Engineer’s Report

Venetian Community Development District

Prepared for:
WCI Communities, Inc

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ENGINEER'S REPORT
FOR THE VENETIAN
COMMUNITY DEVELOPMENT DISTRICT

Prepared For:

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2020 Clubhouse Drive
Sun City Center, Florida 33573

Prepared By:

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May, 2002

Project No: 048117041

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1. INTRODUCTION

1.1 Overview. The proposed Venetian Community Development District (the “District”) would consist of approximately 957± contiguous acres. A description of the property is included in Section 1.3 of this report. The current plan of development for the lands within the District provides master infrastructure for an estimated 1,363 single and multi-family dwelling units, 10 acres of commercial land use, an 18 hole golf course and clubhouse, and other community amenities. Preservation of existing wetlands and construction of water management lakes and wetland mitigation/creation where necessary are planned to offset impacts from the proposed improvements. Streetscape and landscape improvements are also planned including community entrances with security gatehouses, signage and landscaped common areas.

In order to serve the residents and property owners of the proposed District, a Capital Improvements Plan (the “Plan”) will be developed to allow the proposed District to finance, acquire, and construct these certain road, drainage, water, sewer, and other facilities within and adjacent to the proposed District. These improvements are required by or are consistent with the requirements of City of Venice and other applicable regulatory and jurisdictional entities. This Engineer’s report addresses the estimated overall construction costs for the proposed improvements. A brief description for each improvement is included in the body of this report.

The Plan contained in this report reflects the present intentions for the property. While some of the capital improvements are currently under construction, the exact location of some facilities may be changed during the course of approval and implementation during future phases. These changes will not diminish or alter the benefits to be received by the land. Reasonable adjustments in the Plan may be necessary to meet the requirements of any governmental agency and at the same time provide the same or greater benefits to the land. Regulatory criteria will continue to evolve and future changes may affect the implementation of the Plan, as it may be changed from time to time.

Probable costs contained in this report have been prepared based on current actual construction costs where available and on estimates of costs using the best available
information. It is likely that the probable costs could vary based on final engineering permitting requirements and ultimate construction bids.

A summary of the improvements to be funded and their probable cost is included in Table 5.

1.2 Purpose. The purpose of this report is to describe the Venetian Golf and River Club Community (Venetian Community) and the proposed Venetian Community Development District that will serve the approximately 957± acres of the Venetian Golf and River Club. The report will also describe the capital improvements to be constructed and financed by the proposed District and their probable construction cost. Financing and assessment methodology will be developed by the District's financial advisor.

1.3 Description of the Venetian Community. The Venetian Community is a residential community with some commercial land use located in the City of Venice, Florida, approximately 1.0 mile east of Interstate 75 on Laurel Road in Sections 25, 26 and 27, Township 38 South, Range 19 East. The Venetian Golf and River Club Community being developed by Watermark Communities, Inc. (WCI) contains 1,052 acres. The developer has elected to not include the easterly 95 acres adjacent to the Myakka River. This area is proposed to be a park/preserve not requiring District services or infrastructure and is intended to be for the private use by the residents of the community. The location of the Venetian Community is shown in Exhibit 1.

The community includes single and multi-family residential units, 10 acres of commercial property, an 18 hole golf course, clubhouse and other amenities. To provided the needed support for the proposed community, a stormwater management system, wetland preserves, full utility infrastructure, landscaped roadways, and security facilities are also included in the community. A land use summary is provided in Table 1.

The proposed District will encompass 957± acres of the Venetian Community shown in Exhibit 2. The metes and bounds legal description of the boundary of the District is provided in Exhibit 3. The proposed District will construct, acquire, operate, and maintain infrastructure to support approximately 1,363 single and multi-family dwelling
units, 10 acres of commercial property, an 18 hole golf course and other amenities. A summary of planned District facilities and services is shown in Table 2.

The Venetian Community is scheduled to be constructed in multiple phases. Construction of Phase 1 of the District infrastructure commenced in April 2002. The Phase 1 construction provides the infrastructure for the stormwater management system, utilities, roads, and subdivision improvements needed to develop 110 single family lots and 55 multi-family lots. The Venetian infrastructure is planned to be constructed by 2009 and home construction is proposed to be built and platted by 2012. Table 3 shows the estimate of work underway as a percentage of the overall planned District improvements, and Table 4 depicts the remaining dollar value of the infrastructure cost for the improvements not in Phase 1. All of the infrastructure costs outlined in Tables 3 and 4 will be funded by the District. Table 5 shows the anticipated timetable for project construction. The remaining phases will be available for construction of residential dwellings as the infrastructure comes on line based on the tentative schedule in Table 5. Exhibit 4 graphically depicts the work underway in May 2002.

