

Prepared By and Return To:
Robert N. Klein, Esq.
Klein & Dobbins, P.L.
805 Virginia Avenue, Suite 25
Fort Pierce, FL 34982

ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT (this "Agreement") is made and entered into by and among the CITY OF PORT ST. LUCIE, a municipal corporation of the State of Florida (the "City"), and LULFS GROVES, LLLP, a Florida limited liability limited partnership ("Lulfs").

WITNESSETH

WHEREAS, the City is a Florida municipal corporation located within St. Lucie County, Florida; and

WHEREAS, Lulfs owns certain real property comprising approximately 464.5 ± acres in unincorporated St. Lucie County, Florida, as described in Exhibit "A", attached hereto and made a part hereof (the "Property"); and

WHEREAS, the Property's northern and southern boundaries adjoin the municipal boundaries of the City; and

WHEREAS, therefore, a substantial part of a boundary of the Property is coterminous with a part of the municipal boundaries of the City; and

WHEREAS, therefore, the Property is contiguous to the City; and

WHEREAS, Lulfs filed a petition for voluntary annexation of the Property into the City on January 31, 2008; and

WHEREAS, Lulfs desires to obtain for the Property the benefits and privileges of inclusion within the boundaries of the City, which include the designation of the Property on the City's Future Land Use Map and the assignment of zoning categories to allow the most appropriate development of the Property and the provision of all services, facilities, and utilities as are available to all residents of the City; and

WHEREAS, the City has determined that the Property is concentrated in a single area; and

WHEREAS, annexation of the Property will not result in the creation of unincorporated areas being enclosed within and bounded on all sides by a single municipality, or by a single municipality and a natural or manmade obstacle that allows the passage of vehicular traffic to that unincorporated area only through the municipality; and

WHEREAS, therefore, the annexation of the Property will not result in the creation of enclaves; and

WHEREAS, annexation of the Property will not result in the creation of either unincorporated or incorporated areas that are winding or turning; and

WHEREAS, therefore, annexation of the Property will not result in the creation of finger areas in a serpentine pattern; and;

WHEREAS, annexation of the Property will not result in the creation of either unincorporated areas that are isolated from other unincorporated areas or incorporated areas that are isolated from other incorporated areas; and

WHEREAS, therefore, annexation of the Property will not result in the creation of pockets; and

WHEREAS, therefore, the Property is reasonably compact; and

WHEREAS, the petition for annexation bears the signature of a person who is authorized to act on behalf of Lulfs, the sole owner of the Property; and

WHEREAS, therefore, the petition of annexation bears the signatures of all owners of property in the area proposed to be annexed; and

WHEREAS, the annexation of the Property into the municipal boundaries of the City would be in the best interest of the City and the future residents of the Property; and

WHEREAS, Lulfs and the City desire to establish certain development guidelines which specify the manner in which the Property will be developed; and

WHEREAS, Lulfs desires to enter into this Agreement to memorialize its understanding and agreements with respect to the annexation, development and use of the Property; and

WHEREAS, upon Lulfs' compliance with its obligations under this Agreement, the development of the Property will be consistent with the City's comprehensive plan and land development regulations; and

WHEREAS, Lulfs and the City agree that it would be beneficial to the parties to initiate the development approval process prior to the effective date of the annexation to expedite development of the Property.

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

1. **Recitations.** The recitations set forth above are true and correct and are incorporated herein by reference.
2. **Annexation.** On January 31, 2008, Lulfs filed a voluntary petition requesting the City to annex the Property into the municipal boundaries of the City. The parties shall take all actions necessary to effect the annexation of the Property in a timely manner in accordance with the procedures set forth in Section 171.044, Florida Statutes, and any other applicable ordinances or regulations. It is the desire of all parties that the annexation be accomplished as rapidly as possible. Lulfs agrees to indemnify and defend the City in the event of any lawsuit challenging the legality of the annexation of the Property and City agrees to cooperate with Lulfs as maybe required on such defense.
3. **Effective Date.** This Agreement shall become effective upon execution by both parties.
4. **Land Use.** Lulfs proposes to develop the Property with no more than 500 residential dwelling units, and up to 3,000,000 square feet of commercial, industrial, retail, professional office and/or institutional use (collectively, the "Intended Uses"); provided however, that Lulfs shall not commence vertical construction of any residential dwelling units prior to two (2) years after the Effective Date of this Agreement. Lulfs has submitted a request to amend the City's Comprehensive Plan to include the Property and to assign land use designations to the Property to permit it to be developed with the Intended Uses. The City shall process said application in a timely manner in accordance with applicable statutes, ordinances and other regulations, and subject to paragraph 6 below.
5. **Zoning.** The City agrees that upon assigning to the Property City land use designations, the City shall process a rezoning application or applications for the Property to PUD (Planned Unit development) or to a zoning district or districts compatible with the approved land use designations in accordance with the process required under the City's Code of Ordinances (the "Code") to permit the Intended Uses consistent with the land use designations. Notwithstanding the foregoing or anything contained in this Agreement to the contrary, any rezoning shall accommodate and permit use of the Property, and portions thereof not yet platted with subdivided lots, for agriculture or agricultural related purposes until such time as a plat establishing subdivided lots for nonagricultural development is recorded in the Public Records of St. Lucie County, Florida for the Property or portions thereof.
6. **No Waiver of Police Power.** As provided above and otherwise herein, the parties recognize and agree that certain provisions of this Agreement will require the City and/or its boards, departments or agencies, acting in their governmental capacity, to consider certain changes in the City's Comprehensive Plan, zoning ordinances or other applicable City codes, plans or regulations, as well as to consider other governmental actions as set forth in this Agreement. All such considerations and actions shall be undertaken in accordance with established requirements of state statute and City ordinances, including notice and hearing requirements, in the exercise of the City's jurisdiction under the police power. Nothing in this Agreement is intended to limit or restrict the powers and responsibilities of the City in acting on applications for comprehensive plan changes and applications for other development. The

parties further recognize and agree that these proceedings shall be conducted openly, fully, freely and fairly in full accordance with law and with both procedural and substantive due process to be accorded the applicant and any member of the public.

7. Utilities.

a. The City desires to provide municipal utility services to the Property, including potable water, wastewater and reclaimed irrigation quality water, and represents that the City has sufficient existing or planned plant capacity to provide same to the Property to meet the needs of the Intended Uses. The City acknowledges that Lulfs may petition the City to create one or more Community Development Districts ("CDD's") in accordance with the requirements of Chapter 190, Florida Statutes, to finance and construct utility infrastructure, and to finance, construct, own and maintain other infrastructure, to and for the Property. Lulfs shall have no right to own or operate a utility. The City agrees to provide potable water, wastewater and reclaimed irrigation quality water service to the Property with a capacity sufficient to accommodate the Intended Uses, so long as Lulfs pays all related fees and costs that are usual and customary for such capacities. Pursuant to and consistent with the City's Code of Ordinances and utility policies, on or before development of the Property, Lulfs shall install, or cause to be installed, at its sole cost and expense, the on-site and off-site potable water, wastewater and reclaimed irrigation quality water transmission facilities to serve the Property; provided, however, that to the extent such transmission facilities are upsized or looped at the City's request to serve additional property other than the Property, the City shall reimburse Lulfs pursuant to Section 63.22 of the City's Code of Ordinances. The parties agree that upon completion and acceptance by the City of the foregoing lines, such lines shall be transferred to the City to be owned and maintained by the City in perpetuity.

b. The parties agree to negotiate in good faith to enter into appropriate agreements to ensure that the municipal utility services described above are available and constructed as contemplated herein to serve the Property. Said agreements shall include, but not be limited to, a utility service agreement which provides for Lulfs' reservation of line and plant capacities and any credit due to Lulfs for over-sizing lines.

8. Stormwater.

a. The City and the CDD(s), when and if formed, may enter into an interlocal agreement which shall provide for the rebate to such applicable CDD of 75% of the stormwater utility assessments collected by the City from the Property. Notwithstanding any regulations to the contrary, no portion of the Property, nor Lulfs, shall be assessed for any stormwater utility assessment until that portion of the Property (i) has been platted for urban development, and (ii) is no longer used for agriculture or agricultural related purposes. The parties agree that Lulfs shall be responsible for its stormwater permitting and with respect to the Property, for compliance with all National Pollution Discharge Elimination System rules and regulations. The CDD(s), when and if formed, shall be responsible for the maintenance of the stormwater system. In no event shall the City be entitled to impose or collect stormwater utility fees or assessments allocable to the years 1993 through 1997 against or with respect to the Property.

b. Lulfs agrees to cooperate in the creation of a master storm water system for the "NW Annexation Area", if requested by the City, to the extent Lulfs is reasonably able to do so; however, the foregoing shall not in any way delay development of the property. The "NW Annexation Area" is defined by the existing Urban Service Boundary to the west, Midway Road to the north, I-95 to the east and Glades Cut-off Road to the south. The Property is within the NW Annexation Area.

9. **Roadway Improvements**

a. Lulfs agrees to participate in a special assessment district or other similar funding mechanism for the improvement of Midway Road from I-95 west to Okeechobee Road and to pay its fair share cost of such improvements, based on anticipated impacts for development of the Property, less impact fees, if any, due to St. Lucie County for development on the Property.

b. Lulfs agrees to pay its fair share of the cost to, or at its expense to, construct two (2) lanes of the extension of McCarty Road between the northern and southern boundaries of the Property.

c. Lulfs agrees to pay its fair share of the cost to, or at its expense to, construct two (2) lanes of E/W 6 from Glades Cut-Off Road to the western boundary of the Property. Notwithstanding the foregoing, any construction of E/W 6 by Lulfs, west of its intersection with the extension of McCarty Road, will be timed to coincide with development of that portion of the Property, as the market conditions shall determine.

d. Lulfs agrees to pay its fair share of the cost to construct two (2) lanes of the extension of McCarty Road from the northern boundary of the Property north to E/W 5. Lulfs will have no obligation to obtain any right-of-way required for this portion of McCarty Road, nor will its ability to develop be hindered by the City's inability to obtain any required right-of-way.

e. Lulfs understands that the City desires right-of-way widths of 150 feet for arterials and 100 feet for collector roads with exclusive 10-foot City of Port St. Lucie utility and communication easements on each side of the right-of-way. Where physical or practical constraints do not prevent Lulfs from doing so, Lulfs will endeavor to establish right-of-way widths for applicable roads consistent with the City's desires. All right-of-way in the control of Lulfs shall be dedicated to the City of Port St. Lucie.

10. **Impact Fees.** The City agrees not to object to Lulfs' request, if made, for County transportation impact fee credits available pursuant to the construction of, and/or land dedications for, County-owned roads in excess of what is required for Lulfs' development. The City agrees that it may provide credit to Lulfs against impact fees imposed by the City for the value of public improvements constructed, or paid for, by Lulfs, for funding contributions to public improvements made by Lulfs in excess of what is required for Lulfs' development.

11. **Taxation and Assessments.** The City acknowledges that the Property is used for

agricultural purposes and in the past has benefited by a Greenbelt Exemption for ad valorem tax purposes (the so-called "agricultural exemption"). The City agrees to support Lulfs' receipt of a Greenbelt Exemption for the Property, or such undeveloped portion thereof, as the case may be, as long as the Property, or such undeveloped portion, is being used for agricultural purposes or agricultural related purposes prior to non-agricultural development. Further, the City agrees that the Property can be used for agriculture or agricultural related purposes after annexation.

