

LAKE FLORES

**COMMUNITY DEVELOPMENT
DISTRICT**

September 28, 2023

BOARD OF SUPERVISORS

SPECIAL MEETING

AGENDA

LAKE FLORES

COMMUNITY DEVELOPMENT DISTRICT

AGENDA

LETTER

Lake Flores Community Development District
OFFICE OF THE DISTRICT MANAGER
2300 Glades Road, Suite 410W•Boca Raton, Florida 33431
Phone: (561) 571-0010•Toll-free: (877) 276-0889•Fax: (561) 571-0013

September 21, 2023

ATTENDEES:
Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.

Board of Supervisors
 Lake Flores Community Development District

Dear Board Members:

The Board of Supervisors of the Lake Flores Community Development District will hold a Special Meeting on September 28, 2023 at 11:00 a.m., at ZNS Engineering, 1023 Manatee Avenue West, 7th Floor, Bradenton, Florida 34205. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Discussion: Potential Bond Funding
 - A. Bond Placement Agreement
 - B. Private Placement Memorandum
 - C. Continuing Disclosure Agreement
 - D. Master Trust Indenture
 - E. First Supplemental Trust Indenture
 - F. Second Supplemental Trust Indenture
 - G. First Supplemental Engineer’s Report
 - H. First Supplemental Special Assessment Methodology Report
 - I. Term Sheet

4. NEXT MEETING DATE: TBD

○ QUORUM CHECK

SEAT 1	GARY WALKER	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 2	DAVID BRASHER	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 3	REGINALD TISDALE	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 4	KRYSTAL PARSONS	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 5	WALTER PRESTON	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO

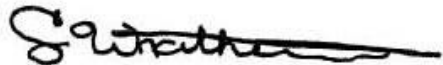
5. Board Members’ Comments/Requests

6. Public Comments

7. Adjournment

If you should have any questions or concerns, please do not hesitate to contact me directly at (561) 719-8675 or Kristen Suit at (410) 207-1802.

Sincerely,



Craig Wrathell
District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE

CALL-IN NUMBER: 1-888-354-0094

PARTICIPANT PASSCODE: 943 865 3730

LAKE FLORES

COMMUNITY DEVELOPMENT DISTRICT

3A

**LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
(MANATEE COUNTY, FLORIDA)**

\$[_____]	NOT TO EXCEED \$[_____]
SPECIAL ASSESSMENT BONDS, SERIES 2023A-1 (2023A-1 ASSESSMENT AREA)	SPECIAL ASSESSMENT BONDS, SERIES 2023A-2 (2023A-2 ASSESSMENT AREA)

BOND PLACEMENT AGREEMENT

September [__], 2023

Board of Supervisors
Lake Flores Community Development District
Manatee County, Florida

Board of Supervisors:

In accordance with the terms and conditions and upon the basis of the representations, warranties and agreements set forth in this Bond Placement Agreement (the "Placement Agreement"), FMSbonds, Inc. (the "Placement Agent") and PHCC LLC, d/b/a Preston Hollow Community Capital ("PHC"), a Delaware limited liability company, hereby offer to enter into this Placement Agreement with Lake Flores Community Development District (the "District"). The Placement Agent shall serve as the exclusive placement agent in the sale by the District of its \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its not to exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds") to PHC, as purchaser thereof.

This offer shall, unless accepted by the District, acting through its Board of Supervisors (the "Board"), expire at [10:00 P.M.] Eastern Daylight Time on the date hereof, unless previously withdrawn or extended in writing by the Placement Agent or PHC. This Placement Agreement shall be binding upon the District, PHC and the Placement Agent upon execution and delivery hereof by such parties. Any capitalized word not defined herein shall have the meaning ascribed thereto in the Indenture or the Private Placement Memorandum (as such terms are hereinafter defined). In conformance with Section 218.385, Florida Statutes, as amended, the Placement Agent hereby delivers to the District the Disclosure and Truth-In-Bonding Statements attached hereto as **Exhibit A**.

The District is located entirely within an unincorporated area of Manatee County, Florida (the "County"). The Series 2023 Bonds are to be issued by the District, a local unit of special-purpose government of the State of Florida (the "State"), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"), and by Ordinance No. 22-04, duly enacted by the Board of County Commissioners of the County on and effective on January 13, 2022, as amended on April 12, 2022 (the "Ordinance"). The Series 2023 Bonds are being issued pursuant to the Act and secured pursuant to the provisions of a Master Trust Indenture dated as of September 1, 2023 (the

"Master Indenture"), as supplemented with respect to the Series 2023A-1 Bonds by a First Supplemental Trust Indenture dated as of September 1, 2023 (the "First Supplemental Indenture" and, together with the Master Indenture, the "A-1 Indenture"), and with respect to the Series 2023A-2 Bonds by a Second Supplemental Trust Indenture dated as of September 1, 2023 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "A-2 Indenture") (the A-1 Indenture and the A-2 Indenture collectively referred to herein as the "Indenture"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), and Resolution No. 2022-28 and No. 2023-05 adopted by the Board of Supervisors of the District (the "Board") on March 4, 2022 and September 14, 2023, respectively (collectively, the "Bond Resolution").