2. PROPOSED DISTRICT BOUNDARY AND PROPERTY SERVED

2.1 District Boundary. Exhibit 2 illustrates the proposed boundary of the District. The District is proposed to be bounded to the north by a mining operation. The proposed eastern District boundary is adjacent to the park/preserve areas bordering the Myakka River, and the proposed southern boundary of the District is future Laurel Road. The proposed western boundary of the District borders a residential area.

2.2 Property Served. The District is located in portions of Sections 25, 26 and 27, Township 38 South, Range 19 East in the City of Venice in Sarasota County, Florida. Prior to development of the Venetian Community, the property within the proposed District boundary consisted primarily of pasture lands and wetland areas. The property is situated in two (2) different drainage basins with runoff entering both the Myakka River and Cow Pen Slough. As of April 2002, construction has begun on Phase 1 of the District improvements which will comprise approximately 26% of all the proposed District infrastructure. Phase 1 work includes construction of portions of the roadway,
utilities, stormwater, and offsite improvements. The remaining portion of the infrastructure, approximately 74%, is anticipated to be completed by 2009.

2.3 Existing Infrastructure. Prior to the start of construction of the District infrastructure, the existing infrastructure in the vicinity of the proposed District consisted of unimproved area roadways and nearby utilities. Unimproved Laurel Road runs along the southern edge of the site and is to be improved with the development of the District improvements. A water main is being extended by the City of Venice Utilities Department from west of Interstate 75 to the proposed District boundary to provide potable water service. A sewer force main is to be constructed within the proposed District boundary to tie into an existing gravity sewer line on Laurel Road. There were no existing infrastructure improvements within the proposed District boundaries prior to the current construction. Exhibit 5 shows the location of the existing water main to be extended to serve the District, and Exhibit 6 shows the location of the existing sewer line to be utilized to serve the District.

2.4 Permitting. At the time of this report, the following permits have been obtained for construction of the District infrastructure:

- Local zoning approval
- City of Venice, Preliminary Plat approval for Phase 1
- City of Venice, Site and Development Plan approval for Phase 1
- City of Venice, Construction Plan approval for Phase 1
- Southwest Florida Water Management District Environmental Resource Permit (ERP) for Phase 1
- Environmental Protection Agency – NPDES permit
- U.S. Army of Engineers (ACOE) Dredge and Fill Permit

Currently, Phase 2 construction plans are under review by the Southwest Florida Water Management District. Construction plans for Phase 2 will be submitted to the City of Venice for review once the construction level of detail is completed.

All applicable zoning, vesting and concurrency requirements have been complied with for the overall Venetian Community. The Phase 1 subdivision infrastructure construction
is underway. Agreements for water and sewer are in place with water service to be provided by the City of Venice Utilities Department and the sewer service to be provided by the Sarasota County Utilities Department.

It is our opinion that there are no technical reasons existing at this time which would prohibit the implementation of the plan, subject to continued compliance with all conditions of the approved plans and permit issuance. All permits necessary to complete the project either have been obtained, or will be obtained as needed for the entire development. Furthermore, we have no knowledge of any pending government action which would lead to a building moratorium for the project.

3. PROPOSED DISTRICT INFRASTRUCTURE

3.1 Summary of District Facilities and Services. It is proposed that the District will acquire or construct the facilities and provide the services shown on Table 2. This report will deal only with the capital cost of providing the indicated infrastructure.

As of April 2002, Phase 1 of the proposed District’s infrastructure is currently under construction. Portions of roads, utilities, stormwater management system and wetland preserves will be constructed for Phase 1. Table 3 shows the approximate costs and Exhibit 4 illustrates that portion of the District for which infrastructure will be constructed during Phase 1 construction.

3.2 Roadways. The roadways within the proposed District will consist of 4-lane divided, and 2-lane undivided roadways. It is estimated that approximately 8.5 miles of roadways will be built in the District. Of this 8.5 miles of roads, approximately 1,400 feet will be 4-lane divided section, and the remainder will be 2-lane undivided section. The roadways are planned to be public roads. All roads are or will be constructed to applicable City of Venice standards. Roadway construction will include subgrade, base, curbing, sidewalks, signage and striping. Roadway lighting will be constructed along the roads within the District.

