

### SEMINOLE COUNTY GOVERNMENT AGENDA MEMORANDUM

**SUBJECT:** Release of Road Maintenance Bonds

**DEPARTMENT:** Public Works      **DIVISION:** Road - Stormwater

**AUTHORIZED BY:** *W. Gary Johnson*      **CONTACT:** *Mark Flomerfelt*      **EXT.** 5710  
W. Gary Johnson, P.E.      Mark Flomerfelt, P.E., Manager  
Director, Dept. Public Works      Road Operations & Stormwater

<b>Agenda Date</b> <u>10-12-04</u> Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Work Session <input type="checkbox"/> Briefing <input type="checkbox"/> Public Hearing – 1:30 <input type="checkbox"/> Public Hearing – 7:00 <input type="checkbox"/>
--

**MOTION/RECOMMENDATION:**

Approve release of Road Maintenance Bonds.

**BACKGROUND:**

- Release Road Maintenance Bond #B21847371 in the amount of \$14,951.70, for the project known as Lake Forest Section 10B.  
District 5: Commissioner Daryl McLain  
(Mark Flomerfelt)
- Release Road Maintenance Bond #700-81-22-5426 in the amount of \$15,538.50, for the project known as Rinehart Road ROW Sam's Site.  
District 5: Commissioner Daryl McLain  
(Mark Flomerfelt)
- Release Road Maintenance Bond #78530658 in the amount of \$16,021.00, for the project known as Bentley Cove.  
District 1: Commissioner Grant Maloy  
(Mark Flomerfelt)

A two-year maintenance inspection was conducted by staff for the above mentioned projects and revealed to be satisfactory. Staff recommends the release of these bonds.

Attachment: Copy of Bonds

Reviewed by:
Co Atty: <u>NA</u>
DFS: <u>NA</u>
Other: <u>NA</u>
DCM:
CM: <u><i>KB</i></u>
File No. <u>CPWR01</u>

PRIVATE ROAD MAINTENANCE BOND

#B21847371

KNOW ALL MEN BY THESE PRESENTS:

That we ORLANDO LAKE FOREST JOINT VENTURE, hereinafter referred to as "Principal" and Gulf Insurance Company hereinafter referred to as "Surety" are held and firmly bound unto the Homeowners Association and each and all purchasers of lots within subdivision in Seminole County, Florida, and their heirs, successors and assigns, hereinafter referred to as the "Beneficiary" or "Beneficiaries" in the sum of \$ Fourteen thousand Nine Hundred Fifty One Dollars and 70 /100 (\$14,951.70) for the payment of which we bind ourselves, heirs, executors, successors and assigns, jointly and severally, firmly by these presents:

WHEREAS Principal has constructed certain improvements, including streets, curbs, storm drains and other appurtenances in that certain subdivision described as Section 10B, a plat of which is recorded in Plat Book 60, Pages 64 through 66, Public Records of Seminole County, Florida;

WHEREAS, the aforesaid improvements were made pursuant to certain plans and specifications dated \_\_\_\_\_, 2002, and filed with the County Engineer of Seminole County; and

WHEREAS, Principal is obligated to protect each and every Beneficiary against any defects resulting from faulty materials or workmanship of said improvements and to maintain said improvements for a period of two (2) years from July 12<sup>th</sup>, 2002.

NOW THEREFORE, the condition of this obligation is such that if Principal shall promptly and faithfully protect the Beneficiaries against any defects resulting from faulty materials or workmanship of the aforesaid improvements and maintain said improvements for a period of two (2) years from July 12, 2002, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

Any Beneficiary may notify the Principal in writing of any defect for which the Principal is responsible and shall specify in said notice a reasonable period of time within which Principal shall have to correct said defect.

The Surety unconditionally covenants and agrees that if the Principal fails to perform, within the time specified, the Surety, upon 30 days written notice from and Beneficiary, or an authorized agent or officer, of the default will forthwith correct such defect or defects and pay the cost thereof, including, but not limited to engineering, legal and contingent cost. Should the Surety fail or refuse to correct said defects, any Beneficiary, in view of the health, safety, welfare and factors involved, shall have the right to resort to any and all legal remedies against the Principal and Surety and either, both at law and in equity, including specifically, specific performance to which the Principal and Surety unconditionally agree.