12. **Payment of Public Facilities.** In addition to the amount due hereunder from Lulfs for utilities set forth in paragraph 7 above, Lulfs agrees to pay the City the aggregate amount of One Thousand Two Hundred Dollars (\$1,200.00) per dwelling unit approved pursuant to rezoning of the Property, or a portion of the Property, to Planned Unit Development (PUD) or other applicable zoning district(s), as consideration to ensure that adequate public facilities (excluding water, wastewater and irrigation) exist to serve the Property and to provide concurrency for the Intended Uses. Lulfs shall pay to the City the total amount due in accordance with the foregoing, calculated by multiplying the number of approved dwelling units by \$1,200.00, prior to approval of a site plan based on the number of units set forth therein.

13. **Affordable Housing.** The Port St. Lucie Comprehensive Plan does not require any affordable housing mitigation or contribution by Lulfs. However, Lulfs has offered to provide voluntary support for affordable housing by means of a local condition. Lulfs shall pay \$500 for each residential unit constructed on the property, payable at the time of building permit application, into an affordable housing trust fund or other dedicated account established by the City. The City shall determine how to disburse the moneys in such trust fund to encourage affordable housing through such means as (a) acquisition of land; (b) a program of down payment assistance; (c) prepaying of points for qualified homebuyers; (d) rehabilitation of existing affordable housing; (3) construction of new affordable housing by private developers or not-for-profit entities; or (f) other appropriate affordable housing strategies.

14. **Time of the Essence.** The parties hereto covenant that time is of the essence and each party shall immediately commence all actions necessary to fulfill their respective obligations under this Agreement.

15. **Severability.** If any section, subsection, sentence, clause, phrase or portion of this Agreement is for any reason held invalid or unconstitutional in any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof. Notwithstanding the foregoing, if Lulfs is prevented from annexing the Property into the City then this Agreement shall become null and void.

16. **Successors and Assigns.** The obligations imposed and entitlements created pursuant to this Agreement shall run with and bind the Property as covenants running with the land. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto, their successors and assigns, heirs and personal representatives; provided, however, that references herein to Lulfs shall mean and refer only to Lulfs. The obligations of Lulfs may be assigned in whole or part to one or more property owners associations or to the CDD(s), if formed, and in such event, Lulfs shall thereafter be relieved of future obligations for such assigned obligations

hereunder.

17. **Attorneys' Fees.** Should any party to this Agreement bring an action against any other party to enforce any provision of this Agreement, the prevailing party in said action shall be entitled to recover its reasonable attorneys' fees and court costs in all trial and appellate proceedings.

18. **Recording.** Lulfs shall record this Agreement with the Clerk of the Circuit Court for St. Lucie County after the City executes the Agreement.

19. **Entire Agreement.** This Agreement contains and sets forth all of the promises, covenants, agreements, conditions and understandings between the parties with respect to the subject matter of the Agreement as of the date hereof.

20. **Headings.** Captions and paragraph headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement, nor the intent of any provision hereof.

21. **Governing Law.** This Agreement shall be construed and interpreted according to the laws of the State of Florida and venue with respect to any litigation between the parties related to this Agreement shall be St. Lucie County, Florida.

22. **Amendment.** This Agreement shall not be changed, modified or amended except by an instrument in writing and executed by all parties with the same formality and or equal dignity herewith. The parties agree that this Agreement may be amended, subject to the City's reasonable approval, to include other property adjacent to the Property provided such other property satisfies all requirements for voluntary annexation set forth in Chapter 171, Florida Statutes.

23. **Notice.** Any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been given either (i) when delivered in person to the persons designated hereinbelow for that purpose, (ii) upon delivery to an overnight courier (e.g. Federal Express, Airborne) as evidenced by the sender's copy, addressed as set forth hereinbelow; (iii) upon mailing by United States certified mail, return receipt requested, postage paid, to such address. Such notice shall be deemed received, when either (i) delivered in person to the agents designated hereinbelow for that purpose, (ii) on the first business day after delivery to an overnight courier (e.g. Federal Express, Airborne) as evidenced by the sender's copy, addressed as set forth hereinbelow, or (iii) three (3) days after deposited in the United States Mail, by certified mail, postage prepaid, return receipt requested, addressed to the other party. The addresses of the parties are as follows:

CITY:

City of Port St. Lucie
121 SW Port St. Lucie Boulevard
Port St. Lucie, FL 34984
Attn: City Manager

With Copy To:

City of Port St. Lucie
121 SW Port St. Lucie Boulevard
Port St. Lucie, FL 34984
Attn: City Attorney

LULFS:

Lulfs Groves, LLLP
7457 Park Lane
Lake Worth, FL 33467
Attn: Michelle Lancianese

With Copy To:

Bobby Poyner
15789 Cypress Lane
Wellington, FL 33414

and

Robert N. Klein, Esq.
Klein & Dobbins, P.L.
805 Virginia Avenue
Suite 25
Fort Pierce, FL 34982

24. **Effective Date.** The "Effective Date" of this Agreement shall be the date the last party signs this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature; Lulfs signing by and through its duly authorized representative and the City through its City Council, signing by and through its Mayor, authorized to execute same by City Council action on the 9th day of June, 2008.

ATTEST

City Clerk

Laura A. Pulipò

CITY:

CITY OF PORT ST. LUCIE

By:

Patricia Christensen

Patricia Christensen, Mayor
ensen

Date:

6/9/08

APPROVED AS TO FORM AND
CORRECTNESS:

Pam E. B. Hakim

City Attorney

LULFS:

LULFS GROVES, LLLP, a Florida limited liability limited partnership

By: LULFS GROVES, INC., a Florida corporation, its General Partner

By: Brian Lulfs
Brian Lulfs, President

Date: 5-22-08

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 22 day of May, 2008, by BRIAN LULFS, as President of Lulfs Groves, Inc., a Florida corporation, General Partner of LULFS GROVES, LLLP, a Florida limited liability limited partnership. He personally appeared before me, is personally known to me, or has produced _____ as identification.

[NOTARIAL SEAL]

Notary: Carol A. Marrero
Print Name: _____
Notary Public, State of Florida Carol A. Marrero
My commission expires _____

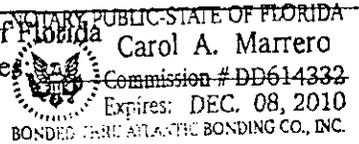


Exhibit "A"

Legal Description for Lulfs Groves

Official Records Book 783, Page 758

That part of Section 20, Township 36 South, Range 39 East, lying north and east of the Diversion Canal, excepting therefrom that part thereof conveyed by Florida Cattle Company, a corporation, to Abraham Slot, et al., by that certain Warranty Deed recorded in Deed Book 108, Page 315, Public Records of St. Lucie County, Florida.

All that part of the southwest quarter of Section 21, Township 36 South, Range 39 East, lying north and west of the Florida East Coast Railway Right-of-Way, excepting therefrom a strip of land 200 feet wide located in the northeast quarter of the southwest quarter of Section 21, Township 36 South, Range 39 East, lying adjacent to and north and west of the Florida East Coast Railway.

All of that part of Section 29, Township 36 South, Range 39 East, lying north and west of the Florida East Coast Railway and north and east of the Diversion Canal:

The northwest quarter of Section 21, Township 36 South, Range 39 East, St. Lucie County, Florida. Less and except right-of-way for public roads, drainage canals and Florida East Coast Railway and also less and except the portion of the above described land sold to the Florida Power and Light Company as recorded in O. R. Book 209, Page 2744; Public Records of St. Lucie County, Florida.

Lying north of a line described as:

Begin at the northeast corner of the northwest 1/4 of Section 21, Township 36 South, Range 39 East, St. Lucie County, Florida, run south 0°19'21" west, along the 1/4 section line 2074.21 feet; thence run south 44°46'01" west a distance of 846.19 feet to the Point of Beginning, thence run south 89°22'21" west a distance of 2047.67 feet, thence run north 89°27'12" west a distance of 4900 feet more or less to the easterly line of Central and South Florida Flood Control District Canal Number C-24.

Also described as:

Metes and bounds legal description.

A parcel of land lying in Sections 20 and 21, Township 36 South, Range 39 East, St. Lucie County, Florida, being more particularly described as follows:

Beginning at the north one - quarter corner of said Section 21, proceed south $00^{\circ}18'12''$ west, along the north - south one- quarter section line of said Section 21, a distance of 2003.16 feet to a point on the westerly right of way line of State Road 709 (Glades Cut-Off Road) a varying width right-of-way as recorded in Deed Book 134, Page 337, Public Records of St. Lucie County, Florida; thence south $44^{\circ}45'38''$ west, along said westerly right-of-way line and departing said north-south one-quarter section line, a distance of 947.22 feet; thence south $89^{\circ}22'21''$ west, departing said westerly right of way line, a distance of 1977.66 feet; thence north $89^{\circ}27'12''$ west, a distance of 4895.45 feet to a point on the northerly right-of- way line of the C-24 Canal as described in Official Records Book 243, Page 655, Public Records of St. Lucie County, Florida; thence north $43^{\circ}03'50''$ west, along said northerly right-of-way line, a distance of 87.50 feet; thence north $01^{\circ}10'43''$ west, departing said northerly right-of-way line, a distance of 2605.61 feet to a point on the north line of said Section 20; thence south $89^{\circ}37'58''$ east, along said north line, a distance of 2367.08 feet to the north one-quarter corner of said Section 20; thence south $89^{\circ}57'57''$ east, continuing along said north line, a distance of 2645.13 feet to the northeast corner of said Section 20, also being the northwest corner of said Section 21; thence south $89^{\circ}57'57''$ east, along said north line, a distance of 2651.53 feet to the Point of Beginning.

Said parcel containing 464.5 acres, more or less.

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b. The parties agree to negotiate in good faith to enter into appropriate agreements to ensure that the municipal utility services described above are available and constructed as contemplated herein to serve the Property. Said agreements shall include, but not be limited to, a utility service agreement which provides for Lulfs' reservation of line and plant capacities and any credit due to Lulfs for over-sizing lines.

8. **Stormwater.**

a. The City and the CDD(s), when and if formed, may enter into an interlocal agreement which shall provide for the rebate to such applicable CDD of 75% of the stormwater utility assessments collected by the City from the Property. Notwithstanding any regulations to the contrary, no portion of the Property, nor Lulfs, shall be assessed for any stormwater utility assessment until that portion of the Property (i) has been platted for urban development, and (ii) is no longer used for agriculture or agricultural related purposes. The parties agree that Lulfs shall be responsible for its stormwater permitting and with respect to the Property, for compliance with all National Pollution Discharge Elimination System rules and regulations. The CDD(s), when and if formed, shall be responsible for the maintenance of the stormwater system. In no event shall the City be entitled to impose or collect stormwater utility fees or assessments allocable to the years 1993 through 1997 against or with respect to the Property.

b. Lulfs agrees to cooperate in the creation of a master storm water system for the "NW Annexation Area", if requested by the City, to the extent Lulfs is reasonably able to do so; however, the foregoing shall not in any way delay development of the property. The "NW Annexation Area" is defined by the existing Urban Service Boundary to the west, Midway Road to the north, I-95 to the east and Glades Cut-off Road to the south. The Property is within the NW Annexation Area.