3.3 Utilities. Water and wastewater facilities will be provided within the proposed District. The water service, operation, and maintenance upon construction completion will be provided by the City of Venice, and the sewer service, operation, and maintenance upon
construction completion will be provided by the Sarasota County Utilities Department. Both municipalities have sufficient capacity to serve the planned water and sewer needs at build out. Facilities will be designed and constructed in accordance with the City of Venice, Sarasota County Utilities Department, Florida Department of Environmental Protection, and the Department of Health and Rehabilitative Services Standards.

The potable water facilities will include distribution mains along with necessary valving, fire hydrants and water services to individual lots. Connection to the City of Venice system at Laurel Road is also included. Approximately 13.1 miles of 4 to 10-inch water mains will be constructed including the water line to be installed in the Laurel Road right of way. The planned Master Water Distribution system is shown in Exhibit 7.

Wastewater facilities include gravity collection lines with individual services, lift stations, and force mains to connect to the existing Sarasota County system on Laurel Road. An estimated 10.6 miles of 8 inch gravity collection lines, and 4 sewage lift stations are to be constructed. The planned Master Sewer Collection system is shown in Exhibit 8.

3.4 **Stormwater Management.** The Stormwater Management system includes the drainage system for the proposed District and is comprised of the planned roadway drainage structures, wetland preserves, mitigation, and stormwater detention facilities. There are approximately 220 acres of stormwater ponds or lakes with associated culverts, catch basins, swales, channels and water control structures. The stormwater management system is designed and constructed in accordance with the City of Venice and the Southwest Florida Water Management District Standards for stormwater quality treatment and flood control. Approximately 102 acres of on-site wetlands and conservation areas are incorporated as an integrated part of the stormwater management system. The location of existing outfalls of the Venetian CDD is shown on Exhibit 9. Exhibit 10 shows the location of the proposed District drainage facilities as they are planned at build out.

3.5 **Landscaping and Irrigation.** Landscaping will be provided along roadways, in buffers, and at the community entranceway. Landscaping will consist of sod, annual flowers, shrubs, ground cover and trees. Irrigation is to be provided to all required landscape
improvements per City of Venice standards and will include an irrigation pump station and distribution system serving all residential parcels and common areas. A separate irrigation system will serve the golf course and will not be part of the proposed District infrastructure. Other features to be provided by the proposed District include decorative pavers at specific locations within the development, entry monuments, and streetlights.

3.6 Security Facilities. Security facilities consist of a gatehouse erected, operated and maintained at the entrance to the Venetian Community off Laurel Road. The gatehouse will be used to provide security to the community. Perimeter and entry walls will be provided as well as signage throughout the development. Per regulations all streets interior to the proposed District are to remain public streets, with access control mechanisms. Construction of the guardhouse is to be completed in the Phase 1 improvements.

3.7 Electrical Service and Lighting. Electrical service interior to the proposed District will be provided via buried services. Decorative lighting treatments are to be installed at specific locations to enhance the aesthetic value, and provide additional security to the residents.

3.8 Professional Fees and Permitting. Services to design, permit, and construct the remaining infrastructure within the proposed District will be provided. Services to be provided include, but are not limited to are:

1. Engineering design and permitting.
2. Environmental design and permitting.
3. Construction services and certification of site improvements.
4. Survey work sufficient to record plats and perform construction stakeout.
5. Geotechnical testing services.

3.9 Off-Site Improvements. Off-site improvements required to be built and proposed to be funded by the District include the Laurel Road extension. This construction is required by the City of Venice and consists of building the northern two (2) lanes of a future four (4) lane roadway within the Laurel Road right-of-way. Once this improvement is
constructed it will be turned over to Sarasota County for maintenance in perpetuity. The City of Venice has also required that the Venetian project contribute funds in the amount of approximately $154,000 to extend a reuse main to the proposed District. This reuse main along Laurel Road and several hundred feet up Veneto Boulevard to the master meter will be the maintenance responsibility of the City of Venice in perpetuity.

3.10 Non-District Improvements Costs. There are several improvements within the proposed District boundaries that are not to be included in the infrastructure cost proposed for funding by the District. Specifically the construction costs or improvements associated with residential parcels/lots, the golf course and its associated irrigation system, the clubhouse, and the 10 acre commercial area are not included in the cost estimates contained in this report. The construction of these improvements are being funded by the developer, with construction of the golf course having commenced with the Phase 1 construction in April 2002.