The Principal and Surety further jointly and severally agree that the Beneficiaries shall have the right to correct said defects resulting from faulty materials or workmanship in case the Principal shall fail or refuse to do so, and in the event the Beneficiaries should exercise and give effect to such right, the Principal and the Surety shall be jointly and severally hereunder to reimburse the Beneficiaries the total cost thereof, including, but not limited to, engineering, legal and contingent cost, together with any damages either direct or consequent which may be sustained on account of the failure of the Principal to correct said defects.

[This Bond shall be held by Seminole County, a political subdivision of the State of Florida, on behalf of Beneficiaries and maintained in the public records of Seminole County.]

IN WITNESS WHEREOF, the Principal and the Surety have executed these presents this 6th day of June, 2002.

Address:

10172 Linn Station Road
Louisville, KY 40223

Orlando Lake Forest Joint Venture
By: Orlando Lake Forest, Inc., Managing General Partner
[Signature] Its Vice President
(if corporation)

ATTEST: [Signature] Its Secretary
(if corporation)
SEAL

Address:

Gulf Insurance Company
Surety
P. O. Box 98

**GULF INSURANCE COMPANY  
HARTFORD, CONNECTICUT  
POWER OF ATTORNEY**

ORIGINALS OF THIS POWER OF ATTORNEY ARE PRINTED ON BLUE SAFETY PAPER WITH TEAL INK.

KNOW ALL MEN BY THESE PRESENTS: That the Gulf Insurance Company, a corporation duly organized under the laws of the State of Connecticut, having its principal office in the city of Irving, Texas, pursuant to the following resolution, adopted by the Finance & Executive Committee of the Board of Directors of the said Company on the 10th day of August, 1993, to wit:

"RESOLVED, that the President, Executive Vice President or any Senior Vice President of the Company shall have authority to make, execute and deliver Power of Attorney constituting as Attorney-in-Fact, such persons, firms, or corporations as may be selected from time to time; and any such Attorney-in-Fact may be removed and the authority granted him revoked by the President, or any Executive Vice President, or any Senior Vice President, or by the Board of Directors or by the Finance and Executive Committee of the Board of Directors.

RESOLVED, that nothing in this Power of Attorney shall be construed as a grant of authority to the attorney(s)-in-fact to sign, execute, acknowledge, deliver or otherwise issue a policy or policies of insurance on behalf of Gulf Insurance Company.

RESOLVED, that the signature of the President, Executive Vice President or any Senior Vice President, and the Seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile, and any such powers so executed and certified by facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond and documents relating to such bonds to which they are attached. Gulf Insurance Company does hereby make, constitute and appoint

James T. Smith John B. Manus Kathy Hobbs James H. Martin Raymond M. Hundley  
Brook T. Smith Jason D. Cromwell

its true and lawful attorney(s)-in-fact, with full power and authority hereby conferred in its name, place and stead, to sign, execute, acknowledge and deliver in its behalf, as surety, any and all bonds and undertakings of suretyship, and to bind Gulf Insurance Company thereby as fully and to the same extent as any bonds, undertakings and documents relating to such bonds and/or undertakings were signed by the duly authorized officer of the Gulf Insurance Company and all the acts of said attorney(s)-in-fact, pursuant to the authority herein given, are hereby ratified and confirmed.

The obligation of the Company shall not exceed five million (5,000,000) dollars.

IN WITNESS WHEREOF, the Gulf Insurance Company has caused these presents to be signed by any officer of the Company and its Corporate Seal to be hereto affixed.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } SS



GULF INSURANCE COMPANY

*Lawrence P. Minter*

Lawrence P. Minter  
Executive Vice President

On this 1st day of October, AD 2001, before me came Lawrence P. Minter, known to me personally who being by me duly sworn, did depose and say that he resides in the County of Bergen, State of New Jersey; that he is the Executive Vice President of the Gulf Insurance Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instruments is such corporate seal that it was so affixed by order of the Board of Directors of said corporation and that he signed his name, thereto by like order.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } SS



*Angie Mahabir-Begazo*

ANGIE MAHABIR-BEGAZO  
Notary Public, State of New York  
No. 01MA6019983  
Qualified in Kings County  
Commission Expires February 16, 2003

I, the undersigned, Senior Vice President of the Gulf Insurance Company, a Connecticut Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force.

Signed and Sealed at the City of New York.



