem special assessment for Hammock Reserve CDD and related systems, facilities and services is that of the District and no other person, entity or officer.

SECTION II

Applicable Law and Regulations

1. Section 2, Article VIII, Florida Constitution; Chapter 170, Florida Statutes; sections 197.3631, 3632 and 3635, Florida Statutes; Rule 12D-18, Florida Administrative Code; and all other applicable provisions of constitutional and statutory law, govern the exercise by the District of its local self-government power to render and pay for municipal services.

2. Section 1(d), Article VIII, Florida Constitution; Chapter 197, Florida and other applicable provisions of constitutional and statutory law apply to Tax Collector in his capacity as a state constitutional county officer and agent of the Florida Department of Revenue for purpose the of collecting and enforcing the collection of non-ad valorem special assessments levied by District.

3. Section 197.3631, Florida Statutes, constitutes supplemental authority for District to levy non-ad valorem assessments including such non-ad valorem special assessments as the “Assessments” for Hammock Reserve CDD and related systems, facilities and services.

4. Section 197.3632, Florida Statutes, and Rule 12D-18, Florida Administrative Code, have provisions that apply both to District and to Tax Collector, as well as, to the Department of Revenue and the Property Appraiser in and for the county.

SECTION III

Purpose

The purpose of this Agreement under Rule 12D-18, Florida Administrative Code, is to establish the terms and conditions under which the Tax Collector shall collect and enforce the collection of those certain non-ad valorem special assessments, the “Assessments,” levied by District to include compensation by District to the Tax Collector for actual costs of collection pursuant to section 197.3632(8)(c), Florida Statutes; payment by District of any costs involved in separate mailings because of non-merger of any non-ad valorem special assessment roll as certified by the Chair of the Board of Hammock Reserve CDD

or his or her designee, pursuant to section 197.3632(7), Florida Statutes; and reimbursement by District for necessary administrative costs, including, but not limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage and programming which attend all of the collection and enforcement duties imposed upon the Tax Collector by the uniform methodology, as provided in section 197.3632(2), Florida Statutes.

SECTION IV

Term

The term of this Agreement shall commence upon execution, effective for 2020 tax notice purposes, and shall continue and extend uninterrupted from year-to-year, automatically renewed for successive periods not to exceed one (1) year each, unless District shall inform the Tax Collector, as well as Property Appraiser and the Department of Revenue, by 10 January of each calendar year, if District intends to discontinue using the uniform methodology for such Assessments pursuant to section 197.3632(6), Florida Statutes (2012) and Rule 12D-18.006(3), Florida Administrative Code, using form DR-412 promulgated by the Florida Department of Revenue.

SECTION V

Duties and Responsibilities of District

District agrees, covenants and contracts to:

1. Compensate the Tax Collector for collections on behalf of the special assessment district in the amount of two percent (2%) on the balance pursuant to 192.091(2)(b), Florida Statutes and 12D-18.004(2), Florida Administrative Code. The Authority agrees the 2% will be deducted from the balance at the time of each distribution.
2. To pay for or alternatively to reimburse the Tax Collector for any separate tax notice necessitated by the inability of the Tax Collector to merge the non-ad valorem special assessment roll certified by District pursuant to section 197.3632(7), Florida Statutes and Rule 12D-18.004(2) Florida Administrative Code.
3. District upon being timely billed shall pay directly for necessary advertising relating to implementation of the uniform non-ad valorem special assessment law pursuant to sections 197.3632 and 197.3635, Florida Statutes, and Rule 12D-18.004(2), Florida Administrative Code.
4. By 15 September of each calendar year, the Chair of the Board of the Hammock Reserve Community Development District, or his or her designee, shall certify, using DR Form 408 to the Tax Collector the non-ad valorem assessment (“Assessment”) roll on compatible electronic medium, tied to the property parcel identification number, and otherwise in conformance with the ad valorem tax rolls submitted by the Property Appraiser in July to the Department of Revenue. District, or its agent on behalf of District, shall post the non-ad valorem special assessment for each parcel on the said non-ad valorem assessment roll and shall exercise

its responsibility that such non-ad valorem assessment roll be free of errors and omissions. Section 197.3632(10), Florida Statutes, and Rule 12D-18.006, Florida Administrative Code.

5. District agrees to abide by and implement its duties under the uniform law pursuant to all the provisions of sections 197.3632 and 197.3635, Florida Statutes, or its successor of statutory provisions and all applicable rules promulgated by the Department of Revenue and their successor rules.

6. District acknowledges that the Tax Collector has no duty, authority or responsibility in the imposition and levy of any non-ad valorem special assessments, including the District's "Assessment" and that it is the sole responsibility and duty of District to follow all procedural and substantive requirements for the levy and imposition of constitutionally lienable non-ad valorem special assessments, including the Assessments.