4. OPINION OF PROBABLE CONSTRUCTION COSTS

A summary of the probable construction costs for the proposed District infrastructure including roadway, water and sewer facilities, stormwater management, security facilities, landscaping and irrigation, security, electrical service, and off-site improvements, is provided in Table 5. Total estimated construction cost for the proposed District provided infrastructure is approximately $34,701,000. As previously stated, portions of the facilities are under construction and therefore some of the costs reflect actual construction bids. Engineering and permitting costs, as well as a contingency, are included in the total cost. Costs do not include legal, administrative, financing, operation or maintenance costs.

5. SUMMARY AND CONCLUSION

The infrastructure, as outlined above, is necessary for the functional development of the proposed District as required by the applicable local government. The planning and design of the infrastructure is in accordance with current governmental regulatory requirements. The infrastructure will provide its intended function so long as the construction is in substantial compliance with the design and permits.
Items of construction in this report are based on review of actual bids for items under construction and on master planning for the future infrastructure construction. It is our opinion that the infrastructure construction costs provided herein for the proposed District improvements are reasonable to complete the construction of the infrastructure described herein and that these infrastructure improvements will benefit and add value to the proposed District. All such infrastructure costs are public improvements or community facilities as set forth in Section 190.012(1) and (2) of the Florida Statutes.

The estimate of probable infrastructure construction costs is only an estimate and not a guarantee maximum price. The probable costs for Phase 1 on-going construction are based on unit prices currently being experienced for ongoing and similar items of work in the City of Venice and quantities as represented on the construction plans. Opinions of probable costs for the future phases are pro-rated based on expected costs relative to Phase 1. The labor market, future costs of equipment and materials, and the actual construction process are all beyond control. Due to this inherent opportunity for fluctuation in cost, the total final cost may be more or less than this opinion.
TABLE 1

LAND USE SUMMARY WITHIN
THE DISTRICT BOUNDARIES
## TABLE 1

THE VENETIAN COMMUNITY DEVELOPMENT DISTRICT
LAND USE SUMMARY WITHIN THE DISTRICT BOUNDARIES

<table>
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<th>TYPE OF USE</th>
<th>ACRES</th>
<th>PERCENT OF TOTAL</th>
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<td>Residential</td>
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<tr>
<td>Road Right-of Way</td>
<td>78</td>
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<tr>
<td>Wetland/Conservation Areas</td>
<td>102</td>
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<td>Other (Upland, Open Space, et.)</td>
<td>280</td>
<td>29%</td>
</tr>
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<td><strong>TOTAL</strong></td>
<td>957</td>
<td><strong>100%</strong></td>
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</tr>
<tr>
<td>LANDSCAPING AND IRRIGATION</td>
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<td>OFF-SITE IMPROVEMENTS</td>
<td>CDD AND CITY OF VENICE</td>
<td>SARASOTA COUNTY AND CITY OF VENICE</td>
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TABLE 3

ESTIMATE OF WORK
UNDERWAY AS OF MAY 2002
TABLE 3

THE VENETIAN COMMUNITY DEVELOPMENT DISTRICT
ESTIMATE OF WORK UNDERWAY AS OF MAY, 2002
(IN THOUSANDS OF DOLLARS)

<table>
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<tr>
<th>INFRASTRUCTURE</th>
<th>VALUE OF WORK IN PROGRESS</th>
<th>TOTAL CATEGORY COST</th>
<th>PERCENT OF TOTAL CATEGORY COST</th>
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<tr>
<td>ROADWAY, RESIDENTIAL AND MAIN BOULEVARD</td>
<td>$491</td>
<td>$4,355</td>
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</tr>
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<td>UTILITIES</td>
<td>$1,304</td>
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<td>$4,733</td>
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<tr>
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SUMMARY OF OPINION
OF PROBABLE COSTS
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TABLE 5

SUMMARY OF OPINION OF PROBABLE BUILDOUT COSTS AND PROPOSED TIMETABLE
### TABLE 5
THE VENETIAN COMMUNITY DEVELOPMENT DISTRICT
SUMMARY OF OPINION OF PROBABLE BUILDOUT COSTS AND PROPOSED TIMETABLE
(IN THOUSANDS OF DOLLARS)

