

## DISTRICT MANAGEMENT AGREEMENT

Based upon mutual consideration, the **Ballantrae Community Development District** (“CDD” or “District”) and Development Planning & Financing Group, Inc. (“DPFG” or “Manager”) agree effective April 4, 2016 as follows:

- 1. Core District Management Services:** DPFG will provide Core District Management Services (“CDMS”) at a fee of **\$3,183.33 per month** to the CDD (\$38,200 per year) for a period of 12 months commencing on the effective date. The CDMS shall include the services included in the Scope of Services attached hereto as **Exhibit “A”**.
- 2. Purchasing & Construction Accounting Services (“PCAS”):** In an effort to achieve sales tax savings and favorable government pricing on material purchases related to the District’s construction projects, DPFG offers accounting and purchasing coordinator services. PCAS in this capacity should be compensated based upon mutual agreement and the execution of special authorization agreements.
- 3. Dissemination Agent Services:** To assist the District to comply with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934 and any Bond Indenture related to a bond issuance, DPFG will file and prepare Annual Reports, Interim Reports and Quarterly Reports as further described in the Continuing Disclosure Agreement(s). We will provide such services at a fee of \$1,000 per year per bond issue, if requested by the District.
- 4. Prior Year Activity / Prior to Management Transition:** Special work to complete audits, or any other work to examine, reconcile and recreate prior year activity (Fiscal Year 2014-15 or earlier), if needed, will be billed under separate invoice based upon mutual agreement and the execution of special authorization agreements with a defined scope and budget.

5. **Out of Pocket Expenses:** The CDD shall reimburse DPFPG for all out-of-pocket expenses in excess of \$50.00, for example mass mailings, mass duplication and mass printing, etc., reasonably incurred by DPFPG for services related to this agreement.
6. **Fee Review:** Upon agreement of the parties in writing the compensation may be adjusted after the 12th month after the effective date.
7. **Term:** This Agreement shall commence and be effective as of April 4, 2016 and shall remain in effect until such time as the agreement has been terminated in accordance with Section 8 hereof.
8. **Termination:** Both the District and the Manager will have the right to terminate with or without cause any portion of or the entire agreement upon 60 days written notice. Any notice required or permitted to be given under this agreement shall be in writing and sent by first class mail or sent by expedited courier service to the addresses set forth below. Any notice shall be deemed given upon receipt. Upon the termination of this agreement, the Manager agrees to take all reasonable and necessary actions to transfer to the District, or to such other party as directed by the District, all the books and records (including electronic books and records) of the District in the Manager's possession in an orderly fashion.

**To DPFPG:**

Managing Principal  
DPFG, Inc.  
1060 Maitland Center Commons Blvd. | Suite  
340  
Maitland, FL 32751

**To District:**

District Manager  
Ballantrae Community Development  
District c/o DPFPG  
1060 Maitland Center Commons Blvd. |  
Suite 340  
Maitland, FL 32751

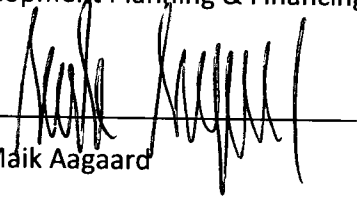
**With a copy to:**

District Counsel  
Straley & Robin  
1510 West Cleveland Street  
Tampa Florida, 33606

9. **Insurance.** The Manager shall provide and maintain the following insurance at all times subsequent to the execution of this agreement:
- (a) Workers compensation insurance as required by applicable law
  - (b) General liability with an aggregate limit of two million dollars (\$2,000,000.00)
  - (c) Professional liability with an aggregate limit of one million dollars (\$1,000,000.00).
10. **Indemnification.** The Manager shall indemnify the District for any and all losses, liabilities, damages, costs, court costs and expenses, including attorney's fees, alleged or that the District may hereafter incur, become responsible for, or be caused to pay out arising out of or caused by any negligent acts or willful misconduct of Manager or any of its employees or agents. The indemnification provided for herein shall not be deemed exclusive of any other rights to which the Manager or the District may be entitled and shall continue after the Manager has ceased to be engaged under this Agreement.
11. **Governing Law and Venue.** This agreement shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce this agreement will be held in the county where the District is located. The failure of either party to insist at any time upon the strict observance or performance of any of the provisions of this agreement shall not be construed as a waiver or relinquishment of the right to insist on the strict observance or performance of any or all of the other provisions of this agreement. The failure of either party to exercise any right of remedy as provided in this agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right of remedy with respect to subsequent defaults. The provisions of this Section shall survive the termination of this agreement.
12. **Enforcement.** In the event either party is required to take any action to enforce this agreement, the prevailing party shall be entitled to attorney's fees and costs.
13. **Severability.** In the event that any provision of this contract shall be determined to be unenforceable or invalid by a Court of Law, such unenforceability or invalidity shall not affect the remaining provisions of the Contract which shall remain in full force and effect.
14. **Entire Agreement:** This agreement contains the entire agreement and neither party is to rely upon any oral representations made by the other party, except as set forth in this agreement.