9. **Roadway Improvements**

a. Lulfs agrees to participate in a special assessment district or other similar funding mechanism for the improvement of Midway Road from I-95 west to Okeechobee Road and to pay its fair share cost of such improvements, based on anticipated impacts for development of the Property, less impact fees, if any, due to St. Lucie County for development on the Property.

b. Lulfs agrees to pay its fair share of the cost to, or at its expense to, construct two (2) lanes of the extension of McCarty Road between the northern and southern boundaries of the Property.

c. Lulfs agrees to pay its fair share of the cost to, or at its expense to, construct two (2) lanes of E/W 6 from Glades Cut-Off Road to the western boundary of the Property. Notwithstanding the foregoing, any construction of E/W 6 by Lulfs, west of its intersection with the extension of McCarty Road, will be timed to coincide with development of that portion of the Property, as the market conditions shall determine.

d. Lulfs agrees to pay its fair share of the cost to construct two (2) lanes of the extension of McCarty Road from the northern boundary of the Property north to E/W 5. Lulfs will have no obligation to obtain any right-of-way required for this portion of McCarty Road, nor will its ability to develop be hindered by the City's inability to obtain any required right-of-way.

e. Lulfs understands that the City desires right-of-way widths of 150 feet for arterials and 100 feet for collector roads with exclusive 10-foot City of Port St. Lucie utility and communication easements on each side of the right-of-way. Where physical or practical constraints do not prevent Lulfs from doing so, Lulfs will endeavor to establish right-of-way widths for applicable roads consistent with the City's desires. All right-of-way in the control of Lulfs shall be dedicated to the City of Port St. Lucie.

10. **Impact Fees.** The City agrees not to object to Lulfs' request, if made, for County transportation impact fee credits available pursuant to the construction of, and/or land dedications for, County-owned roads in excess of what is required for Lulfs' development. The City agrees that it may provide credit to Lulfs against impact fees imposed by the City for the value of public improvements constructed, or paid for, by Lulfs, for funding contributions to public improvements made by Lulfs in excess of what is required for Lulfs' development.

11. **Taxation and Assessments.** The City acknowledges that the Property is used for

agricultural purposes and in the past has benefited by a Greenbelt Exemption for ad valorem tax purposes (the so-called "agricultural exemption"). The City agrees to support Lulfs' receipt of a Greenbelt Exemption for the Property, or such undeveloped portion thereof, as the case may be, as long as the Property, or such undeveloped portion, is being used for agricultural purposes or agricultural related purposes prior to non-agricultural development. Further, the City agrees that the Property can be used for agriculture or agricultural related purposes after annexation.

12. **Payment of Public Facilities.** In addition to the amount due hereunder from Lulfs for utilities set forth in paragraph 7 above, Lulfs agrees to pay the City the aggregate amount of One Thousand Two Hundred Dollars (\$1,200.00) per dwelling unit approved pursuant to rezoning of the Property, or a portion of the Property, to Planned Unit Development (PUD) or other applicable zoning district(s), as consideration to ensure that adequate public facilities (excluding water, wastewater and irrigation) exist to serve the Property and to provide concurrency for the Intended Uses. Lulfs shall pay to the City the total amount due in accordance with the foregoing, calculated by multiplying the number of approved dwelling units by \$1,200.00, prior to approval of a site plan based on the number of units set forth therein.

13. **Affordable Housing.** The Port St. Lucie Comprehensive Plan does not require any affordable housing mitigation or contribution by Lulfs. However, Lulfs has offered to provide voluntary support for affordable housing by means of a local condition. Lulfs shall pay \$500 for each residential unit constructed on the property, payable at the time of building permit application, into an affordable housing trust fund or other dedicated account established by the City. The City shall determine how to disburse the moneys in such trust fund to encourage affordable housing through such means as (a) acquisition of land; (b) a program of down payment assistance; (c) prepaying of points for qualified homebuyers; (d) rehabilitation of existing affordable housing; (3) construction of new affordable housing by private developers or not-for-profit entities; or (f) other appropriate affordable housing strategies.

14. **Time of the Essence.** The parties hereto covenant that time is of the essence and each party shall immediately commence all actions necessary to fulfill their respective obligations under this Agreement.

15. **Severability.** If any section, subsection, sentence, clause, phrase or portion of this Agreement is for any reason held invalid or unconstitutional in any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof. Notwithstanding the foregoing, if Lulfs is prevented from annexing the Property into the City then this Agreement shall become null and void.

16. **Successors and Assigns.** The obligations imposed and entitlements created pursuant to this Agreement shall run with and bind the Property as covenants running with the land. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto, their successors and assigns, heirs and personal representatives; provided, however, that references herein to Lulfs shall mean and refer only to Lulfs. The obligations of Lulfs may be assigned in whole or part to one or more property owners associations or to the CDD(s), if formed, and in such event, Lulfs shall thereafter be relieved of future obligations for such assigned obligations

hereunder.

17. **Attorneys' Fees.** Should any party to this Agreement bring an action against any other party to enforce any provision of this Agreement, the prevailing party in said action shall be entitled to recover its reasonable attorneys' fees and court costs in all trial and appellate proceedings.

18. **Recording.** Lulfs shall record this Agreement with the Clerk of the Circuit Court for St. Lucie County after the City executes the Agreement.

19. **Entire Agreement.** This Agreement contains and sets forth all of the promises, covenants, agreements, conditions and understandings between the parties with respect to the subject matter of the Agreement as of the date hereof.

20. **Headings.** Captions and paragraph headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement, nor the intent of any provision hereof.

21. **Governing Law.** This Agreement shall be construed and interpreted according to the laws of the State of Florida and venue with respect to any litigation between the parties related to this Agreement shall be St. Lucie County, Florida.

22. **Amendment.** This Agreement shall not be changed, modified or amended except by an instrument in writing and executed by all parties with the same formality and or equal dignity herewith. The parties agree that this Agreement may be amended, subject to the City's reasonable approval, to include other property adjacent to the Property provided such other property satisfies all requirements for voluntary annexation set forth in Chapter 171, Florida Statutes.

23. **Notice.** Any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been given either (i) when delivered in person to the persons designated hereinbelow for that purpose, (ii) upon delivery to an overnight courier (e.g. Federal Express, Airborne) as evidenced by the sender's copy, addressed as set forth hereinbelow; (iii) upon mailing by United States certified mail, return receipt requested, postage paid, to such address. Such notice shall be deemed received, when either (i) delivered in person to the agents designated hereinbelow for that purpose, (ii) on the first business day after delivery to an overnight courier (e.g. Federal Express, Airborne) as evidenced by the sender's copy, addressed as set forth hereinbelow, or (iii) three (3) days after deposited in the United States Mail, by certified mail, postage prepaid, return receipt requested, addressed to the other party. The addresses of the parties are as follows:

CITY:

City of Port St. Lucie
121 SW Port St. Lucie Boulevard
Port St. Lucie, FL 34984
Attn: City Manager

With Copy To:

City of Port St. Lucie
121 SW Port St. Lucie Boulevard
Port St. Lucie, FL 34984
Attn: City Attorney

LULFS:

Lulfs Groves, LLLP
7457 Park Lane
Lake Worth, FL 33467
Attn: Michelle Lancianese

With Copy To:

Bobby Poyner
15789 Cypress Lane
Wellington, FL 33414

and

Robert N. Klein, Esq.
Klein & Dobbins, P.L.
805 Virginia Avenue
Suite 25
Fort Pierce, FL 34982

24. **Effective Date.** The "Effective Date" of this Agreement shall be the date the last party signs this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature; Lulfs signing by and through its duly authorized representative and the City through its City Council, signing by and through its Mayor, authorized to execute same by City Council action on the 9th day of June, 2008.

ATTEST:

Karina Phillipio
City Clerk

CITY:

CITY OF PORT ST. LUCIE

By:

Patricia Christensen
Patricia Christensen, Mayor

Date:

6/9/08

APPROVED AS TO FORM AND
CORRECTNESS:

Pam E. Bokarik
City Attorney

LULFS:
LULFS GROVES, LLLP, a Florida limited liability limited partnership

By: LULFS GROVES, INC., a Florida corporation, its General Partner

By: B. Lulfs
Brian Lulfs, President

Date: 5-22-08

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 22 day of MAY, 2008, by BRIAN LULFS, as President of Lulfs Groves, Inc., a Florida corporation, General Partner of LULFS GROVES, LLLP, a Florida limited liability limited partnership. He personally appeared before me, is personally known to me, or has produced _____ as identification.

[NOTARIAL SEAL]

Notary: Carol A. Marrero
Print Name: _____
Notary Public, State of Florida
My commission expires _____

NOTARY PUBLIC-STATE OF FLORIDA
Carol A. Marrero
Commission #DD614332
Expires: DEC. 08, 2010
BONDED THRU ATLANTIC BONDING CO., INC.

Exhibit "A"

Legal Description for Lulfs Groves

Official Records Book 783, Page 758

That part of Section 20, Township 36 South, Range 39 East, lying north and east of the Diversion Canal, excepting therefrom that part thereof conveyed by Florida Cattle Company, a corporation, to Abraham Slot, et al., by that certain Warranty Deed recorded in Deed Book 108, Page 315, Public Records of St. Lucie County, Florida.

All that part of the southwest quarter of Section 21, Township 36 South, Range 39 East, lying north and west of the Florida East Coast Railway Right-of-Way, excepting therefrom a strip of land 200 feet wide located in the northeast quarter of the southwest quarter of Section 21, Township 36 South, Range 39 East, lying adjacent to and north and west of the Florida East Coast Railway.

All of that part of Section 29, Township 36 South, Range 39 East, lying north and west of the Florida East Coast Railway and north and east of the Diversion Canal:

The northwest quarter of Section 21, Township 36 South, Range 39 East, St. Lucie County, Florida. Less and except right-of-way for public roads, drainage canals and Florida East Coast Railway and also less and except the portion of the above described land sold to the Florida Power and Light Company as recorded in O. R. Book 209, Page 2744, Public Records of St. Lucie County, Florida.

Lying north of a line described as:

Begin at the northeast corner of the northwest 1/4 of Section 21, Township 36 South, Range 39 East, St. Lucie County, Florida, run south $0^{\circ}19'21''$ west, along the 1/4 section line 2074.21 feet; thence run south $44^{\circ}46'01''$ west a distance of 846.19 feet to the Point of Beginning, thence run south $89^{\circ}22'21''$ west a distance of 2047.67 feet, thence run north $89^{\circ}27'12''$ west a distance of 4900 feet more or less to the easterly line of Central and South Florida Flood Control District Canal Number C-24.

Also described as:

Metes and bounds legal description.

A parcel of land lying in Sections 20 and 21, Township 36 South, Range 39 East, St. Lucie County, Florida, being more particularly described as follows:

Beginning at the north one - quarter corner of said Section 21, proceed south 00°18'12" west, along the north - south one- quarter section line of said Section 21, a distance of 2003.16 feet to a point on the westerly right of way line of State Road 709 (Glades Cut-Off Road) a varying width right-of-way as recorded in Deed Book 134, Page 337, Public Records of St. Lucie County, Florida; thence south 44°45'38" west, along said westerly right-of-way line and departing said north-south one-quarter section line, a distance of 947.22 feet; thence south 89°22'21" west, departing said westerly right of way line, a distance of 1977.66 feet; thence north 89°27'12" west, a distance of 4895.45 feet to a point on the northerly right-of- way line of the C-24 Canal as described in Official Records Book 243, Page 655, Public Records of St. Lucie County, Florida; thence north 43°03'50" west, along said northerly right-of-way line, a distance of 87.50 feet; thence north 01°10'43" west, departing said northerly right-of-way line, a distance of 2605.61 feet to a point on the north line of said Section 20; thence south 89°37'58" east, along said north line, a distance of 2367.08 feet to the north one-quarter corner of said Section 20; thence south 89°57'57" east, continuing along said north line, a distance of 2645.13 feet to the northeast corner of said Section 20, also being the northwest corner of said Section 21; thence south 89°57'57" east, along said north line, a distance of 2651.53 feet to the Point of Beginning.

