

SECURITY AGREEMENT FOR CONSTRUCTION OF PUBLIC IMPROVEMENTS

THIS AGREEMENT ("Agreement") is entered into on the ____ day of _____, 20____, by and between the **City of Gainesville, Florida**, a municipal corporation ("City"), Hughes Brothers Construction, Inc., a _____ ("Contractor") Forestar (USA) Real Estate Group Inc., a DE corporation ("Developer"), and Swiss Re Corporate Solutions America Insurance Corporation, a MO corporation ("Issuer").

WITNESSETH

WHEREAS, as the fee simple owner and developer of the subject property located in the City of Gainesville, the Developer has applied to the City for final plat approval of a subdivision named the Oaks Preserve Phase 3 & 4 subdivision ("Subdivision"); and

WHEREAS, the City has approved the construction plans and specifications ("Construction Plans") that the Developer submitted pursuant to Section 30-3.37 of the City of Gainesville Land Development Code for all subdivision public improvements required pursuant to the approved design plat, Sections 30-3.38 and 30-6.6 of the Land Development Code, the Public Works Design Manual, and all other applicable local, state, and federal regulations ("Public Improvements"); and

WHEREAS, pursuant to Section 30-3.39 of the Land Development Code, no final plat of any subdivision shall be approved by the City unless one of the forms of security allowed for in Section 30-3.39 ("Security") has been provided to the City, conditioned to secure the construction and completion of the Public Improvements described in the Construction Plans in a satisfactory manner within 12 months from the date of final plat approval; and

WHEREAS, the Security provided by the Developer shall be enforceable by and payable to the City in a sum at least equal to 120 percent of the total cost to construct and complete the Public Improvements provided in the Subdivision. The total cost of construction shall be indicated in an executed, itemized contract verified by a private engineer acting for the Developer or in a professional engineer's signed and sealed estimate, and shall be verified and approved by the Public Works Director or designee. Improvements otherwise covered by a separate security agreement between the Developer and the City and those improvements already constructed and approved by the Public Works Director or designee shall not be included when determining the cost of improvements subject to this Agreement; and

WHEREAS, the estimated total cost to construct and complete the Public Improvements is \$3,586,361.75. Therefore, the Developer shall provide Security in an amount equal to or greater than \$4,303,634.10; and

WHEREAS, this Agreement and the Security provided herein is separate and distinct from the maintenance security that the Developer shall also comply with in accordance with Section 30-3.39 of the Land Development Code.

NOW THEREFORE, in consideration of the mutual covenants as set forth below, the parties agree as follows:

1. **Effective Date and Term.** This Agreement shall become effective on the date the last of the parties executes this Agreement as indicated below ("Effective Date") and shall remain in effect until the Security has been released in accordance with Section 3 of this Agreement.

2. **Security.** The Developer shall provide, on the same date as the Effective Date of this Agreement, the following form(s) of Security for the Developer's construction and completion of the Public Improvements. The Security provided by the Developer shall be enforceable by and payable to the City in a sum at least equal to 120 percent of the total cost to construct and complete the Public Improvements provided in the Subdivision, which sum shall be verified and approved by the City Manager or designee. Any surety bond, letter of credit, or construction loan agreement provided in accordance with this section shall be attached to this Agreement as **Exhibit A** and shall be incorporated herein as if set forth in full. In the event of any conflict or inconsistency between this Agreement and the Security forms attached as **Exhibit A**, the terms of this Agreement shall prevail. *(Complete the applicable below.)*
 - Cash Deposit:** Developer shall deposit with the City Director of Management and Budget a cash deposit in the amount of _____, lawful money of the United States of America. Interest earned on the cash deposit shall be for the account and to the credit of the person or persons making such deposit.
 - Surety Bond:** Developer shall cause Issuer to issue to the City, as beneficiary, a Surety Bond in the amount of \$4,303,634.10, lawful money of the United States of America. The Issuer shall be a surety company authorized to do business in the state of Florida with a rating of not lower or less than A-XII as rated by A.M. Best Company, Inc. The Surety Bond shall be executed by both the Developer and the Contractor.
 - Irrevocable and Unconditional Letter of Credit:** Developer shall cause Issuer to issue to the City, as beneficiary, an Irrevocable and Unconditional Letter of Credit in the amount of _____, lawful money of the United States of America. The Issuer shall be a Florida bank. The Security issued shall, by its terms, be irrevocable, unconditional, and provide for drafts to be honored at a banking location within Alachua County, Florida.
 - Construction Loan Agreement:** Developer shall deposit with the City a certified copy of a Construction Loan Agreement between Issuer and the Developer in the amount of _____, lawful money of the United States of America. The Construction Loan Agreement, by its terms, shall be for the benefit of and satisfactory to the City. The Issuer shall make payments on the proceeds of the loan to the City in accordance with Section 3 of this Agreement. No payments of proceeds of the portion of the loan reserved for Public Improvements shall be made to anyone until the City has approved the payment, which approval the City shall give only in accordance with the terms specified in Section 3 of this Agreement for partial releases of Security.