*Ballantrae CDD*  
*Management service*

Development Planning & Financing Group, Inc.

By:   
Maik Aagaard  
Managing Principal

Approved and Accepted by **Ballantrae** Community Development  
District:

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

Jim Flateau

Chair of the Board of Supervisors

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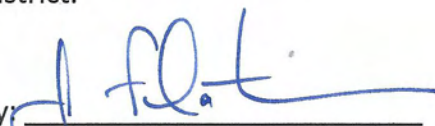
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Chair of the Board of Supervisors

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# Exhibit “A”

## Ballantrae Community Development District

### Scope of Services for District Management Services

#### I. ADMINISTRATIVE AND MANAGEMENT SERVICES

- A. Attend all regularly scheduled and special Board of Supervisors meetings, continued meetings, hearings and workshops. Arrange for the time and location and all other necessary logistics for such meetings, hearings, etc.
- B. Prepare agenda packages for transmittal to the Board of Supervisors and staff seven days prior to the Board of Supervisors’ meeting. Prepare meeting materials for other meetings, hearings, etc., as needed.
- C. Provide accurate minutes for all meetings and hearings.
- D. Ensure compliance with all statutes affecting the district which include but are not limited to:
  1. Certify the Special District Update Form, submitted to the Special District Information Program, Department of Economic Opportunity annually.
  2. Assign and provide Records Management Liaison Officer for reporting to the Department of Library and Archives
  3. Provide contact person for the State Commission of Ethics for Financial Disclosure coordination
  4. Provide Form 1 Financial Disclosure documents for Board Members
  5. Provide Form 1F Financial Disclosure documents for Resigning Board Members.
  6. Monitor and supply Form 3A, Interest in Competitive Bid for Public Business as needed.
  7. Monitor and provide Form 8B, Memorandum of Voting Conflict for the Board.
  8. Maintain and file Disclosure of Public Financing with Department of Economic Opportunity.
  9. Provide for a proposed budget for Board approval on or by June 15 of each fiscal year.
  10. Provide copy of the approved proposed budget to the County a minimum of 60 days prior to the public hearing on the budget.
    - a. Provide written notice to owners of the public hearing on the budget and its related assessments.
  11. Provide for an annual update on the Public Facilities report to the County.

## Exhibit “A”

12. Provide for the five year Public Facilities report, based on the reporting period assigned to the County.
  13. File name and location of the Registered Agent and office location annually with Department of Economic Opportunity and the County.
  14. Provide for submitting the regular meeting schedule of the Board to the County.
  15. Provide district map and update as needed to the Department of Economic Opportunity and the County.
  16. Provide legal description and boundary map to the Supervisor of Elections.
  17. File request letter to the Supervisor of Election of the County for the registered voters as of April 15, each year.
  18. Provide for public records announcement and file document of registers data each June.
  19. Update Board Member names, positions and contact information to the State Commission on Ethics annually.
  20. Certify and file the Form D 421, Truth in Millage Document with the Department of Revenue each tax year.
  21. Properly notice all public meetings, in accordance with the appropriate Florida Statutes, including but not limited to, public hearings on assessments, the budget, establishment of rates, fees, or charges, rulemaking, uniform method of collection, and all other required notices of meetings, hearings and workshops.
    - a. Provide for the appropriate advertisement templates and language for each of the above.
  22. Respond to Bond Holders Requests for Information
  23. Provide the information and documents for web-based public access and submit the district’s official internet website address to the Department of Economic Opportunity.
- E. Implement and maintain a document management system to create and save documents, and provide for the archiving of district documents.
1. Certify and file the annual report to the Department of State, Library and Archive Division, for storage and disposal of public records.
- F. Protect the integrity of all public records in accordance with the requirements of State law. Respond to public records requests as required by law. All requestors are to be advised when requested documents are available on the website. If the documents are not available on the website, then the requestor will be advised of any charges in writing prior to production of the documents. The District Manager shall report quarterly to the Board on information requests.
- G. Maintain “Record of Proceedings” for the district within the County which includes meeting minutes, agreements, resolutions and other records required by law.