Said parcel containing 464.5 acres, more or less.



City of Port St. Lucie

Planning and Zoning Department Memorandum

TO: CITY COUNCIL MEETING OF JUNE 9, 2008

FROM: BRIDGET KEAN, PRINCIPAL PLANNER BK

RE: LULFS GROVE ANNEXATION
PROJECT NO. P08-018

DATE: JUNE 5, 2008

The adoption hearing for the Lulfs Grove Annexation, Ordinance 08-36, is scheduled for the June 9, 2008 City Council meeting. The authorized agent for the applicant is requesting the following letter be included in the submittal packet.

KLEIN & DOBBINS, P. L.

ATTORNEYS AND COUNSELORS AT LAW

Writer's E-Mail
Ldobbins@kleindobbins.com

805 Virginia Avenue
Suite 25
Fort Pierce, FL 34982

(772) 409-1133 Ext. 202
(772) 409-1134 Fax

June 5, 2008

VIA HAND DELIVERY

Daniel Holbrook
Director, Planning & Zoning Department
121 S.W. Port St. Lucie Boulevard
Port St. Lucie, FL 34984

RECEIVED

JUN 05 2008

PLANNING DEPARTMENT
CITY OF PORT ST. LUCIE, FL

Re: Lulfs Groves, LLLP/Glades Cut-Off Road Property
Annexation Application P08-18 (Ordinance 08-36)

Dear Mr. Holbrook:

I am writing in response to the letter you received from Wes McCurry, President of Core Communities, dated June 2, 2008 (the "Letter"), raising various objections to the above-referenced application submitted by Lulfs Groves, LLLP ("Lulfs"). Mr. McCurry states that, i) Lulfs did not go through the development of regional impact process ("DRI"), ii) Lulfs' demand analysis estimates that the absorption of the proposed industrial square footage will take as long as thirty-seven (37) years, and iii) the application lacks an annexation agreement.

In response to the first issue Mr. McCurry raises, Lulfs does not meet the threshold levels requiring a DRI review under the applicable Florida statutes and regulations governing DRIs. Therefore, there is no need for Lulfs to undergo DRI analysis. Riverland/Kennedy DRI, which is used as an example, was a much larger project which triggered the DRI thresholds.

As to the second issue regarding the demand analysis, the numbers Mr. McCurry uses are misleading. He references the *total* square footage of approved industrial use in the Western Annexation Area, then proceeds to factor only the biotech absorption rate in relation to the entire 7,500,000 square feet. Biotech use is only a fraction of the uses which should be analyzed in that equation. The needs analysis submitted with the Lulfs Comprehensive Plan Amendment Application accurately assesses the demand for affordable industrial and commercial square footage in this area.

Finally, Mr. McCurry expresses concern regarding the lack of an annexation agreement for this application. As part of the application, Lulfs submitted the required opinion

{00008739.2}



Letter to Daniel Holbrook
June 5, 2008
Page 2

letter regarding the compliance of this annexation with Florida annexation statutes (See Exhibit "A" with attached supplemental letter dated June 4, 2008) and a draft Annexation Agreement. Lulfs has cooperated with the City Attorney's office throughout the application process to negotiate a final Annexation Agreement. The final version approved by the Assistant City Attorney, Pam Hakim, and signed by Lulfs is attached as Exhibit "B".

The annexation of the Lulfs property is a unique opportunity to realize the City's goal of mixed-use development which promotes economic diversity, job growth and "smart" land-planning principles. Please contact me if you have any questions.

Best Regards,



W. Lee Dobbins

Enclosures

WLD/

Cc: Bobby Poyner (via e-mail)
Mike Houston (via e-mail)
Peter Breton, Esq. (via e-mail)
Nancy Linnan, Esq. (via e-mail)
Rick Reikenis (via e-mail)
Stuart McGahee (via e-mail)
Susan O'Rourke (via e-mail)
Jim Fleischmann (via e-mail)

EXHIBIT "A"

MOYLE, FLANIGAN, KATZ, BRETON, WHITE & KRASKER, P.A.
ATTORNEYS AT LAW

Office Delivery:
625 North Flagler Drive - 9th Floor
West Palm Beach, Florida 33401-4025

Post Office Delivery:
P.O. Box 3888
West Palm Beach, Florida 33402-3888

Telephone: (561) 659-7500
Facsimile: (561) 659-1789

PETER L. BRETON
BOARD CERTIFIED REAL ESTATE LAWYER
Direct Line: (561) 822-0385
E-mail: pbreton@moylelaw.com

Tallahassee Office
(850) 681-3828
Wellington Office
(561) 227-1560

January 29, 2008

Roger Orr, Esquire
City Attorney
City of Port St. Lucie
121 S.W. Port St. Lucie Boulevard
Port St. Lucie, FL 34984-5042

**Re: Proposed Annexation by Port St. Lucie
Lulfs Property**

Dear Mr. Orr:

Our client, Lulfs Groves, LLLP ("Lulfs"), has requested that we research and convey to you our conclusions regarding the following issue:

Would a voluntary annexation of certain unincorporated property owned by Lulfs (the "Lulfs Property") into the municipal boundaries of the City of Port St. Lucie ("City") comply with Florida annexation statutes?

As more fully explained below and based upon our understanding of the pertinent facts, a voluntary annexation of the Lulfs Property would fully comply with the applicable annexation statutes.

FACTUAL BACKGROUND

Lulfs is the owner of 464± acres of land located in unincorporated St. Lucie County, along the west side of Glades Cutoff Road. The parcel is bounded on the south by the Copper Creek development and on the north by Centex/LTC Ranch and City's Glades Wastewater Treatment Plant property, all of which are within the municipal boundaries of the City. The

Lulfs Property is identified by name on the map attached hereto as Exhibit A. The Lulfs Property is located within the City's urban services boundary, as well as within that area designated for potential annexation in the City's 2003 annexation area boundary map. The current boundaries of the City are depicted on the map.

The Lulfs Property's entire northern boundary and entire southern boundary are each contiguous with areas that are within the municipal limits of the City. All of the unincorporated property to the west of the Lulfs Property is undeveloped. There is a large area of unincorporated property lying to the east of the Lulfs Property as depicted on the map attached as Exhibit B. Some of this property is undeveloped, but the majority of this property, e.g., The Reserve Development of Regional Impact ("The Reserve DRI"), is developed. All of the unincorporated area lying to the east of the Lulfs Property shall be referred to hereinafter as the "Adjacent Unincorporated Property."

The portion of the rights of way of Glades Cutoff Road and the F.E.C. railroad located between the Copper Creek Planned Unit Development and the Verano Planned Unit Development, as depicted on the map attached hereto as Exhibit C, are not within the City and remain in unincorporated St. Lucie County. These rights of way form a 350 foot wide unincorporated corridor (the "Glades/F.E.C. Corridor") connecting the Adjacent Unincorporated Property with other unincorporated areas located to the southwest.

ANALYSIS

Criteria for Voluntary Annexation

Section 171.045¹ requires that all annexations of property into a municipality, whether voluntary or involuntary, take place within a single county. In this instance, all of the property to be annexed is located within St. Lucie County.

Section 171.044 establishes the following criteria that are specific to a voluntary annexation of property into an incorporated municipality:

- All of the owners must sign a petition requesting the annexation.
- The property must currently be unincorporated (i.e. not part of any other incorporated municipality).
- The area to be annexed must be contiguous to the municipality.
- The area to be annexed must be reasonably compact.

¹ All statutory references are to Florida Statutes (2007).

- The annexation must not result in the creation of enclaves.

As described in more detail below, it is our opinion that a voluntary annexation of the Lulfs Property will comply with each of these criteria.

1) Signature of all property owners: Subsection 171.044(2) requires that the governing body of the municipality make a determination that the petition for annexation bears the signatures of all owners of the area to be annexed. The Lulfs Property is wholly owned by Lulfs. The petition for annexation bears the signature of an officer or other representative authorized to sign on behalf of Lulfs and, therefore, the criterion requiring signatures of all property owners will be satisfied.

2) Property to be annexed must currently be unincorporated: Subsection 171.044(1) refers to a petition for annexation of "real property in an unincorporated area." (Emphasis supplied). Properties that are already part of another incorporated municipality are not eligible for voluntary annexation. The Lulfs Property currently lies entirely within the unincorporated boundaries of St. Lucie County.

3) Property to be annexed must be contiguous to a municipality: Subsection 171.044(1) specifies that an area to be voluntarily annexed must be "contiguous to a municipality." Subsection 171.031(11) defines the term "contiguous" to mean "that a substantial part of a boundary of the territory sought to be annexed by a municipality is coterminous with a part of the boundary of the municipality." (emphasis supplied). Florida's courts have deemed properties to be contiguous, for purposes of annexation, if a substantial portion of a single boundary of the property subject to annexation is coterminous with a single boundary of the municipal boundary. *See City of Sanford v. Seminole County*, 538 So. 2d 113, 115 (Fla. 5th DCA 1989) (rejecting the argument that the contiguity criterion for voluntary annexation should be judged on the basis of the entire perimeter of municipal boundary). *See also County of Volusia v. City of Deltona*, 925 So. 2d 340 (Fla. 5th DCA 2006) (quoting *City of Sanford*). Moreover, courts have indicated that, where boundaries adjoin in a manner that is more than mere touching of corners, the parcel being annexed will be regarded as adjoining the city in a "reasonably substantial sense." *See City of Sanford* (finding a parcel to be contiguous where far more than just a corner abutted city boundaries). *See also May v. Lee County*, 483 So. 2d 481, 483n.1 (Fla. 2d DCA 1986) (noting that even the issue of whether a mere touching of corners is sufficient to establish contiguity is open to dispute). In *County of Volusia*, the Fifth DCA recently concluded that the touching of less than two percent (2%) of a boundary of property being annexed with the municipal boundaries was not sufficient contiguity to satisfy the statutory requirement. However, since the Lulfs Property adjoins the City of Port St. Lucie along the entirety of both its northerly and southerly boundaries – far more than the small percentage that was present in the *County of Volusia* case – we conclude that the Lulfs Property is contiguous to Port St. Lucie.

4) Property to be annexed must be concentrated on a piece of property. Subsection 171.044(1) also mandates that the property to be annexed must be "reasonably compact." "Compactness" is statutorily defined, in part, as "concentration on a piece of property in a single area . . ." §171.031(12) (definition of "compactness"). The map of the Lulfs Property clearly establishes that the parcel is generally rectangular in shape and concentrated in a single area and, therefore, it meets the first test for compactness.

5) Property to be annexed may not result in the creation of finger areas in serpentine patterns. The second criterion for "compactness" is that the voluntary annexation of the Lulfs Property does not result in the creation of "finger areas in serpentine patterns . . ." §171.031(12). The phrase "finger areas in a serpentine pattern" is not statutorily defined. Relying upon common dictionary definitions, the 5th DCA in *City of Sanford* defined "serpentine" to mean "winding or turning one way and another." 538 So. 2d at 115, quoting WEBSTER'S NEW COLLEGIATE DICTIONARY at 1051. See also Random House Unabridged Dictionary 1749 (2nd ed. 1996) ("resembling a serpent, as in form or movement"; "having a winding course, as a road; sinuous"). "Finger" is defined as something that appears like a pointer or projection. See *Id.* at 720.