Dated the 6th day of June 2002

*George Blancard*

George Blancard  
Senior Vice President

BOND No. 700-81-22-5426

## SUBDIVISION AND SITE PLAN

## MAINTENANCE BOND FOR STREETS, CURBS, STORM DRAINS

KNOW ALL MEN BY THESE PRESENTS:

That we Sam's East, Inc., whose address is 2001 SE 10<sup>th</sup> St., Bentonville, AR 72764-0550, Attn: Bonds and Letters of Credit, hereinafter referred to as "PRINCIPAL" and National Fire Insurance Company of Hartford, whose address is c/o CNA Surety, 6303 Waterford Blvd., Oklahoma City, OK, hereinafter referred to as "SURETY" are held and firmly bound unto Seminole County, a political subdivision of the State of Florida, whose address is Seminole County Services Building, 1101 East First Street, Sanford, Florida 32771, hereinafter referred to as the COUNTY in the sum of \$15,538.50 for the payment of which we bind ourselves, heirs, executors, successors and assigns, jointly and severally, firmly by these presents:

WHEREAS PRINCIPAL has constructed certain improvements, including streets, curbs, storm drains and other appurtenances in that certain subdivision described as Sanford Sam's Club #4785, a plat of which is recorded in Plat Book \_\_\_\_\_, Page \_\_\_\_\_, Public Records of Seminole County, Florida; and

WHEREAS, the aforesaid improvements were made pursuant to certain plans and specifications dated January 15, 2002, and filed with the County Engineer of Seminole County; and

WHEREAS, PRINCIPAL is obligated to protect the COUNTY against any defects resulting from faulty materials or workmanship of said improvements and to maintain said improvements for a period of two (2) years from September 19, 2002;

NOW THEREFORE, the condition of this obligation is such that if PRINCIPAL shall promptly and faithfully protect the COUNTY against any defects resulting from faulty materials or workmanship of the aforesaid improvements and maintain said improvements for a period of two (2) years from September 19, 2002, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

The County Engineer shall notify the PRINCIPAL in writing of any defect for which the PRINCIPAL is responsible and shall specify in said notice a reasonable period of time within which PRINCIPAL shall have to correct said defect. The SURETY unconditionally covenants and agrees that if the PRINCIPAL fails to perform, within the time specified, the SURETY, upon 30 days written notice from COUNTY, or its authorized agent or officer, of the default will forthwith correct such defect or defects and pay the cost thereof, including, but not limited to engineering, legal and contingent cost. Should the SURETY fail or refuse to correct said defects, the COUNTY, in view of the public interest, health, safety, welfare and factors involved, and the consideration in approving and filing the said plat shall have the right to resort to any and all legal remedies against the PRINCIPAL and SURETY and either, both at law and in equity, including specifically, specific performance to which the PRINCIPAL and SURETY unconditionally agree.

LAND DEVELOPMENT CODE

The PRINCIPAL and SURETY further jointly and severally agree that the COUNTY at its option, shall have the right to correct said defects resulting from faulty materials or workmanship, or, pursuant to public advertisement and receipt of bide, caused to be corrected any defects in case the PRINCIPAL shall fail to refuse to do so, and in the event the COUNTY should exercise and give affect to such right, the PRINCIPAL and the SURETY shall be jointly and severally hereunder to reimburse the COUNTY the total cost thereof, including, but not limited to, engineering, legal and contingent cost, together with any damages either direct or consequent which may be sustained on account of the failure of the PRINCIPAL to correct said defects.

IN WITNESS WHEREOF, the PRINCIPAL and the SURETY have executed these presents this

4th day of October, 2002,

Sam's East, Inc.

Address:

2001 SE 10th Street  
Bentonville, AR 72716-0550

\_\_\_\_\_  
PRINCIPAL (SEAL)

By: [Signature]  
J. Robert Bray  
Its: Real Estate VP

ATTEST:

[Signature]  
Eric Zoch

Its: Senior Vice President

National Fire Insurance Co. of Hartford

Address

c/o CNA Surety  
6303 Waterford Blvd.  
Oklahoma City, OK 73118

\_\_\_\_\_  
SURETY (SEAL)

By: [Signature]  
HITS ATTORNEY-IN-FACT  
Hazel L. Prosser

ATTEST: [Signature]

[Signature]  
Juli A. Russell Resident Agent

(App E, LDC, through Supp 16).

# POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation (herein called "the CNA Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint  
Hazel L. Prosser, Individually

of Bentonville, Arkansas  
their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature  
--- In Unlimited Amounts ---

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their corporations and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the corporations.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Vice President and their corporate seals to be hereto affixed on this 5th day of December, 2001.



Continental Casualty Company  
National Fire Insurance Company of Hartford  
American Casualty Company of Reading, Pennsylvania

Michael Gengler

Group Vice President

State of Illinois, County of Cook, ss:

On this 5th day of December, 2001, before me personally came Michael Gengler to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Group Vice President of Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation described in and which executed the above instrument; that he knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



My Commission Expires September 17, 2005

Diane Faulkner

Notary Public

## CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the corporations printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporations this 4th day of October, 2002.



Continental Casualty Company  
National Fire Insurance Company of Hartford  
American Casualty Company of Reading, Pennsylvania

Mary A. Ribikawskis

Assistant Secretary

PRIVATE ROAD MAINTENANCE AGREEMENT

(For use with Letter of Credit)

THIS AGREEMENT is made and entered into this day of Aug. 22, 2002 between MAG DEVELOPMENT CO. hereinafter referred to as "PRINCIPAL" and the Homeowner's Association of subdivision (hereinafter referred to as the "BENEFICIARY") or, if none, SEMINOLE COUNTY, a political subdivision of the State of Florida (hereinafter referred to as the "HOLDER"), on behalf of all purchasers of lots within subdivision.

WITNESSETH:

WHEREAS, PRINCIPAL has constructed certain road improvements, including streets, curbs, storm drains and other appurtenances in that certain subdivision described as Bently Cove, a Plat of which is recorded in Plat Book 61 Pages 25 + 26, Public Records of Seminole County, Florida; and

WHEREAS, the aforesaid road improvements were made pursuant to certain plans and specifications dated MARCH 26, 2002 (as subsequently revised or amended) and filed with the BENEFICIARY or the HOLDER, as the case may be; and

WHEREAS, PRINCIPAL is obligated to protect the BENEFICIARY against any defects resulting from faulty materials or workmanship of said road improvements and to maintain said road improvements for a period of two (2) years from AUGUST 23, 2002 and

WHEREAS, to guarantee performance of said obligations by PRINCIPAL, PRINCIPAL has obtained and furnished to the BENEFICIARY or to the HOLDER on behalf of the owners of lots within the subdivision (hereinafter referred to as LOT OWNERS) a certain Irrevocable Letter of Credit No. 78530658 issued by AMSOUTH BANK, in the sum of seventeen DOLLARS (\$ 16,021.).

NOW THEREFORE, the BENEFICIARY or the HOLDER on behalf of the LOT OWNERS, agrees to accept an Irrevocable Letter of Credit as security for the maintenance obligation of the PRINCIPAL.

PRINCIPAL, its heirs, executors, successors and assigns, jointly and severally agrees to be held and firmly bound to the BENEFICIARY or to the HOLDER on behalf of the LOT OWNERS in the sum of SIXTEEN THOUSAND & TWENTY DOLLARS (\$ 16,021.) on the condition that, if PRINCIPAL shall promptly and faithfully protect the BENEFICIARY or LOT OWNERS against any defects resulting from faulty materials or workmanship of the aforesaid road improvements and maintain said road improvements for a period of two (2) years from AUG. 23, 2002, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

The BENEFICIARY/HOLDER, ~~or LOT OWNER~~ shall notify the PRINCIPAL in writing of any defect for which the PRINCIPAL is responsible and shall specify in said notice a reasonable period of time within which PRINCIPAL shall have to correct said defect.

Should the PRINCIPAL fail or refuse to perform or correct said defects within the time specified, the BENEFICIARY/~~LOT OWNERS~~ (which shall include, but not be limited to any individual lot owner in subdivision) shall be authorized, but shall not be obligated, to take over and perform, or cause to be performed, such work as shall be necessary to correct such defects, and shall be authorized to draw upon the Letter of Credit to pay the cost thereof, including, but not limited to, engineering, legal and contingent costs. Further, the BENEFICIARY/~~LOT OWNERS~~ (which shall include, but not be limited to any individual lot owner in subdivision), in view of the public interest, health, safety, welfare and other factors involved, and the consideration in approving and filing the said Plat shall have the right to resort to any and all legal remedies against the PRINCIPAL, both at law and in equity, including specifically, specific performance, to which the PRINCIPAL unconditionally agrees.