## **Exhibit “A”**

- H. Assist in the negotiation of contracts, as directed by the Board.
- I. Advise the Board on the status of negotiations as well as contract provisions and their impacts on the district.
- J. Make recommendations on contract approval, rejection, amendment, renewal, and cancellation. In advance of expiration of contracts, advise the Board as to the need for renewal or additional procurement activities and implementation.
  - 1. Monitor certificates of insurance as needed per contracts.
  - 2. Address project status inquiries from contractors bonding companies.
- K. Provide an office location to handle and respond to written, phone or e-mail inquiries from the public.

## **II. FINANCIAL AND ACCOUNTING SERVICES**

### **Accounting:**

- A. Maintain Fund Accounting System in accordance with federal and state law, as well as GASB and the Rules of the Auditor General. This includes the following:
  - 1. Chart of Accounts
  - 2. Vendor and Customer Master File
  - 3. Report creation and set-up.
- B. Prepare monthly balance sheet, income statement(s) with budget to actual variances, including the following:
  - 1. Cash Investment Account Reconciliations per fund
  - 2. Balance Sheet Reconciliations per fund
  - 3. Expense Variance Analysis
- C. Prepare and file Annual Public Depositor’s Report and distribute to State Department of Insurance and Treasury.
- D. Prepare and file Public Depositor’s and Indemnification Form on new accounts as needed.
- E. Provide Cash Management services to the district through investment of surplus funds in accordance with statutory guidelines.
  - 1. Includes additional reporting for audit.
- F. Facilitate Banking relations with the district’s Depository and Trustee.



## Exhibit “A”

- G. Prepare all other financial reports as required by applicable law and accounting standards, and bond trust indenture requirements.
- H. Account for assets constructed by or donated to the district for maintenance.
- I. On or before October 1<sup>st</sup> of every year prepare an annual inventory of all district owned tangible personal property and equipment in accordance with all applicable rules and standards.
- J. Provide Audit support to auditors for the required Annual Audit, as follows:
  - 1. Review statutory and bond indenture requirements.
  - 2. Prepare audit confirmation letters for independent verification of activities.
  - 3. Prepare all supporting accounting reports and documents as requested by the auditors
  - 4. Respond to auditor questions.
  - 5. Review and edit draft report.
  - 6. Prepare year-end adjusting journal entries as required.
- K. Provide for transmission of the audit to the County, the Auditor General’s Office of the State, the Department of Financial Services, the Trustee and the dissemination agent.
- L. Provide and file Annual Financial Statements (FS. 218 report) by April 30<sup>th</sup>.
- M. Prepare year-end adjusting journal entries in preparation for annual audit by Independent Certified Public Accounting Firm. Prepare all budget amendments on an ongoing basis. Assist in process to retain an auditor and cooperate and assist in the performance of the audit by the independent auditor.

### **Budgeting:**

- A. Prepare budget and backup material and present the budget at all budget meetings, hearings and workshops. The budget is to be prepared in accordance with state law and consistent with applicable GFOA and GASB standards. Budget preparation shall include calculation of operation and maintenance assessments, which may include development of benefit methodology for those assessments.
- B. File all required documentation to the Department of Revenue, Auditor General, the County, and other governmental agencies with jurisdiction.
- C. Prepare and cause to be published notices of all budget hearings and workshops.
- D. Track the line item budget spending for each fiscal year, including expenditures not paid until after the fiscal year is completed.
- E. Prepare a written report at the end of each fiscal year for the line item budget. The report should include at least two columns: the first showing the line items, the second showing total

## **Exhibit “A”**

spending, regardless of whether payment occurred prior to the end of the fiscal year to enable the Board to see planned versus actual expenditures for all items. This report is due by April 1 each year.

- F. Provide a quarterly status written report (each report should be due by January 1, April 1, July 1, and November 1 of each year) on all financial accounts showing financial changes and balances and identifying the purpose of each account.
- G. Review the asset reserve fund and advise the Board during the budget process for each fiscal year the amount of money that is necessary for anticipated future needs and the amount of money that is allocated for the coming fiscal year.
- H. Provide annual data as part of the budget process on funds going in and coming out of the park development, emergency reserve, and bill payment funds.