The Series 2023A-1 Bonds are being issued to provide funds for (i) the costs of acquiring and/or constructing a portion of the 2023 Project (as defined in the Indenture), (ii) funding interest on the Series 2023A-1 Bonds through at least November 1, 20[___]; (iii) the funding of the Series 2023A-1 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2023A-1 Bonds. The Series 2023A-2 Bonds are being issued to provide funds for (i) the costs of acquiring and/or constructing a portion of the 2023 Project not otherwise financed with the proceeds of the Series 2023A-1 Bonds, (ii) funding interest on the Series 2023A-2 Bonds through at least November 1, 20[___]; (iii) the funding of the Series 2023A-2 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2023A-2 Bonds.

The Series 2023A-1 Bonds are payable from and secured solely by the Series 2023A-1 Pledged Revenues, which consist primarily of the Series 2023A-1 Special Assessments, and the Series 2023A-2 Bonds are payable from and secured solely by the Series 2023A-2 Pledged Revenues, which consist primarily of the Series 2023A-2 Special Assessments. The Series 2023A-1 Pledged Revenues and the Series 2023A-2 Pledged Revenues are sometimes collectively referred to herein as the "Series 2023 Pledged Revenues." The Series 2023A-1 Special Assessments and the Series 2023A-2 Special Assessments are sometimes collectively referred to herein as the "Series 2023 Special Assessments." The Series 2023 Special Assessments have been levied, or will by the time of Closing (as defined herein) on the Series 2023 Bonds have been levied, and imposed by the District in accordance with Resolutions Nos. 2022-25, 2022-35, and 2023-[___] adopted on March 4, 2022, April 29, 2022, and [_____], 2023, respectively (collectively, the "Assessment Resolution"). The Series 2023 Bonds and the interest thereon do not constitute a debt of the State, the County, or any agency or political subdivision of the State other than the District.

The Series 2023 Bonds shall mature and shall bear interest as set forth in **Exhibit B** hereto. The Series 2023A-2 Bonds are being issued on a draw-down basis in accordance with the provisions of the A-2 Indenture.

The words "Transaction Documents" when used herein shall mean, individually and collectively, the following: this Placement Agreement; the Series 2023 Bonds; the Indenture; the Bond Resolution; the Assessment Resolutions, the Continuing Disclosure Agreement dated as of the Closing Date, by and among the District, Cortez 75W Investors, LLC, a Delaware limited liability company (the "Developer"), and Wrathell, Hunt & Associates, LLC, as dissemination agent (the "Dissemination Agent"), in substantially the form attached to the Private Placement Memorandum as Appendix E thereto (the "Disclosure Agreement"); the Private Placement Memorandum (as hereinafter defined); the DTC Blanket Issuer Letter of Representations entered into by the District; the Completion Agreement (2023 Bonds) by and between the District and the Developer dated as of the Closing Date (the "Completion Agreement"), the Acquisition Agreement (2023 Project) by and between the District and the Developer dated as of the Closing Date (the "Acquisition Agreement"), the Collateral Assignment Agreement (2023 Bonds) by and between the District and the Developer and the Collateral Assignment Agreement (2023 Bonds) by and between the District and LF Manatee, LLC, a Florida limited liability company (the "Future Phases Landowner"), each dated as of the Closing Date in recordable form (the "Collateral Assignments"), the True-Up Agreement (2023 Bonds)

by and between the District and the Developer dated as of the Closing Date in recordable form (the "True-Up Agreement"), the Declaration of Consent (2023 Bonds) by the Developer and dated as of the Closing Date (the "Developer Declaration of Consent"), and the Declaration of Consent (2023 Bonds – Future Phases) dated as of the Closing Date (the "Landowner Declaration of Consent") by the Future Phases Landowner, and any and all other documents or instruments that evidence or are a part of the transaction referred to herein or in the Private Placement Memorandum or contemplated hereby or by the Private Placement Memorandum; provided, however, that when the words "Transaction Documents" are used in the context of the authorization, execution, delivery, approval or performance of Transaction Documents by a party hereto, the same shall mean only those Transaction Documents that provide for, or contemplate authorization, execution, delivery, approval or performance by, such party.