Notably, in order to violate the statutory prohibition, an annexation must create areas that are both finger-like and in serpentine patterns. See *City of Sanford*, 538 So. 2d at 115 (finding that, even though an annexation may have resulted in finger patterns, they were not winding or turning and, therefore, did not violate the statute). Therefore, in order to create "finger areas in a serpentine pattern," an annexation would have to result in areas that are both (a) unincorporated and project into a municipality or incorporated and project into unincorporated areas; and (b) winding and serpent-like. The attached map reveals that the proposed annexation of the Lulfs Property is generally rectangular in shape and will not have such a result. Thus, the voluntary annexation of the Lulfs Property could not be regarded as resulting in either unincorporated or incorporated finger areas that are serpentine-patterned.

6) Annexation must not result in the creation of enclaves: A third criterion that must be demonstrated in order to satisfy the definition of "compactness" is that the voluntary annexation does not create enclaves. §171.03(12). This prohibition is reiterated in subsection 171.044(5), which states that "[l]and shall not be annexed through voluntary annexation when such annexation results in the creation of enclaves." Subsection 171.031(13) defines the term "enclave" as:

- a. Any unincorporated improved or developed area that is enclosed within and bounded on all sides by a single municipality; or

- b. Any unincorporated improved or developed area that is enclosed within and bounded by a single municipality and a natural or manmade obstacle that allows the passage of vehicular traffic to that unincorporated area only through the municipality.

Annexation of the Lulfs Property will not leave any improved or developed properties in the area either completely enclosed by the municipal boundaries of Port St. Lucie or completely enclosed by a combination of the limits of Port St. Lucie and a natural or manmade obstacle. The only developed unincorporated property in the vicinity is The Reserve DRI, which will continue to be connected with unincorporated St. Lucie County by the unincorporated Glades/F.E.C. Corridor, as previously described. Therefore, it will not be "enclosed within and bounded on all sides" by municipal Port St. Lucie.

Nor will The Reserve DRI be enclosed by a combination of Port St. Lucie and some manmade or natural obstacle. There is no obstruction along the boundaries of The Reserve DRI and, in fact, the portion of Glades Cutoff Road within the Glades/F.E.C. Corridor will continue to allow access to The Reserve DRI property across unincorporated St. Lucie County. Consequently, The Reserve DRI will not be left as an enclave.

7) Annexation does not result in the creation of a pocket. The final criterion that must be satisfied is that the annexation does not result in pockets. §171.031(12). While not defined by statute, Florida's courts have defined "pocket" as "a small isolated area or group." *City of Sanford*, 538 So. 2d at 115, quoting WEBSTER'S NEW COLLEGIATE DICTIONARY at 879. Applying the *City of Sanford* definition of pocket, the court in *City of Center Hill v. McBryde*, 952 So.2d 599 (5th DCA 2007) held that in the context of an annexation proceeding, whether a parcel of property is "small" and "isolated" is relative to, and necessarily dependent upon, the size and configuration of the parcel and the surrounding municipal property. In *City of Center Hill*, the City annexed 1,235 acres which resulted in a 100 acre parcel of unincorporated land surrounded by "hundreds of acres of municipal property." The court found that the 100 acre parcel, although not insignificant in absolute terms, was relatively small and isolated given the scope of the overall annexation and the configuration of the properties.

As shown on the attached map, the annexation of this 464± acre parcel does not create a pocket. The Adjacent Unincorporated Property is neither small nor isolated. The majority of the unincorporated property consists of The Reserve DRI. The Reserve DRI is over 2000 acres in size, whereas the property being annexed is only 464± acres. There are many municipalities in Florida that are smaller in area than The Reserve DRI. In fact, The Reserve DRI is large enough to be considered a "development of regional impact" under Section 380.06, Florida Statutes, which is a development that "because of its character, magnitude, or location, would have a substantial effect upon the health, safety, or welfare of citizens of more than one county." Section 380.06(1), Florida Statutes (2007). The Reserve DRI is approved for the development of

Roger Orr, Esquire
City Attorney
City of Port St. Lucie
January 29, 2008
Page 6

3,200 residential dwelling units, 290,000 square feet of retail, 500,000 square feet of industrial, 100,000 square feet of office, 250 hotel rooms and 4 golf courses. The Reserve DRI is not small, either in absolute or relative terms.

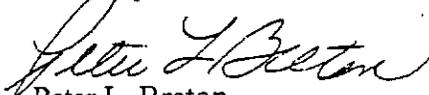
Neither is the Adjacent Unincorporated Property isolated. This property has unimpeded access over paved highways in all directions, including its own interchange with Interstate Highway 95. All of this property has a direct connection to other unincorporated areas without ever passing through the City of Port St. Lucie using the Glades/F.E.C. Corridor. Given the size and configuration of the parcels, the City can reasonably find that the Adjacent Unincorporated Property is not small or isolated and, therefore, is not a pocket.

It should also be noted that Section 171.044(1) only requires that the area to be annexed be "*reasonably* compact." *See also* §171.031(12) ("[a]ny annexation proceeding in any county in the state shall be designed in such a manner as to ensure that the area will be reasonably compact"). The application of the standards for compactness, as defined in section 171.031(12), therefore, must be applied with a view to reasonableness – not in an arbitrary or excessive manner – but, rather so as to further the purposes of annexation. *See BLACK'S LAW DICTIONARY* 1138 (5th ed. 1979) (defining "*reasonable*" as "[f]air, proper, just, moderate, suitable under the circumstances").

No other criteria apply to voluntary annexations. *See May*, 483 So. 2d at 482 (finding that the requirement that the annexed area be "urban in character" is not applicable to voluntary annexations and the only applicable limitations are those set forth in section 171.044). *See also* Op. Att'y Gen. Fla. 78-121 (1978) (the requirements of section 171.043 are not applicable to voluntary annexations). Therefore, all criteria set forth in section 171.044 being satisfied, we conclude that the voluntary annexation of the Lulfs Property complies with statutory annexation requirements.

If you have any questions or would like to discuss this matter further, please do not hesitate to call me at (561) 822-0385 or to communicate with me via e-mail at pbreton@movlelaw.com.

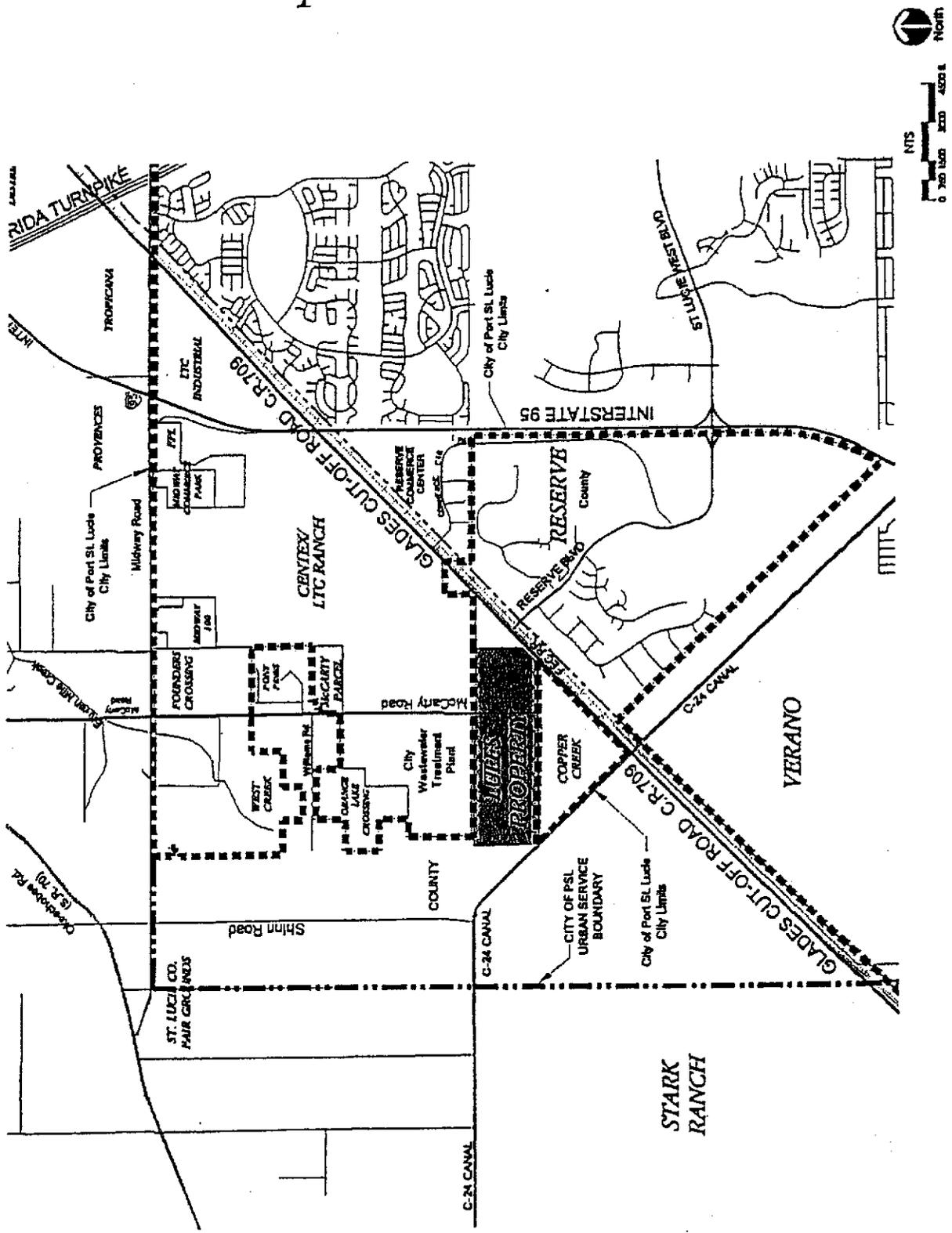
Sincerely,



Peter L. Breton

PLB:smw
Enclosures (Maps)