### **Revenue Collection:**

#### **A. Administer Prepayment Collection:**

- 1. Provide payoff information and pre-payment amounts as provided for in the Trust Indenture.
- 2. Monitor and collect prepayment of assessments.
- 3. Issue lien releases for properties which prepay.
- 4. Coordinate with Trustee to confirm semi-annual interest payments and bond call amounts.
- 5. Prepare periodic continuing disclosure reports to investment bankers, bondholder and reporting agencies.

#### **B. Administer Assessment Roll Process:**

- 1. Prepare annual assessment roll for collection of debt service and operations and maintenance assessments.
- 2. Update roll to reflect per unit and per parcel assessments based on adopted fiscal year budgets.
- 3. Verify assessments on platted lots, commercial properties or other assessable lands.
- 4. Convert final assessment roll to County Property Appraiser or Tax Collector format and remit to County.
- 5. Execute and issue Certificate of Non-Ad Valorem Assessments to County.

## Exhibit “A”

- C. Issue estoppel letters as needed for property transfers.

### **Accounts payable/receivable:**

- A. Administer the processing, review and approval, and payment of all payrolls, invoices, and purchase orders. Ensure timely payment of vendor invoices and purchase orders.
  - 1. Manage vendor information per W-9 reports
- B. Prepare monthly vendor expense report and invoicing support for presentation to the Board for approval or ratification.
- C. Maintain checking accounts with qualified public depository including:
  - 1. Reconciliation to bank statements for all accounts and funds on a monthly basis.
- D. Prepare year-end 1099 Forms for vendor payments as applicable.
  - 1. File reports with IRS.

### **Capital Program Administration:**

- A. Maintain proper capital project fund accounting procedures and records.
- B. Process Construction requisitions including:
  - 1. Vendor contract completion status
  - 2. Verify change orders for materials
  - 3. Check for duplicate submittals
  - 4. Verify allowable expenses per bond indenture agreements such as:
    - a. Contract assignment
    - b. Acquisition agreement
    - c. Project construction and completion agreement
- C. Oversee and implement bond issue related compliance, i.e., coordination of annual arbitrage report, transmittal of annual audit and budget to the trustee, transmittal of annual audit and other information to dissemination agent or directly to bondholders as required by the Continuing Disclosure Agreements, annual/quarterly disclosure reporting, update etc.
- D. Provide asset tracking for improvements to be transferred and their value for removal from district’s schedule of property ownership that are being conveyed to another local government.
- E. Provide for appropriate bid and or proposal/qualification processes for capital project construction.

## **Exhibit “A”**

### **Purchasing:**

- A. Assist in selection of vendors as needed for services, goods, supplies, materials. Obtain pricing proposals as needed and in accordance with district rules and state law.
- B. Prepare RFPs for services as needed.
- C. Prepare and process requisitions for capital expenditures, in coordination with District Engineer and the Board Chairman.

### **Risk Management:**

- A. Prepare and follow risk management policies and procedures.
- B. Recommend and advise the Board, in consultation with the District Engineer of the appropriate amount and type of insurance and be responsible for procuring all necessary insurance.
- C. Process and assist in the investigation of insurance claims, in coordination with Counsel of the district.
- D. Review insurance policies and coverage amounts of district vendors.
- E. Provide for an update to the schedule of values of assets owned by the district for purposes of procuring adequate coverage.
- F. Maintain and monitor Certificates of Insurance for all service and contract vendors.

### **III. OPERATIONS MANAGEMENT**

- A. Manage and coordinate the operational and systems infrastructure of the district.
  - 1. Oversee daily field operations of the district; assist with the development and implementation of policies and procedures consistent with those of the organization to ensure efficient and safe operation of the community.
  - 2. Assure protection of assets of the district.
  - 3. Plan, implement, and evaluate modifications to existing field operations, systems, and procedures.
- B. Develop and implement community policies and procedures. Prepare and develop maintenance bid proposals and oversee bidding process.
  - 1. Develop bid specs, advertise maintenance/construction projects, conduct pre-bid meetings, host bid openings, and advise Board on bid selection.
  - 2. Standardize maintenance contracts.

## **Exhibit “A”**

- C. Manage day-to-day operations of all district owned property, including common areas and amenities.
1. Overseeing the supervision of district employed personnel; this includes hiring, work allocation, training, and problem resolution; evaluate performance and make recommendations for personnel action; motivate employees to achieve peak performance.
  2. Provide coordination on maintenance expenditures; coordinate and develop periodic financial and/or operating analysis to enhance accuracy of budget projections.
  3. Conduct semiannual survey of stormwater management system with district Engineer and designated member of the Board.
  5. Conduct periodic inspections of other district infrastructure as required.