3. **Terms of Security.** The Developer shall construct and complete the Public Improvements within 12 months from the date of final plat approval, as evidenced by the inspection and written approval of the City's Public Works Director or designee. In the event the Developer has not completed construction of the Public Improvements and received approval of the City for same within 12 months from the date of final plat approval, the Developer shall be deemed in default and the City shall have the right without prior notice to Developer to draw on the Security in such amount as the City deems necessary to complete construction of that portion of the Public Improvements that have not been completed.

Upon the Developer's completion of any portion of the Public Improvements, as evidenced by the inspection and written approval of the City's Public Works Director or designee, and the Developer providing the City with the appropriate maintenance security required by Section 30-3.39 of the Land Development Code, a portion of the Security may be released in an amount equal to the City-approved costs of such completed Public Improvements. However, at no time before all Public Improvements have been completed and so certified by the City shall the balance of the Security be reduced to less than 30 percent of the estimated total cost to construct and complete all Public Improvements as written above. If the Developer completes the construction of all Public Improvements, with inspection and written approval by the City, and provides the appropriate maintenance security required by Section 30-3.39 of the Land Development Code, then the Security shall be released.

4. ***Developer's Responsibilities.*** Within 12 months from the date of final plat approval, the Developer shall construct and complete the Public Improvements, as evidenced by the inspection and written approval of the City's Public Works Director or designee. Should the Contractor, in acting for the Developer, not construct the Public Improvements as provided for in this Agreement, the Developer agrees to retain another contractor within 30 days of the original Contractor's default for the purpose of constructing the Public Improvements. In accordance with Section 30-3.39 of the Land Development Code, the Developer warrants any completed Public Improvements against all defects in materials and construction workmanship and also against design defects, and shall provide maintenance security for same.
5. ***Contractor's Responsibilities.*** The Contractor agrees to construct the Public Improvements in a reasonably diligent manner to ensure completion of all Public Improvements within the time specified in Section 3 of this Agreement.
6. ***City's Responsibilities.*** The City agrees to fulfill its responsibilities as required by the provisions of the City's Land Development Code, as may be amended from time to time.
7. ***Issuer's Responsibilities.*** This section is applicable only if the Developer provided Security to the City in the form of a surety bond, an irrevocable and unconditional letter of credit, or a construction loan agreement. The Issuer agrees that the Security shall remain valid for the term of this Agreement and shall be maintained and administered in accordance with this Agreement, including the provisions specified in Section 2 of this Agreement, and that any disbursement or release of the Security during the term of this Agreement shall not be made without the express written approval and certification of the City. In the event the Security can only be issued for a limited term, the Security shall provide for automatic extensions, without requiring written amendment, for successive periods as necessary to include the full term of this Agreement. In addition, the Issuer shall provide written notice to the City at least 60 calendar days in advance of any expiration date, in the event the term of the Security will not be extended beyond the then current expiration date.
8. ***Inspection.*** During the term of this Agreement, the City may inspect the Subdivision at any time during reasonable business hours to determine if Developer has complied with this Agreement.
9. ***Relationship.*** This Agreement does not evidence the creation of, nor shall it be construed as creating, a partnership or joint venture between the City and the Developer, the Contractor, or the Issuer. The Developer, the Contractor, or the Issuer cannot create any obligation or responsibility on behalf of the City or bind the City in any manner. Each party is acting for its own account, and it has made its

own independent decisions to enter into this Agreement and as to whether the same is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. Each party acknowledges that none of the other parties hereto is acting as a fiduciary for or an adviser to it in respect of this Agreement or any responsibility or obligation contemplated herein.