All certifications made hereunder or to be made under any Transaction Document by an officer or representative of the District shall be made by such officer or representative in his or her capacity solely as an officer or representative of the District, on the District's behalf, and not in such person's individual capacity. All certifications made hereunder or to be made under any Transaction Document by an officer or representative of PHC shall be made by such officer or representative in his or her capacity solely as an officer or representative of PHC, on PHC's behalf, and not in such person's individual capacity.

1. **Delivery of the Series 2023 Bonds.** The Series 2023 Bonds shall be delivered to, or upon the order of, and purchased by, PHC at the purchase price as set forth in **Exhibit B** attached hereto, provided that the amount of the Series 2023A-2 Bonds shall be payable in installments as set forth in Exhibit B attached hereto. On the date of Closing, PHC shall only be obligated to pay the first installment of the purchase price of the Series 2023A-2 Bonds as described in **Exhibit B** attached hereto.

The District, PHC and the Placement Agent acknowledge and agree that: (i) the primary role of the Placement Agent is to arrange for the sale and delivery of the Series 2023 Bonds to PHC in accordance with DTC's DWAC procedures (as described in Section 6 hereof), in an arm's-length commercial transaction between the District and PHC; (ii) the Placement Agent has financial and other interests that differ from those of the District and PHC; (iii) the Placement Agent is not acting as a municipal advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), financial advisor, or fiduciary to the District or PHC; (iv) the Placement Agent has not assumed any advisory or fiduciary responsibility to the District or PHC with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Placement Agent has provided other services or are currently providing other services to the District or PHC on other matters); (v) the only obligations the Placement Agent has to the District or PHC with respect to the transaction contemplated hereby are expressly set forth in this Placement Agreement; and (vi) the District and PHC have consulted their own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate.

Notwithstanding the forgoing, the District, PHC, and the Placement Agent further acknowledge and agree that the Placement Agent, in addition to its primary role set forth in the immediately preceding paragraph, will use its best efforts to: (i) review the Disclosure Agreement and (ii) facilitate the filing of the Private Placement Memorandum, all in a manner substantially similar to other transactions involving the sale of municipal securities and as described in Section 3 hereof.

The District, PHC and the Placement Agent further acknowledge and agree that: (i) PHC is purchasing the Series 2023 Bonds for PHC's account in accordance with DTC's DWAC procedures (as described in Section 6 hereof), in an arm's-length commercial transaction between the District and PHC; (ii) PHC has financial and other interests that differ from those of the District and the Placement Agent; (iii) PHC is not acting as a municipal advisor (including, without limitation, a Municipal Advisor (as

such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), financial advisor, or fiduciary to the District or the Placement Agent; (iv) PHC has not assumed any advisory or fiduciary responsibility to the District or the Placement Agent with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether PHC has provided other services or are currently providing other services to the District or the Placement Agent on other matters); and (v) the only obligations PHC has to the District or the Placement Agent with respect to the transaction contemplated hereby expressly are set forth in this Placement Agreement.

2. **Purchase of the Series 2023 Bonds.** Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants hereinafter set forth, and subject to the terms of the Indenture, PHC hereby agrees to purchase from the District, and the District hereby agrees to sell to PHC, all, but not less than all, of the Series 2023 Bonds.

The Series 2023 Bonds shall be issued in the principal amounts, shall have the maturities, shall be subject to the redemption provisions (if any) and shall bear interest at the interest rates per annum as set forth on **Exhibit B** hereto. The Series 2023 Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the Indenture.

The aggregate purchase price for the Series 2023A-1 Bonds shall be \$[_____] (representing an aggregate principal amount of the Series 2023A-1 Bonds equal to \$[_____] , less original issue discount of \$[_____] on such aggregate amount). The total purchase price for the Series 2023A-2 Bonds, assuming the full not to exceed principal was drawn, shall be \$[_____] (representing the aggregate not to exceed principal amount of the Series 2023A-2 Bonds equal to \$[_____] , less original issue discount of \$[_____] on such aggregate amount); provided, however, that such amount shall be payable in draw down installments as described in the A-2 Indenture and **Exhibit B** attached hereto, beginning with an initial payment in the amount of \$[_____] (representing a draw in the principal amount of \$[_____] , less original issue discount of \$[_____]). The District agrees to pay to the Placement Agent on the date of the Closing, and on the date of funding of each subsequent draw on the Series 2023A-2 Bonds thereafter, a fee of \$15.00 per \$1,000, of which the amount of \$[_____] shall be payable at Closing.