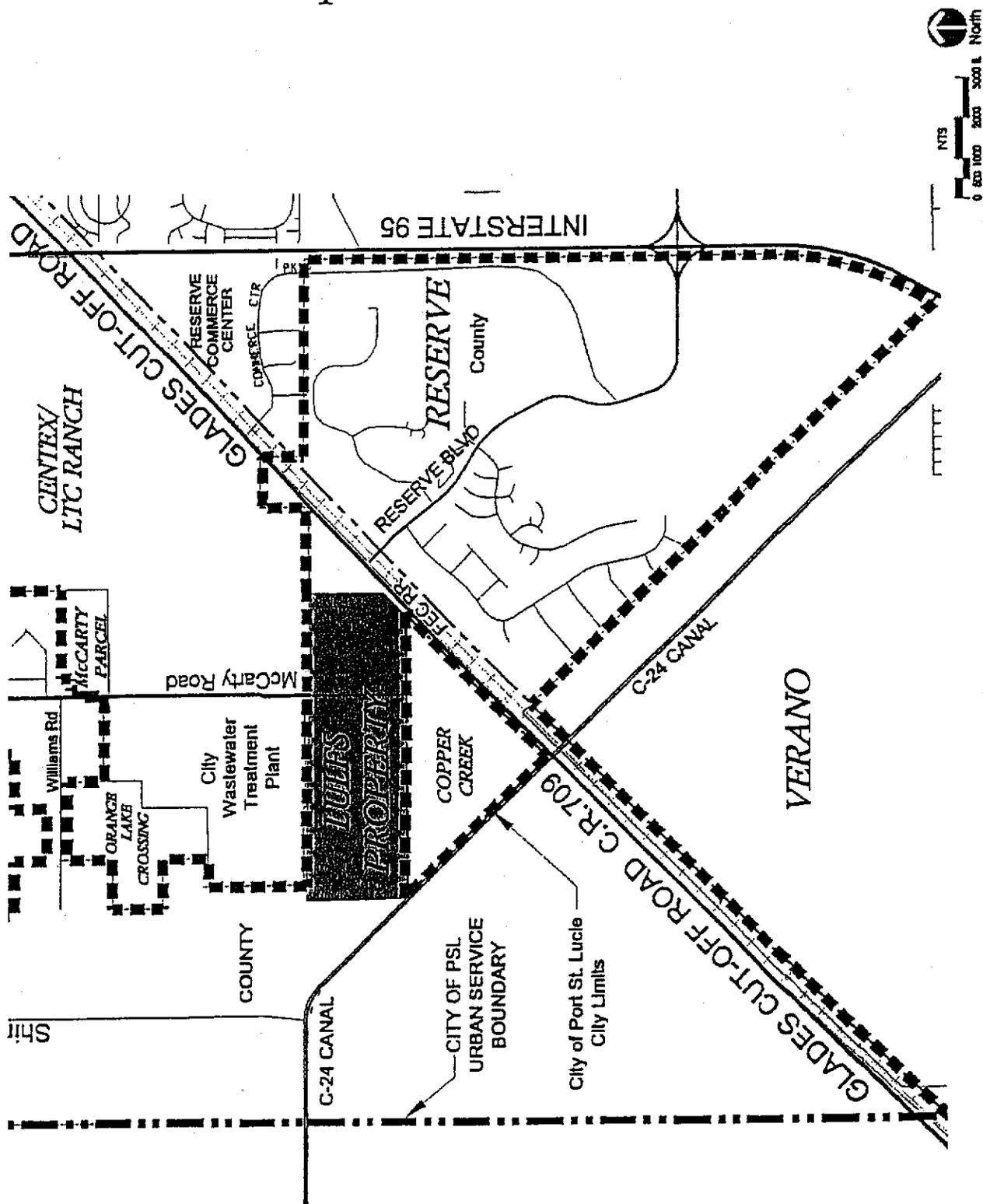
Lulfs Property Annexation Map- Exhibit A



Prepared by: Houston Cuozzo Group, Inc.

Lulfs Property

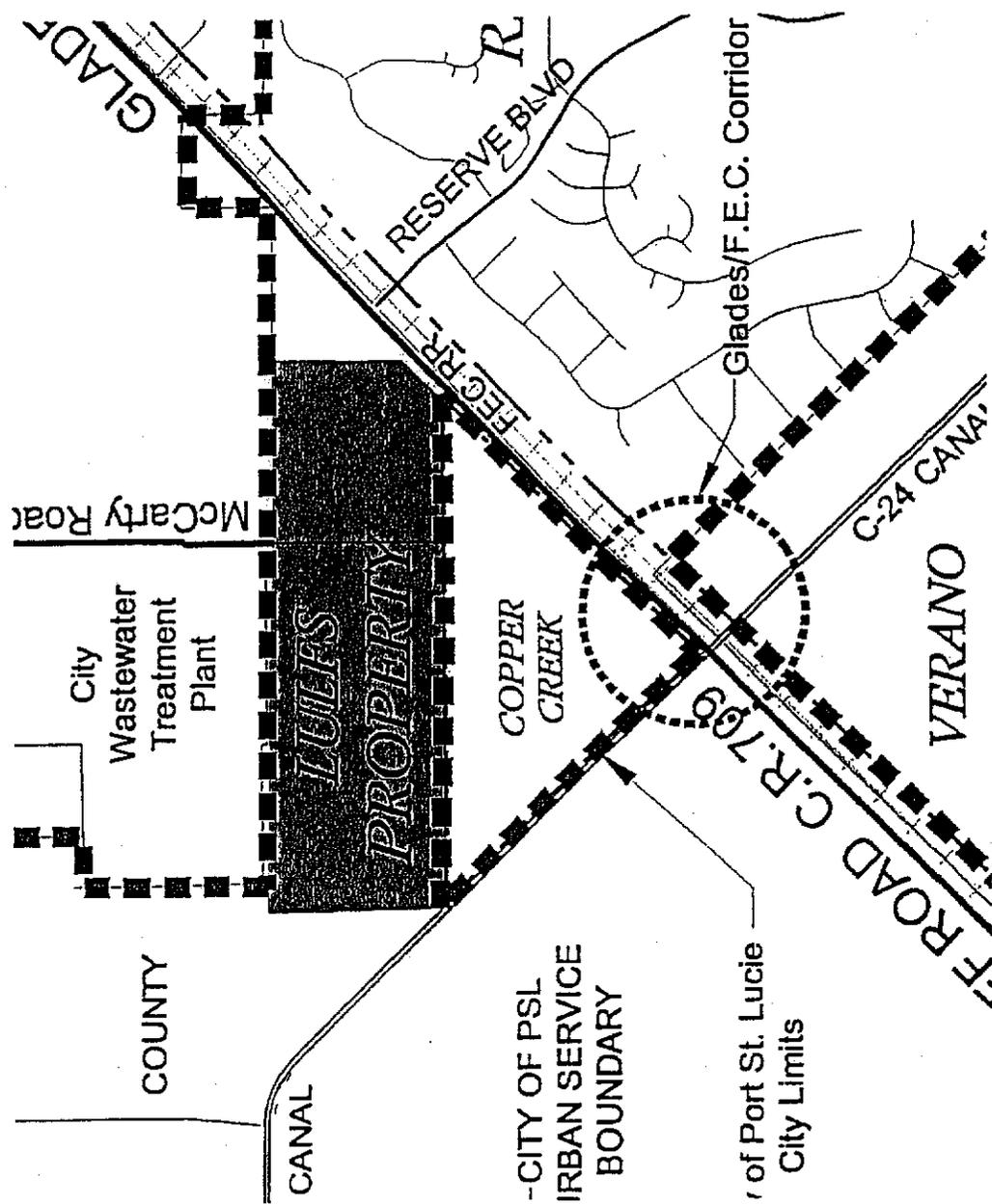
Annexation Map- Exhibit B



Prepared by: Houston Cuozzo Group, Inc.

Lulfs Property

Annexation Map- Exhibit C



Prepared by: Houston Cuozzo Group, Inc.

MOYLE, FLANIGAN, KATZ, BRETON, WHITE & KRASKER, P.A.
ATTORNEYS AT LAW

Office Delivery:
625 North Flagler Drive - 9th Floor
West Palm Beach, Florida 33401-4025

Post Office Delivery:
P O. Box 3888
West Palm Beach, Florida 33402-3888

Telephone: (561) 659-7500
Facsimile: (561) 659-1789

PETER L. BRETON
BOARD CERTIFIED REAL ESTATE LAWYER
Direct Line: (561) 822-0385
E-mail: pbreton@moylelaw.com

Wellington Office
(561) 227-1560

June 4, 2008

Roger Orr, Esquire
City Attorney
City of Port St. Lucie
121 S.W. Port St. Lucie Boulevard
Port St. Lucie, FL 34984-5042

Re: Proposed Annexation by Port St. Lucie
Lulfs Groves Property

Dear Mr. Orr:

Please consider this letter as a supplement to my letter to you dated January 29, 2008.

As indicated in the previous letter, the annexation of the Lulfs Groves Property will not create an enclave because, among other reasons, The Reserve DRI will have a connection to other unincorporated land by means of the Glades/F.E.C. Corridor as described in my prior letter. Our client, Lulfs Groves, LLLP has requested that we research and convey to your our conclusions as to whether the rights of way for Glades Cutoff Road (C.R. 709) and the F.E.C. Railroad located between PGA Village and Lennar/Becker Groves (now known as Copper Creek) were annexed into the City of Port St. Lucie.

PGA Village was voluntarily annexed into the City in 2003 pursuant to Ordinance No. 03-22. Lennar/Becker Groves was voluntarily annexed into the City in 2004 pursuant to Ordinance No. 04-08. We have examined the legal descriptions of the areas annexed by each of these ordinances. The PGA Village annexation is located on either side of the C-24 Canal and extends to the southeasterly right of way line of the F.E.C. Railroad right of way. The Lennar/Becker Groves annexation is located on the north side of the C-24 canal and extends to the northwesterly

Roger Orr, Esquire
City Attorney
City of Port St. Lucie
May 4, 2008
Page 2

right of way line of Glades Cutoff Road. Neither the F.E.C. Railroad right of way nor the Glades Road right of way are included in the legal descriptions of the annexed property.

Moreover, the annexation ordinances do not list either the F.E.C. Railroad or St. Lucie County as petitioners in these annexations. The annexations were made pursuant to petitions for voluntary annexations filed under Section 171.044, Florida Statutes. Under this statute, only the property of the petitioner or petitioners may be annexed. It is clear that property owned by the F.E.C. Railroad and St. Lucie County could not have been annexed unless each entity signed the petition for voluntary annexation.

Based upon our examination of these ordinances, which are incorporated by reference, and other information available to us, it is our opinion that the portion of the Glades Cutoff Road and F.E.C. Railroad rights of way located between and separating the PGA Village and Lennar/Becker Groves properties was not included in either property's annexation ordinance and that these rights of way remain part of unincorporated St. Lucie County. Should you have any questions, please feel free to contact our office.

Sincerely,


Peter L. Breton

PLB:smw
cc: Lee Dobbins, Esq.

EXHIBIT "B"

Prepared By and Return To:
Robert N. Klein, Esq.
Klein & Dobbins, P.L.
805 Virginia Avenue, Suite 25
Fort Pierce, FL 34982

ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT (this "Agreement") is made and entered into by and among the CITY OF PORT ST. LUCIE, a municipal corporation of the State of Florida (the "City"), and LULFS GROVES, LLLP, a Florida limited liability limited partnership ("Lulfs").

WITNESSETH

WHEREAS, the City is a Florida municipal corporation located within St. Lucie County, Florida; and

WHEREAS, Lulfs owns certain real property comprising approximately 464.5 ± acres in unincorporated St. Lucie County, Florida, as described in Exhibit "A", attached hereto and made a part hereof (the "Property"); and

WHEREAS, the Property's northern and southern boundaries adjoin the municipal boundaries of the City; and

WHEREAS, therefore, a substantial part of a boundary of the Property is coterminous with a part of the municipal boundaries of the City; and

WHEREAS, therefore, the Property is contiguous to the City; and

WHEREAS, Lulfs filed a petition for voluntary annexation of the Property into the City on January 31, 2008; and

WHEREAS, Lulfs desires to obtain for the Property the benefits and privileges of inclusion within the boundaries of the City, which include the designation of the Property on the City's Future Land Use Map and the assignment of zoning categories to allow the most appropriate development of the Property and the provision of all services, facilities, and utilities as are available to all residents of the City; and

WHEREAS, the City has determined that the Property is concentrated in a single area; and

WHEREAS, annexation of the Property will not result in the creation of unincorporated areas being enclosed within and bounded on all sides by a single municipality, or by a single municipality and a natural or manmade obstacle that allows the passage of vehicular traffic to that unincorporated area only through the municipality; and

WHEREAS, therefore, the annexation of the Property will not result in the creation of enclaves; and

WHEREAS, annexation of the Property will not result in the creation of either unincorporated or incorporated areas that are winding or turning; and

WHEREAS, therefore, annexation of the Property will not result in the creation of finger areas in a serpentine pattern; and;

WHEREAS, annexation of the Property will not result in the creation of either unincorporated areas that are isolated from other unincorporated areas or incorporated areas that are isolated from other incorporated areas; and

WHEREAS, therefore, annexation of the Property will not result in the creation of pockets; and

WHEREAS, therefore, the Property is reasonably compact; and

WHEREAS, the petition for annexation bears the signature of a person who is authorized to act on behalf of Lulfs, the sole owner of the Property; and

WHEREAS, therefore, the petition of annexation bears the signatures of all owners of property in the area proposed to be annexed; and

WHEREAS, the annexation of the Property into the municipal boundaries of the City would be in the best interest of the City and the future residents of the Property; and

WHEREAS, Lulfs and the City desire to establish certain development guidelines which specify the manner in which the Property will be developed; and

WHEREAS, Lulfs desires to enter into this Agreement to memorialize its understanding and agreements with respect to the annexation, development and use of the Property; and

WHEREAS, upon Lulfs' compliance with its obligations under this Agreement, the development of the Property will be consistent with the City's comprehensive plan and land development regulations; and

WHEREAS, Lulfs and the City agree that it would be beneficial to the parties to initiate the development approval process prior to the effective date of the annexation to expedite development of the Property.