10. **Bankruptcy.** The filing by the Developer, the Contractor, or the Issuer of a petition for relief under federal bankruptcy laws or any other similar law or statute of the United States, or the entry of an order or decree appointing a receiver of the Developer, the Contractor, or the Issuer or their respective assets, shall not affect the Security or the City's rights under this Agreement.
11. **Modification and Waiver.** This Agreement may only be modified or waived in writing signed by all the parties. No course of dealing shall be deemed a waiver of rights or a modification of this Agreement. The failure of any party to exercise any right in this Agreement shall not be considered a waiver of such right. No waiver of a provision of this Agreement shall apply to any other portion of this Agreement. A waiver on one occasion shall not be deemed to be a waiver on other occasions.
12. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, notwithstanding any Florida conflict of law provision to the contrary. Any legal action, in equity or law, with respect to this Agreement shall be brought and heard in Alachua County, Florida.
13. **Sovereign Immunity.** Nothing in this Agreement shall be interpreted as a waiver of the City's sovereign immunity as granted under Section 768.28, Florida Statutes.
14. **Severability.** Any provision of this Agreement held by a court of competent jurisdiction to be invalid, illegal or unenforceable shall be severable and shall not be construed to render the remainder to be invalid, illegal or unenforceable.
15. **Captions.** The captions and headings of sections or paragraphs used in this Agreement are for convenient reference only and shall not limit, define or otherwise affect the substance or construction of provisions of this Agreement.
16. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof. Any representations or statements heretofore made with respect to such subject matter, whether verbal or written, are merged herein.
17. **Successors and Assigns.** No parties to this Agreement shall assign or transfer any interest in this Agreement without the prior written consent of the other parties. The parties each bind the others and their respective successors and assigns in all respects to all the terms, conditions, covenants, and provisions of this Agreement.
18. **Time.** Time is of the essence in this Agreement. Whenever a notice or performance is to be done on a Saturday or Sunday or on a legal holiday observed by the City, it shall be postponed to the next business day.
19. **Notices.** Any notices pursuant to this Agreement shall be effective upon receipt and sent by either certified mail, return receipt requested, overnight courier service, or delivered in person to the following addresses:

To the City: City Manager
City of Gainesville
P.O. Box 490, Station 6
Gainesville, Florida 32602-0490

With a copy: Director of Public Works
City of Gainesville
P.O. Box 490, Station 58
Gainesville, Florida 32602-0490

To the Developer: Forestar (USA) Real Estate Group Inc
2221 E Lamar Blvd, Suite 790
Arlington, TX 76006

Telephone: _____
Fax: _____

To the Contractor: Hughes Brothers Construction, Inc.

Telephone: _____
Fax: _____

To the Issuer: Swiss Re Corporate Solutions America Insurance Corporation
1200 MAIN ST. SUITE 800
KANSAS CITY, MO 64105

Telephone: (816) 235-3700
Fax: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officials on the dates written below.

WITNESSES:

CITY OF GAINESVILLE

Sign: _____

By: _____
City Manager

Print Name: _____

Sign: _____

Print Name: _____

STATE OF FLORIDA
COUNTY OF ALACHUA

I, an officer duly authorized in the state and county named above to take acknowledgments, certify that on this date before me, the foregoing instrument was acknowledged by Russ Blackburn, City Manager of the City of Gainesville. He personally appeared before me and is: (check one of the below)

personally known to me, or
 produced the following type of identification: _____

Executed and sealed by me on _____

Notary Public
Print Name: _____
My Commission expires: __/__/__

WITNESSES:

Sign: Kristen Schaefer
Print Name: Kristen Schaefer

Sign: Stu Hunt
Print Name: Stu Hunt

Forestar (USA) Real Estate Group Inc.

By: [Signature]
Print Name: Anthony Squitieri
Title: Vice President

STATE OF FLORIDA
COUNTY OF Sarasota

I, an officer duly authorized in the state and county named above to take acknowledgments, certify that on this date before me, the foregoing instrument was acknowledged by

Anthony Squitieri as Vice President for and on behalf of Forestar USA Real Estate Group Inc. He/she personally appeared before me and is: (check one of the below)

personally known to me, or
 produced the following type of identification: _____

Executed and sealed by me on June 20, 2024



Brandy Kelley
Notary Public
Print Name: Brandy Kelley
My Commission expires: 8/12/2027

WITNESSES:

Hughes Brothers Construction, Inc.

Sign: [Signature]
Print Name: AUSTIN MCCLELLAN

By: [Signature]
Print Name: Chad Hughes
Title: President

Sign: [Signature]
Print Name: Blake A. Euyon

STATE OF FLORIDA
COUNTY OF Sumter

I, an officer duly authorized in the state and county named above to take acknowledgments, certify that on this date before me, the foregoing instrument was acknowledged by Chad Hughes as President for and on behalf of Hughes Brothers Construction. He/she personally appeared before me and is: (check one of the below)

personally known to me, or
 produced the following type of identification: _____

Executed and sealed by me on August 13th 2024



Rachael Mundorff
Notary Public
Print Name: Rachael Mundorff
My Commission expires: 2/28/25