3. **Private Placement Memorandum.** The District consents to the use by the Placement Agent (subject to the right of the District to withdraw such consent for cause by written notice to the Placement Agent) of the Private Placement Memorandum dated the date hereof (the "Private Placement Memorandum"), in connection with the proposed private placement of the Series 2023 Bonds. The District shall deem the information contained in the Private Placement Memorandum to be "final" as of its date and agrees to deliver to the Placement Agent, by no later than the Closing Date (or within such shorter period as may be agreed to by the District, PHC and the Placement Agent), the Private Placement Memorandum executed on behalf of the District by a duly authorized officer in such quantity that the Placement Agent may reasonably request to enable the Placement Agent to provide the Private Placement Memorandum to PHC and to comply with any rules of the Municipal Securities Rulemaking Board ("MSRB") and the Securities and Exchange Commission (the "SEC"). The District authorizes the Placement Agent to file, and the Placement Agent agrees to file or cause to be filed, the Private Placement Memorandum with (i) the MSRB or its designee (including submission to the MSRB's Electronic Municipal Market Access system ("EMMA") or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If an amended Private Placement Memorandum is prepared in accordance with this Placement Agreement, the Placement Agent also shall make the required submission of the amended Private Placement Memorandum to EMMA. The Placement Agent will also obtain CUSIP numbers for the Series 2023 Bonds.

The Private Placement Memorandum may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed to by the District, PHC and the Placement Agent.

4. **Representations, Warranties and Agreements of the District.** The District hereby represents and warrants to the Placement Agent and PHC that:

(a) The Board is the governing body of the District, and the District is and will be on the Closing Date (as defined herein) duly organized and validly existing as a unit of special-purpose government created pursuant to the Constitution and laws of the State, including, without limitation, the Act, with full legal right, power and authority to: (i) adopt the Bond Resolution and the Assessment Resolutions; (ii) execute and deliver the Transaction Documents to which it is a party, including but not limited to entering into any agreement with the Developer and the Future Phases Landowner to directly collect the Series 2023 Special Assessments; (iii) carry out and consummate the transactions contemplated by this Placement Agreement and the other Transaction Documents to which the District is a party; (iv) issue, sell, issue and deliver the Series 2023 Bonds to PHC as provided herein and apply the proceeds of the sale of the Series 2023 Bonds for the purposes described in the Private Placement Memorandum in accordance with the terms of the Indenture; and (v) authorize and acknowledge the use and execution of the Private Placement Memorandum. The District has complied or will have complied at the time of Closing, and on the Closing Date will be in compliance in all material respects, with the terms of the Act and with the obligations on its part contained in the Bond Resolution, the Assessment Resolutions, the Series 2023 Bonds and the Transaction Documents to which it is a party;

(b) At meetings of the Board that were duly called and noticed and at which a quorum was present and acting throughout, the Board duly adopted the Bond Resolution and the Assessment Resolutions, and the same are in full force and effect and have not been supplemented, amended, modified or repealed, except as set forth therein. By all necessary official Board action, the District has duly authorized and approved the use and delivery of the Private Placement Memorandum and the execution and delivery of the Transaction Documents to which it is a party, the Series 2023 Bonds and the Private Placement Memorandum, has duly authorized and approved the performance by the District of the obligations on its part contained in the Transaction Documents to which it is a party and the Series 2023 Bonds and the consummation by it of all other transactions contemplated by this Placement Agreement and the Private Placement Memorandum in connection with the issuance of the Series 2023 Bonds. Upon execution and delivery by the District and the Trustee (and assuming the due authorization, execution and delivery of the Indenture by the Trustee), the Indenture will constitute a legal, valid and binding obligation of the District, enforceable in accordance with its terms, subject only to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). Upon execution by the District and the other parties thereto (and assuming the due authorization, execution and delivery of such agreements by the other parties thereto) the Transaction Documents to which it is a party, will constitute the legal, valid and binding obligations of the District, enforceable in accordance with their respective terms; subject only to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(c) The Series 2023 Bonds, when executed, issued, authenticated, delivered and paid for as herein and in the Indenture provided, and the Transaction Documents to which the District is a party, when executed, will have been duly authorized and issued and will constitute valid and binding obligations of the District enforceable against the District in accordance with their terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar law or laws affecting the enforcement

of creditors' rights generally or against political subdivisions such as the District from time to time in effect and further subject to the availability of equitable remedies);