The PRINCIPAL further agrees that the BENEFICIARY/~~LOT OWNERS~~ (which shall include, but not be limited to any individual lot owner in subdivision), at its option, shall have the right to correct said defects resulting from faulty materials or workmanship, or, pursuant to receipt of bids, cause to be corrected any defects or said defects in case the PRINCIPAL shall fail or refuse to do so, and, in the event the BENEFICIARY/~~LOT OWNERS~~ should exercise and give effect to such right, the PRINCIPAL shall be obligated hereunder to reimburse the BENEFICIARY (which shall include, but not be limited to any

SEMINOLE COUNTY LAND DEVELOPMENT CODE

~~individual lot owner in subdivision~~ <sup>A</sup> the total cost thereof, including, but not limited to, engineering, legal and contingent costs, together with any damages, either direct or consequent, which may be sustained on account of the failure of the PRINCIPAL to correct said defects.

[This Agreement and all rights hereunder may be assigned by the HOLDER to the Homeowner's Association of subdivision or ~~to the individual lot owners of subdivision as the case may be.~~ <sup>A</sup>

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof.

BENEFICIARY:  
\_\_\_\_\_

ATTEST/WITNESSES:

Michelle Crowley  
\_\_\_\_\_

Signed, sealed and delivered  
in my presence by  
**MICHELLE CRAWLEY**  
Commission # DD0138107  
Expires 7/31/2008  
Bonded through  
(800-432-4254) Florida Notary Assn., Inc.

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

PRINCIPAL:

Almond Shari  
\_\_\_\_\_

By: AHMAD GHANDOON  
Date: 8-22-04

HOLDER:

BOARD OF COUNTY COMMISSIONERS  
SEMINOLE COUNTY, FLORIDA

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

Chairman

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

ATTEST:

\_\_\_\_\_

Clerk to the Board of  
County Commissioners of  
Seminole County, Florida

As authorized for execution by the Board of County Commissioners at their \_\_\_\_\_ 19\_\_\_\_ regular meeting.

(App E, LDC, through Supp 16).



**AMSOUTH**

AmSouth Bank  
International Division  
300 Union Street, 9th FL  
Nashville, Tennessee 37237 USA

(888) 338-9552  
Telex: 6823023  
S.W.I.F.T.: AMSBUS44

**IRREVOCABLE STANDBY LETTER OF CREDIT NO.78530658  
(FOR PRIVATE ROAD MAINTENANCE AGREEMENT)**

EFFECTIVE DATE: AUGUST 22, 2002  
EXPIRY DATE: AUGUST 22, 2004

BENEFICIARY: SEMINOLE COUNTY BOARD OF COMMISSIONERS AND  
BENTLEY COVE HOMEOWNERS ASSOC.  
SEMINOLE COUNTY SERVICE BUILDING  
1101 EAST FIRST STREET  
SANFORD, FLORIDA 32771

APPLICANT: MAG DEVELOPMENT CO., INC.  
501 N. ORLANDO AVENUE NO. 233  
WINTER PARK, FLORIDA 32789  
ATTN: AHMAD GHANDOUR

AMOUNT: \$16,021.00

DEAR COMMISSIONERS OR BENTLEY COVE HOMEOWNERS ASSOCIATION

BY ORDER OF MAG DEVELOPMENT CO., INC. WE HEREBY ESTABLISH AN IRREVOCABLE LETTER OF CREDIT IN YOUR FAVOR. WE HEREBY AUTHORIZE YOU TO DRAW ON AMSOUTH BANK UP TO AN AGGREGATE AMOUNT OF USD SIXTEEN THOUSAND TWENTY ONE AND 00/100 (USD \$16,021.00), AVAILABLE BY YOUR DRAFTS AT SIGHT ACCOMPANIED BY A SIGNED STATEMENT OF THE (HOMEOWNER'S ASSOCIATION/BOARD OF COUNTY COMMISSIONERS) THAT THE PRIVATE ROAD MAINTENANCE AGREEMENT DATED AUGUST 22, 2002 BETWEEN MAG DEVELOPMENT CO., INC. AND (HOMEOWNER'S ASSOCIATION/SEMINOLE COUNTY) IS IN DEFAULT.