7. District shall indemnify and hold harmless Tax Collector to the extent of any legal action which may be filed in local, state or federal courts against Tax Collector regarding the imposition, levy, roll preparation and certification of the Assessments; District shall pay for or reimburse Tax Collector for fees for legal services rendered to Tax Collector with regard to any such legal action. Nothing herein shall be deemed or construed as a waiver of sovereign immunity by the Tax Collector or the District, and the parties shall have and maintain at all times and for all purposes any and all rights, immunities and protections available under controlling legal precedent as provided under Section 768.28, Florida Statute, or its successor and as provided under other applicable law.

SECTION VI

Duties of the Tax Collector

1. The Tax Collector or its agent shall merge timely the legally certified "Assessment" roll of the District with all non-ad valorem assessment rolls, merge said rolls with the tax roll, prepare a collection roll and prepare a combined notice (the tax notice) for both ad valorem taxes and non-ad valorem special assessments for all levying authorities within the county political subdivision, pursuant to sections 197.3632 and 197.3635, Florida Statutes, and its successor provisions, and any applicable rules, and their successor rules, promulgated by the Department of Revenue, and in accordance with any specific ordinances or resolutions adopted by district, so long as said ordinances and resolutions shall themselves each and every one clearly state intent to use the uniform method for collecting such assessments and so long as they are further not inconsistent with, or contrary to, the provisions of sections 197.3632 and 197.3635, Florida Statutes, and their successor provisions, and any applicable rules.

2. Tax Collector shall collect the Assessments of District as certified by the Chair of the Hammock Reserve Community Development District or his or her designee, to the Tax Collector no later than 15 September of each calendar year on compatible electronic medium, tied to the property identification number for each parcel, and in the format used in July by the Property

Appraiser for the ad valorem rolls submitted to the Department of Revenue, using, DR Form 408, and free of errors or omissions.

3. The Tax Collector agrees to cooperate with District in implementation of the uniform methodology for collecting Assessments pursuant to sections 197.3632 and 197.3635, Florida Statutes, and any successor provisions and applicable rules. The Tax Collector shall not accept any non-ad valorem assessment roll for the Assessments of District that is not officially, timely and legally certified to the Tax Collector pursuant to Chapter 197, Florida Statutes, and Rule 12D-18, Florida Administrative Code.

4. If the Tax Collector discovers errors or omissions on such roll, Tax Collector may request District to file a corrected roll or a correction of the amount of any assessment and District shall bear the cost of any such error or omission.

5. If Tax Collector determines that a separate mailing is authorized pursuant to section 197.3632(7), Florida Statutes, and any applicable rules promulgated by the Department of Revenue, and any successor provision to said law or rules, the Tax Collector shall either mail a separate notice of the particular non-ad valorem special assessment (“Assessment”) or shall direct District to mail such a separate notice. In making this decision, the Tax Collector shall consider all costs to District and to the taxpayers of such a separate mailing as well as the adverse effect to the taxpayers of delay in multiple notices. If such a separate mailing is effected, District shall bear all costs associated with the separate notice for the non-ad valorem special assessment that could not be merged, upon timely billing by the Tax Collector.

SECTION VII

Entire Agreement

1. The parties shall perform all their obligations under this agreement in accordance with good faith and prudent practice.

2. This agreement constitutes the entire agreement between the parties with respect to the subject matter contained herein and may not be amended, modified or rescinded, unless otherwise provided in this Agreement, except in writing and signed by all the parties hereto. Should any provision of this Agreement be declared to be invalid, the remaining provisions of this Agreement shall remain in full force and effect, unless such provision found to be invalid alter substantially the benefits of the Agreement for either of the parties or renders the statutory and regulatory obligations unperformable.

3. This Agreement shall be governed by the laws of the State of Florida.

4. Written notice shall be given to the parties at the following addresses, or such other place or person as each of the parties shall designate by similar notice:

a. As to Tax Collector: Address Joe G. Tedder
P.O. Box 1189
Bartow, FL 33831-1189

b. As to District: Address Hammock Reserve Community
Development District
219 East Livingston Street
Orlando FL 32801

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals and such of them as are corporations have caused these presents to be signed by their duly authorized officers.

ATTEST:

POLK COUNTY TAX COLLECTOR

Joe G. Tedder, Tax Collector

By: Joe G. Tedder
Printed Name

Date: _____

ATTEST:

_____ By: _____
Printed Name

ATTEST:

_____ By: _____
Printed Name

As authorized for execution by the District _____ of _____ City
at its _____ regular meeting.