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<td>AND MAIN BOULEVARD</td>
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<td>ELECTRICAL SERVICE</td>
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<td>$0</td>
<td>$216</td>
<td>$189</td>
<td>$90</td>
<td>$51</td>
<td>$51</td>
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<tr>
<td>AND LIGHTING</td>
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<tr>
<td>PROFESSIONAL FEES</td>
<td>$4,311</td>
<td>$1,500</td>
<td>$1,060</td>
<td>$300</td>
<td>$275</td>
<td>$275</td>
<td>$275</td>
<td>$275</td>
<td>$275</td>
<td>$75</td>
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<tr>
<td>AND PERMITTING</td>
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<tr>
<td>OFFSITE IMPROVEMENTS</td>
<td>$1,660</td>
<td>$0</td>
<td>$1,660</td>
<td>$0</td>
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<td>$0</td>
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<td>- LAUREL ROAD,</td>
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<td>EFFLUENT</td>
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<tr>
<td>PARTICIPATION</td>
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<tr>
<td>MISCELLANEOUS</td>
<td>$258</td>
<td>$0</td>
<td>$258</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>10% CONTINGENCY</td>
<td>$3,155</td>
<td>$0</td>
<td>$1,104</td>
<td>$552</td>
<td>$260</td>
<td>$246</td>
<td>$246</td>
<td>$246</td>
<td>$246</td>
<td>$226</td>
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<td>(of the above)</td>
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<tr>
<td>TOTAL PRIMARY</td>
<td>$34,701</td>
<td>$1,500</td>
<td>$10,642</td>
<td>$6,406</td>
<td>$2,865</td>
<td>$2,791</td>
<td>$2,791</td>
<td>$2,791</td>
<td>$2,791</td>
<td>$2,481</td>
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</table>

* Estimated costs of construction are for those special powers permitted under section 198.012(1), Florida Statutes (1999 and hereafter) only. Estimates are provided for security powers available under section 198.012(2), even though consent to use such power(s) is determined by the local general purpose government within whose jurisdiction such powers are to be exercised, in this instance, the City of Venice. Until such determination is or may be made, upon petition of the Board of Supervisors of the District, no further estimate of costs will be prepared.

* The estimates for all basic infrastructure are set forth in the subsections (1 & 2) of section 198.012.

* Currently it is anticipated water will be provided by the City of Venice and sewer will be provided by Sarasota County.

* The probable costs estimated herein do not include anticipated capital carrying cost interest reserves or other applicable CDD expenditures that may be incurred.

* $1,000,000 Public Safety Contribution to City of Venice not included.

Date: 05/08/02
EXHIBIT 1

LOCATION MAP
EXHIBIT 2

DISTRICT BOUNDARY
AND PHASING PLAN
VENETIAN CDD
DISTRICT BOUNDARY AND PHASING PLAN
EXHIBIT "2"
SEE ATTACHED SHEETS FOR DESCRIPTION.

NOTE: THIS IS NOT A BOUNDARY SURVEY.
EXHIBIT 4

INFRASTRUCTURE CONSTRUCTION
STATUS, MAY 2002
VENETIAN CDD
INFRASTRUCTURE CONSTRUCTION
STATUS, MAY 2002
EXHIBIT "4"

LEGEND:
PHASE 1 (UNDER CONSTRUCTION)
FUTURE PHASES

Scale: 1" = 1200'

Kimley-Horn
and Associates, Inc.
VENETIAN CDD
EXISTING WATER MAIN

EXHIBIT "5"
EXHIBIT 6

EXISTING SEWER MAIN
VENETIAN CDD
EXISTING SEWER MAIN
EXHIBIT "6"

LEGEND:
EXISTING SANITARY SEWER
EXISTING FORCEMAIN

Scale: 1" = 1200'
EXHIBIT 7

MASTER WATER DISTRIBUTION
VENETIAN CDD
MASTER WATER DISTRIBUTION
EXHIBIT "7"

LEGEND:

WATER DISTRIBUTION SYSTEM
RE-USE DISTRIBUTION SYSTEM

Scale: 1" = 1200'
EXHIBIT 8

MASTER SEWER COLLECTION
VENETIAN CDD
MASTER SEWER COLLECTION
EXHIBIT "8"

LEGEND:

SEWER COLLECTION SYSTEM
FORCEMAIN
EXISTING SEWER

Scale: 1"=1200'
EXHIBIT 9

DRAINAGE OUTFALL LOCATIONS
VENETIAN CDD
EXISTING DRAINAGE OUTFALL LOCATIONS
EXHIBIT "9"

LEGEND:
EXISTING OUTFALL LOCATIONS

Scale: 1"=1200'

Kimley-Horn
and Associates, Inc.
EXHIBIT 10

MASTER DRAINAGE PLAN
VENETIAN CDD
MASTER DRAINAGE PLAN
EXHIBIT "10"