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

1. **Recitations.** The recitations set forth above are true and correct and are incorporated herein by reference.

2. **Annexation.** On January 31, 2008, Lulfs filed a voluntary petition requesting the City to annex the Property into the municipal boundaries of the City. The parties shall take all actions necessary to effect the annexation of the Property in a timely manner in accordance with the procedures set forth in Section 171.044, Florida Statutes, and any other applicable ordinances or regulations. It is the desire of all parties that the annexation be accomplished as rapidly as possible. Lulfs agrees to indemnify and defend the City in the event of any lawsuit challenging the legality of the annexation of the Property and City agrees to cooperate with Lulfs as maybe required on such defense.

3. **Effective Date.** This Agreement shall become effective upon execution by both parties.

4. **Land Use.** Lulfs proposes to develop the Property with no more than 500 residential dwelling units, and up to 3,000,000 square feet of commercial, industrial, retail, professional office and/or institutional use (collectively, the "Intended Uses"); provided however, that Lulfs shall not commence vertical construction of any residential dwelling units prior to two (2) years after the Effective Date of this Agreement. Lulfs has submitted a request to amend the City's Comprehensive Plan to include the Property and to assign land use designations to the Property to permit it to be developed with the Intended Uses. The City shall process said application in a timely manner in accordance with applicable statutes, ordinances and other regulations, and subject to paragraph 6 below.

5. **Zoning.** The City agrees that upon assigning to the Property City land use designations, the City shall process a rezoning application or applications for the Property to PUD (Planned Unit development) or to a zoning district or districts compatible with the approved land use designations in accordance with the process required under the City's Code of Ordinances (the "Code") to permit the Intended Uses consistent with the land use designations. Notwithstanding the foregoing or anything contained in this Agreement to the contrary, any rezoning shall accommodate and permit use of the Property, and portions thereof not yet platted with subdivided lots, for agriculture or agricultural related purposes until such time as a plat establishing subdivided lots for nonagricultural development is recorded in the Public Records of St. Lucie County, Florida for the Property or portions thereof.

6. **No Waiver of Police Power.** As provided above and otherwise herein, the parties recognize and agree that certain provisions of this Agreement will require the City and/or its boards, departments or agencies, acting in their governmental capacity, to consider certain changes in the City's Comprehensive Plan, zoning ordinances or other applicable City codes, plans or regulations, as well as to consider other governmental actions as set forth in this Agreement. All such considerations and actions shall be undertaken in accordance with established requirements of state statute and City ordinances, including notice and hearing requirements, in the exercise of the City's jurisdiction under the police power. Nothing in this Agreement is intended to limit or restrict the powers and responsibilities of the City in acting on applications for comprehensive plan changes and applications for other development. The

parties further recognize and agree that these proceedings shall be conducted openly, fully, freely and fairly in full accordance with law and with both procedural and substantive due process to be accorded the applicant and any member of the public.

7. Utilities.

a. The City desires to provide municipal utility services to the Property, including potable water, wastewater and reclaimed irrigation quality water, and represents that the City has sufficient existing or planned plant capacity to provide same to the Property to meet the needs of the Intended Uses. The City acknowledges that Lulfs may petition the City to create one or more Community Development Districts ("CDD's") in accordance with the requirements of Chapter 190, Florida Statutes, to finance and construct utility infrastructure, and to finance, construct, own and maintain other infrastructure, to and for the Property. Lulfs shall have no right to own or operate a utility. The City agrees to provide potable water, wastewater and reclaimed irrigation quality water service to the Property with a capacity sufficient to accommodate the Intended Uses, so long as Lulfs pays all related fees and costs that are usual and customary for such capacities. Pursuant to and consistent with the City's Code of Ordinances and utility policies, on or before development of the Property, Lulfs shall install, or cause to be installed, at its sole cost and expense, the on-site and off-site potable water, wastewater and reclaimed irrigation quality water transmission facilities to serve the Property; provided, however, that to the extent such transmission facilities are upsized or looped at the City's request to serve additional property other than the Property, the City shall reimburse Lulfs pursuant to Section 63.22 of the City's Code of Ordinances. The parties agree that upon completion and acceptance by the City of the foregoing lines, such lines shall be transferred to the City to be owned and maintained by the City in perpetuity.

b. The parties agree to negotiate in good faith to enter into appropriate agreements to ensure that the municipal utility services described above are available and constructed as contemplated herein to serve the Property. Said agreements shall include, but not be limited to, a utility service agreement which provides for Lulfs' reservation of line and plant capacities and any credit due to Lulfs for over-sizing lines.

8. Stormwater.

a. The City and the CDD(s), when and if formed, may enter into an interlocal agreement which shall provide for the rebate to such applicable CDD of 75% of the stormwater utility assessments collected by the City from the Property. Notwithstanding any regulations to the contrary, no portion of the Property, nor Lulfs, shall be assessed for any stormwater utility assessment until that portion of the Property (i) has been platted for urban development, and (ii) is no longer used for agriculture or agricultural related purposes. The parties agree that Lulfs shall be responsible for its stormwater permitting and with respect to the Property, for compliance with all National Pollution Discharge Elimination System rules and regulations. The CDD(s), when and if formed, shall be responsible for the maintenance of the stormwater system. In no event shall the City be entitled to impose or collect stormwater utility fees or assessments allocable to the years 1993 through 1997 against or with respect to the Property.

b. Lulfs agrees to cooperate in the creation of a master storm water system for the "NW Annexation Area", if requested by the City, to the extent Lulfs is reasonably able to do so; however, the foregoing shall not in any way delay development of the property. The "NW Annexation Area" is defined by the existing Urban Service Boundary to the west, Midway Road to the north, I-95 to the east and Glades Cut-off Road to the south. The Property is within the NW Annexation Area.

9. **Roadway Improvements**

a. Lulfs agrees to participate in a special assessment district or other similar funding mechanism for the improvement of Midway Road from I-95 west to Okeechobee Road and to pay its fair share cost of such improvements, based on anticipated impacts for development of the Property, less impact fees, if any, due to St. Lucie County for development on the Property.

b. Lulfs agrees to pay its fair share of the cost to, or at its expense to, construct two (2) lanes of the extension of McCarty Road between the northern and southern boundaries of the Property.

c. Lulfs agrees to pay its fair share of the cost to, or at its expense to, construct two (2) lanes of E/W 6 from Glades Cut-Off Road to the western boundary of the Property. Notwithstanding the foregoing, any construction of E/W 6 by Lulfs, west of its intersection with the extension of McCarty Road, will be timed to coincide with development of that portion of the Property, as the market conditions shall determine.

d. Lulfs agrees to pay its fair share of the cost to construct two (2) lanes of the extension of McCarty Road from the northern boundary of the Property north to E/W 5. Lulfs will have no obligation to obtain any right-of-way required for this portion of McCarty Road, nor will its ability to develop be hindered by the City's inability to obtain any required right-of-way.

e. Lulfs understands that the City desires right-of-way widths of 150 feet for arterials and 100 feet for collector roads with exclusive 10-foot City of Port St. Lucie utility and communication easements on each side of the right-of-way. Where physical or practical constraints do not prevent Lulfs from doing so, Lulfs will endeavor to establish right-of-way widths for applicable roads consistent with the City's desires. All right-of-way in the control of Lulfs shall be dedicated to the City of Port St. Lucie.

10. **Impact Fees.** The City agrees not to object to Lulfs' request, if made, for County transportation impact fee credits available pursuant to the construction of, and/or land dedications for, County-owned roads in excess of what is required for Lulfs' development. The City agrees that it may provide credit to Lulfs against impact fees imposed by the City for the value of public improvements constructed, or paid for, by Lulfs, for funding contributions to public improvements made by Lulfs in excess of what is required for Lulfs' development.

11. **Taxation and Assessments.** The City acknowledges that the Property is used for

agricultural purposes and in the past has benefited by a Greenbelt Exemption for ad valorem tax purposes (the so-called "agricultural exemption"). The City agrees to support Lulfs' receipt of a Greenbelt Exemption for the Property, or such undeveloped portion thereof, as the case may be, as long as the Property, or such undeveloped portion, is being used for agricultural purposes or agricultural related purposes prior to non-agricultural development. Further, the City agrees that the Property can be used for agriculture or agricultural related purposes after annexation.

12. **Payment of Public Facilities.** In addition to the amount due hereunder from Lulfs for utilities set forth in paragraph 7 above, Lulfs agrees to pay the City the aggregate amount of One Thousand Two Hundred Dollars (\$1,200.00) per dwelling unit approved pursuant to rezoning of the Property, or a portion of the Property, to Planned Unit Development (PUD) or other applicable zoning district(s), as consideration to ensure that adequate public facilities (excluding water, wastewater and irrigation) exist to serve the Property and to provide concurrency for the Intended Uses. Lulfs shall pay to the City the total amount due in accordance with the foregoing, calculated by multiplying the number of approved dwelling units by \$1,200.00, prior to approval of a site plan based on the number of units set forth therein.

13. **Affordable Housing.** The Port St. Lucie Comprehensive Plan does not require any affordable housing mitigation or contribution by Lulfs. However, Lulfs has offered to provide voluntary support for affordable housing by means of a local condition. Lulfs shall pay \$500 for each residential unit constructed on the property, payable at the time of building permit application, into an affordable housing trust fund or other dedicated account established by the City. The City shall determine how to disburse the moneys in such trust fund to encourage affordable housing through such means as (a) acquisition of land; (b) a program of down payment assistance; (c) prepaying of points for qualified homebuyers; (d) rehabilitation of existing affordable housing; (3) construction of new affordable housing by private developers or not-for-profit entities; or (f) other appropriate affordable housing strategies.

14. **Time of the Essence.** The parties hereto covenant that time is of the essence and each party shall immediately commence all actions necessary to fulfill their respective obligations under this Agreement.

15. **Severability.** If any section, subsection, sentence, clause, phrase or portion of this Agreement is for any reason held invalid or unconstitutional in any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof. Notwithstanding the foregoing, if Lulfs is prevented from annexing the Property into the City then this Agreement shall become null and void.