DRAFTS MUST BE DRAWN AND NEGOTIATED ON OR BEFORE AUGUST 22, 2004 AND EACH DRAFT MUST STATE THAT IT IS DRAWN UNDER IRREVOCABLE LETTER OF CREDIT NO. 78530658 OF AMSOUTH BANK DATED AUGUST 22, 2002 AND THE AMOUNT THEREOF ENDORSED ON THIS LETTER OF CREDIT. THE BANK AGREES THAT THIS LETTER OF CREDIT SHALL AUTOMATICALLY RENEW ITSELF FOR SUCCESSIVE ONE-YEAR PERIODS UNLESS THE BANK SHALL GIVE NOTICE TO YOU NO LATER THAN FORTY-FIVE (45) DAYS PRECEDING AN EXPIRATION DATE THAT IT CHOOSES NOT TO RENEW THE LETTER OF CREDIT, IN WHICH CASE, THE COUNTY OR HOMEOWNER'S ASSOCIATION AS THE CASE MAY BE, SHALL BE ENTITLED TO DEMAND AND RECEIVE THE OUTSTANDING AMOUNT OF MONEY REPRESENTED BY THIS LETTER OF CREDIT. IN THE EVENT A DRAW BASED ON EXPIRATION OF THIS LETTER OF CREDIT THE PROCEEDS SHALL BE HELD BY (HOMEOWNER'S ASSOCIATION/SEMINOLE COUNTY) AS A CASH BOND TO SECURE CONTINUED ADHERENCE TO THE TERMS OF THE PRIVATE ROAD MAINTENANCE AGREEMENT WITH MAG DEVELOPMENT CO., INC.

UPON TENDER OF PAYMENT, YOU WILL RELEASE TO THE BANK THE

PAGE 2

DATED: AUGUST 22, 2002

OUR REF: 78530658

ORIGINAL IRREVOCABLE LETTER OF CREDIT MARKED "CANCELLED." IN ANY EVENT, UPON EXPIRATION OF THE PRIVATE ROAD MAINTENANCE AGREEMENT DATED AUGUST 22, 2002 AND THE COMPLETION OF MAG DEVELOPEMENT CO., INC. OBLIGATIONS THEREUNDER, YOU WILL RETURN THE ORIGINAL LETTER OF CREDIT TO THIS BANK MARKED "CANCELLED."

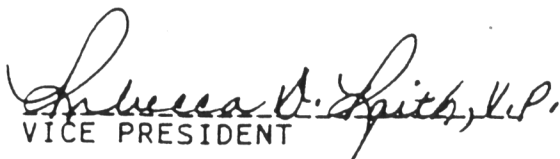
WE HEREBY ENGAGE WITH DRAWERS, ENDORSERS, AND BONA FIDE HOLDERS OF ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT, THAT SUCH DRAFTS WILL BE DULY HONORED UPON PRESENTATION TO THE DRAWEE.

IF THE (HOMEOWNER'S ASSOCIATION/BOARD OF COUNTY COMMISSIONERS) INITIATES SUIT UNDER THIS LETTER OF CREDIT, THE BANK HEREBY AGREES TO BE RESPONSIBLE FOR SEMINOLE COUNTY'S OR THE HOMEOWNER ASSOCIATION'S COURT COST AND REASONABLE ATTORNEYS' FEES, BUT AMSOUTH BANK SHALL NOT BE RESPONSIBLE FOR ANY ATTORNEYS' FEES IN EXCESS OF FIFTEEN PERCENT (15%) OF THE AGGREGATE AMOUNT OF THIS LETTER OF CREDIT.

THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING AND SUCH UNDERTAKING SHALL NOT, IN ANY WAY, BE AMENDED BY REFERENCE HEREIN TO ANY AGREEMENT, AND ANY SUCH REFERENCE SHALL NOT BE DEEMED TO INCORPORATE HEREIN BY REFERENCE ANY DOCUMENT OR AGREEMENT OTHER THAN THE PRIVATE ROAD MAINTENANCE AGREEMENT DATED AUGUST 22, 2002 AND REFERENCED HEREIN.

(THIS LETTER OF CREDIT AND ALL RIGHTS HEREUNDER MAY BE ASSIGNED BY SEMINOLE COUNTY TO THE HOMEOWNER'S ASSOCIATION OF SUBDIVISION.)

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, 1993 REVISION, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500, IN EFFECT AS OF JANUARY 1, 1994.

  
VICE PRESIDENT

Nashville, TN  
zip 37237

  
VICE PRESIDENT