WITNESSES:

Sign: *Amy Waugh*
Print Name: Amy Waugh

Sign: *Leslie Grimes*
Print Name: Leslie Grimes

Swiss Re Corporate Solutions America Insurance Corporatior

By: *Noah William Pierce*
Print Name: Noah William Pierce
Title: Attorney-In-Fact



STATE OF North Carolina
COUNTY OF Rowan

I, an officer duly authorized in the state and county named above to take acknowledgments, certify that on this date before me, the foregoing instrument was acknowledged by Noah William Pierce, as Attorney-In-Fact for and on behalf of Swiss Re Corporate Solutions America Insurance Corporation. He/she personally appeared before me and is: (check one of the below)

X personally known to me, or
_____ produced the following type of identification: _____

Executed and sealed by me on June 18, 2024.

Bryan M Caneschi
Notary Public
Print Name: Bryan M Caneschi
My Commission expires: 4/4/27

SUBDIVISION BOND

Bond No. 2357569

KNOW ALL MEN BY THESE PRESENTS, that we Forestar (USA) Real Estate Group Inc.

2221 E Lamar Blvd, Suite 790 Arlington, TX 76006

as Principal, and Swiss Re Corporate Solutions America Insurance Corporation

authorized to do business in the State of FL, as Surety, are held and firmly bound unto

City of Gainesville

as Obligee, in the penal sum of Four Million Three Hundred Three Thousand Six Hundred Thirty Four Dollars and Ten

Cents (\$ 4,303,634.10) DOLLARS, lawful money of

the United States of America, for the payment of which well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Forestar (USA) Real Estate Group Inc.

has agreed to construct in Oaks Preserve Phase 3 & 4

the following improvements: Oaks Preserve Phase 3 & 4 - Earthwork, Utility, Drainage and Road Construction

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall construct, or have constructed, the improvements herein described and shall save the Obligee harmless from any loss, cost or damage by reason of its failure to complete said work, then this obligation shall be null and void; otherwise to remain in full force and effect.

Signed, sealed and dated this 13th day of September, 2024,

Forestar (USA) Real Estate Group Inc.

Principal

By: John Clarity - VP

Swiss Re Corporate Solutions America Insurance Corporation

By: Noah William Pierce

Noah William Pierce

Attorney-in-Fact



SWISS RE CORPORATE SOLUTIONS

SWISS RE CORPORATE SOLUTIONS AMERICA INSURANCE CORPORATION ("SRCSAIC")
SWISS RE CORPORATE SOLUTIONS PREMIER INSURANCE CORPORATION ("SRCSPIC")

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT SRCSAIC, a corporation duly organized and existing under laws of the State of Missouri, and having its principal office in the City of Kansas City, Missouri, and SRCSPIC, a corporation organized and existing under the laws of the State of Missouri and having its principal office in the City of Kansas City, Missouri, each does hereby make, constitute, and appoint: Noah William Pierce

Principal: Forestar (USA) Real Estate Group Inc.
Obligee: City of Gainesville
Bond Description: Oaks Preserve Phase 3 & 4 - Earthwork, Utility, Drainage and Road Construction
Bond Number: 2357569
Bond Amount: See Bond Form

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both SRCSAIC and SRCSPIC at meetings duly called and held on the 9th of May 2012:

"RESOLVED, that any two of the President, any Managing Director, any Senior Vice President, any Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is, authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Corporation bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Corporation; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Corporation may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Corporation when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By Erik Janssens, Senior Vice President of SRC SAIC & Senior Vice President of SRCSPIC

By Gerald Jagrowski, Vice President of SRC SAIC & Vice President of SRCSPIC

IN WITNESS WHEREOF, SRCSAIC and SRCSPIC have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 10TH day of NOVEMBER 20 22

State of Illinois
County of Cook

SS

Swiss Re Corporate Solutions America Insurance Corporation
Swiss Re Corporate Solutions Premier Insurance Corporation

On this 10TH day of NOVEMBER, 20 22, before me, a Notary Public personally appeared Erik Janssens, Senior Vice President of SRCSAIC and Senior Vice President of SRCSPIC and Gerald Jagrowski, Vice President of SRCSAIC and Vice President of SRCSPIC, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



Christina Manisco, Notary

I, Jeffrey Goldberg, the duly elected Senior Vice President and Assistant Secretary of SRCSAIC and SRCSPIC, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said SRCSAIC and SRCSPIC, which is still in full force and effect.
IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 13th day of September, 2024.

Jeffrey Goldberg, Senior Vice President & Assistant Secretary of SRCSAIC and SRCSPIC