16. **Successors and Assigns.** The obligations imposed and entitlements created pursuant to this Agreement shall run with and bind the Property as covenants running with the land. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto, their successors and assigns, heirs and personal representatives; provided, however, that references herein to Lulfs shall mean and refer only to Lulfs. The obligations of Lulfs may be assigned in whole or part to one or more property owners associations or to the CDD(s), if formed, and in such event, Lulfs shall thereafter be relieved of future obligations for such assigned obligations

hereunder.

17. **Attorneys' Fees.** Should any party to this Agreement bring an action against any other party to enforce any provision of this Agreement, the prevailing party in said action shall be entitled to recover its reasonable attorneys' fees and court costs in all trial and appellate proceedings.

18. **Recording.** Lulfs shall record this Agreement with the Clerk of the Circuit Court for St. Lucie County after the City executes the Agreement.

19. **Entire Agreement.** This Agreement contains and sets forth all of the promises, covenants, agreements, conditions and understandings between the parties with respect to the subject matter of the Agreement as of the date hereof.

20. **Headings.** Captions and paragraph headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement, nor the intent of any provision hereof.

21. **Governing Law.** This Agreement shall be construed and interpreted according to the laws of the State of Florida and venue with respect to any litigation between the parties related to this Agreement shall be St. Lucie County, Florida.

22. **Amendment.** This Agreement shall not be changed, modified or amended except by an instrument in writing and executed by all parties with the same formality and or equal dignity herewith. The parties agree that this Agreement may be amended, subject to the City's reasonable approval, to include other property adjacent to the Property provided such other property satisfies all requirements for voluntary annexation set forth in Chapter 171, Florida Statutes.

23. **Notice.** Any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been given either (i) when delivered in person to the persons designated hereinbelow for that purpose, (ii) upon delivery to an overnight courier (e.g. Federal Express, Airborne) as evidenced by the sender's copy, addressed as set forth hereinbelow; (iii) upon mailing by United States certified mail, return receipt requested, postage paid, to such address. Such notice shall be deemed received, when either (i) delivered in person to the agents designated hereinbelow for that purpose, (ii) on the first business day after delivery to an overnight courier (e.g. Federal Express, Airborne) as evidenced by the sender's copy, addressed as set forth hereinbelow, or (iii) three (3) days after deposited in the United States Mail, by certified mail, postage prepaid, return receipt requested, addressed to the other party. The addresses of the parties are as follows:

CITY:

City of Port St. Lucie
121 SW Port St. Lucie Boulevard
Port St. Lucie, FL 34984
Attn: City Manager

With Copy To:

City of Port St. Lucie
121 SW Port St. Lucie Boulevard
Port St. Lucie, FL 34984
Attn: City Attorney

LULFS:

Lulfs Groves, LLLP
7457 Park Lane
Lake Worth, FL 33467
Attn: Michelle Lancianese

With Copy To:

Bobby Poyner
15789 Cypress Lane
Wellington, FL 33414

and

Robert N. Klein, Esq.
Klein & Dobbins, P.L.
805 Virginia Avenue
Suite 25
Fort Pierce, FL 34982

24. Effective Date. The "Effective Date" of this Agreement shall be the date the last party signs this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature; Lulfs signing by and through its duly authorized representative and the City through its City Council, signing by and through its Mayor, authorized to execute same by City Council action on the ____ day of _____, 2008.

CITY:
CITY OF PORT ST. LUCIE

ATTEST:

City Clerk

By: _____
Patricia Christiansen, Mayor

Date: _____

APPROVED AS TO FORM AND
CORRECTNESS:

City Attorney

LULFS:
LULFS GROVES, LLLP, a Florida limited liability limited partnership

By: LULFS GROVES, INC., a Florida corporation, its General Partner

By: B. Lulfs
Brian Lulfs, President

Date: 5-22-08

STATE OF FLORIDA
COUNTY OF PAUM BUCH

The foregoing instrument was acknowledged before me this 22 day of May, 2008, by BRIAN LULFS, as President of Lulfs Groves, Inc., a Florida corporation, General Partner of LULFS GROVES, LLLP, a Florida limited liability limited partnership. He personally appeared before me, is personally known to me, or has produced _____ as identification.

[NOTARIAL SEAL]

Notary: Carol A. Marrero
Print Name: _____
Notary Public, State of ~~FLORIDA~~ ~~NOTARY~~ PUBLIC-STATE OF FLORIDA
My commission expires: _____ Carol A. Marrero
Commission # DB614332
Expires: DEC. 08, 2010
BONDED THRU ATLANTIC BONDING CO., INC.

Exhibit "A"

Legal Description for Lulfs Groves

Official Records Book 783, Page 758

That part of Section 20, Township 36 South, Range 39 East, lying north and east of the Diversion Canal, excepting therefrom that part thereof conveyed by Florida Cattle Company, a corporation, to Abraham Slot, et al., by that certain Warranty Deed recorded in Deed Book 108, Page 315, Public Records of St. Lucie County, Florida.

All that part of the southwest quarter of Section 21, Township 36 South, Range 39 East, lying north and west of the Florida East Coast Railway Right-of-Way, excepting therefrom a strip of land 200 feet wide located in the northeast quarter of the southwest quarter of Section 21, Township 36 South, Range 39 East, lying adjacent to and north and west of the Florida East Coast Railway.

All of that part of Section 29, Township 36 South, Range 39 East, lying north and west of the Florida East Coast Railway and north and east of the Diversion Canal:

The northwest quarter of Section 21, Township 36 South, Range 39 East, St. Lucie County, Florida. Less and except right-of-way for public roads, drainage canals and Florida East Coast Railway and also less and except the portion of the above described land sold to the Florida Power and Light Company as recorded in O. R. Book 209, Page 2744, Public Records of St. Lucie County, Florida.

Lying north of a line described as:

Begin at the northeast corner of the northwest 1/4 of Section 21, Township 36 South, Range 39 East, St. Lucie County, Florida, run south $0^{\circ}19'21''$ west, along the 1/4 section line 2074.21 feet; thence run south $44^{\circ}46'01''$ west a distance of 846.19 feet to the Point of Beginning, thence run south $89^{\circ}22'21''$ west a distance of 2047.67 feet, thence run north $89^{\circ}27'12''$ west a distance of 4900 feet more or less to the easterly line of Central and South Florida Flood Control District Canal Number C-24.

Also described as:

Metes and bounds legal description.

A parcel of land lying in Sections 20 and 21, Township 36 South, Range 39 East, St. Lucie County, Florida, being more particularly described as follows:

Beginning at the north one - quarter corner of said Section 21, proceed south $00^{\circ}18'12''$ west, along the north - south one - quarter section line of said Section 21, a distance of 2003.16 feet to a point on the westerly right of way line of State Road 709 (Glades Cut-Off Road) a varying width right-of-way as recorded in Deed Book 134, Page 337, Public Records of St. Lucie County, Florida; thence south $44^{\circ}45'38''$ west, along said westerly right-of-way line and departing said north-south one-quarter section line, a distance of 947.22 feet; thence south $89^{\circ}22'21''$ west, departing said westerly right of way line, a distance of 1977.66 feet; thence north $89^{\circ}27'12''$ west, a distance of 4895.45 feet to a point on the northerly right-of- way line of the C-24 Canal as described in Official Records Book 243, Page 655, Public Records of St. Lucie County, Florida; thence north $43^{\circ}03'50''$ west, along said northerly right-of-way line, a distance of 87.50 feet; thence north $01^{\circ}10'43''$ west, departing said northerly right-of-way line, a distance of 2605.61 feet to a point on the north line of said Section 20; thence south $89^{\circ}37'58''$ east, along said north line, a distance of 2367.08 feet to the north one-quarter corner of said Section 20; thence south $89^{\circ}57'57''$ east, continuing along said north line, a distance of 2645.13 feet to the northeast corner of said Section 20, also being the northwest corner of said Section 21; thence south $89^{\circ}57'57''$ east, along said north line, a distance of 2651.53 feet to the Point of Beginning.

Said parcel containing 464.5 acres, more or less.

KLEIN & DOBBINS, P. L.
ATTORNEYS AND COUNSELORS AT LAW

Writer's E-Mail
mcollins@kleindobbins.com

805 Virginia Avenue
Suite 25
Fort Pierce, FL 34982

(772) 409-1133
Fax(772) 409-1134

June 4, 2008

VIA HAND DELIVERY

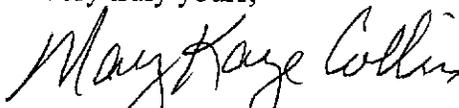
Pam Hakim, Esq.
Assistant City Attorney
City of Port St. Lucie
121 SW Port St. Lucie Blvd
Port St. Lucie, FL 34984

Re: Lulfs Groves, LLLP/Glades Cut-Off Road Property

Dear Pam:

In connection with the above-captioned matter, please find enclosed the four (4) executed copies of the Annexation Agreement you requested for the June 9, 2008 City Council meeting. Please contact me if you have any questions or concerns.

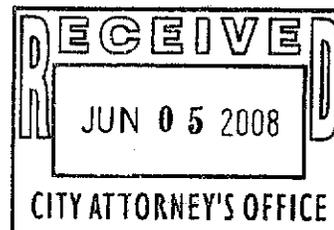
Very truly yours,


Mary Kaye Collins

Enclosure

MKC

Cc: Daniel Holbrook (via e-mail)
Bobby Poyner (via e-mail)
Peter Breton, Esq. (via e-mail)
Michael Houston (via e-mail)



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CITY OF PORT ST. LUCIE

CITY CLERK'S OFFICE



A CITY FOR ALL AGES

LETTER OF TRANSMITTAL

DATE: JUNE 11, 2008

TO: LULFS GROVES, LLLP
ATTN: MICHELLE LANCIANESE
7457 PARK LANE
LAKE WORTH, FL 33467

FROM: CITY CLERK'S OFFICE
CITY OF PORT ST. LUCIE
121 SW PORT ST. LUCIE BLVD.
PORT ST. LUCIE, FL 34984

RE: ANNEXATION AGREEMENT FOR LULFS GROVES

PLEASE FIND ENCLOSED:

- FULLY EXECUTED ORIGINAL CONTRACT FOR YOUR FILE.
- FULLY EXECUTED **COPY** OF THE CONTRACT FOR YOUR FILE.
- OTHER: PLEASE RECORD WITH ST. LUCIE COUNTY AND FORWARD A COPY TO OUR OFFICE. THANK YOU.

SINCERELY,

April Stoncius
APRIL STONCIUS
CITY CLERK'S OFFICE



CITY OF PORT ST. LUCIE

CITY CLERK'S OFFICE

.....

A CITY FOR ALL AGES

LETTER OF TRANSMITTAL

DATE: JUNE 11, 2008

TO: LEE DOBBINS, ESQ.
KLEIN & DOBBINS, P.L.
805 VIRGINIA AVENUE, SUITE 25
FORT PIERCE, FL 34954-2414

FROM: CITY CLERK'S OFFICE
CITY OF PORT ST. LUCIE
121 SW PORT ST. LUCIE BLVD.
PORT ST. LUCIE, FL 34984

RE: ANNEXATION AGREEMENT FOR LULFS GROVES

PLEASE FIND ENCLOSED:

- FULLY EXECUTED ORIGINAL CONTRACT FOR YOUR FILE.
- FULLY EXECUTED COPY OF THE CONTRACT FOR YOUR FILE.
- OTHER:

SINCERELY,

April Stoncius
APRIL STONCIUS
CITY CLERK'S OFFICE