(d) The descriptions of the District, the Series 2023 Bonds, the Transaction Documents (to the extent applicable), and the 2023 Project, to the extent referred to in the Private Placement Memorandum, as of its date are, and as of the date of Closing will be, correct in all material respects and do not, and at the Closing will not, omit to state any material fact required to be stated therein or necessary to make any statement made therein, in light of the circumstances under which it was made, not misleading. Notwithstanding the foregoing, the District makes no representation or warranty (express or implied) as to the accuracy or completeness of any estimates, projections or assumptions; provided, however, that no representation is made concerning information contained in the Private Placement Memorandum under the captions "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE DEVELOPER AND THE FUTURE PHASES LANDOWNER," "TAX MATTERS," and "LITIGATION – The Developer and the Future Phases Landowner";

(e) The Series 2023 Bonds, when issued, executed and delivered in accordance with the Indenture and when delivered to and paid for by PHC at the Closing and on each date a Draw Request has been funded in accordance with the provisions of the Indenture and this Placement Agreement, will be validly issued and outstanding obligations of the District, entitled to the benefits of the Indenture and upon such issuance, execution and delivery of the Series 2023 Bonds, the Indenture will provide, for the benefit of the holders from time to time of the Series 2023 Bonds, a legally valid and binding pledge of and first lien on the related Series 2023 Pledged Revenues, and on the Closing Date, all conditions precedent to the issuance of the Series 2023 Bonds set forth in the Indenture will have been complied with or fulfilled;

(f) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, court, board, agency or commission having jurisdiction of the matters that are required for the due authorization of, would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the District of its obligations under the Transaction Documents to which it is a party and the Series 2023 Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the "Blue Sky" or securities laws of any jurisdiction in connection with the delivery and sale of the Series Bonds;

(g) There is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to its best knowledge, threatened against the District: (i) contesting the existence or powers of the Board or the titles of the respective officers of the Board to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Series 2023 Bonds or the application of the proceeds of the sale thereof for the purposes described in the Private Placement Memorandum or the collection of the Series 2023 Special Assessments or the pledge of and lien on the Series 2023 Pledged Revenues, pursuant to the Indenture; (iii) contesting or affecting specifically as to the District the validity or enforceability of the Act or any action of the District in any respect relating to the authorization for the issuance of the Series 2023 Bonds, or the authorization of the 2023 Project, the adoption of the Bond Resolution and the Assessment Resolutions, the Transaction Documents to which the District is a party, or the application of the proceeds of the Series 2023 Bonds for the purposes set forth in the Private Placement Memorandum; (iv) contesting the federal tax status of the Series 2023 Bonds; or (v) contesting the completeness or accuracy of the Private Placement Memorandum or any supplement or amendment thereto;

(h) The execution and delivery by the District of this Placement Agreement, the Bonds, the Private Placement Memorandum, the other Transaction Documents to which it is a party and compliance with the provisions thereof, do not and will not conflict with or constitute on the part of the District a breach of, or a default under, any existing law (including, without limitation, the Act), court or,

to the best of its knowledge, after due inquiry, any administrative regulation, decree, order, agreement, indenture, mortgage or lease by which the District is or may be bound, and no event that would have a material and adverse effect upon the business or financial condition of the District has occurred and is continuing that constitutes or, with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing;

(i) To the extent applicable, the District will furnish such information, execute such instruments and take such other action in cooperation with the Placement Agent as the Placement Agent may reasonably request in order to: (i) qualify the Series 2023 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Placement Agent may designate; and (ii) determine the eligibility of the Series 2023 Bonds for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualifications in effect so long as required for the private placement of the Series 2023 Bonds; provided, however, that the District shall not be required to execute a general or special consent to service of process or to qualify to do business in connection with any such qualification or determination in any jurisdiction or register as a broker/dealer. The District consents to the use of drafts of the Private Placement Memorandum prior to the availability of the Private Placement Memorandum, by the Placement Agent in obtaining such qualifications, subject to the right of the District to withdraw such consent for cause by written notice to the Placement Agent;

(j) As of its date (unless an event occurs of the nature described in paragraph (1) of this Section 4) and at all times subsequent thereto, up to and including the Closing Date, the statements and information contained in the Private Placement Memorandum do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Private Placement Memorandum under the captions "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer and the Future Phases Landowner," or under the caption "CONTINUING DISCLOSURE" (with respect to the Developer);

(k) If the Private Placement Memorandum is supplemented or amended pursuant to paragraph (1) of this Section 4, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Private Placement Memorandum as so supplemented or amended will be accurate in all material respects for the purposes for which their use is authorized and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading provided, however, that no representation is made with respect to information concerning information contained in the Private Placement Memorandum under the captions "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer and the Future Phases Landowner," or "CONTINUING DISCLOSURE" (with respect to the Developer);

(l) If between the date of this Placement Agreement and the next business day after the Closing Date any event shall occur, of which the District has actual knowledge, which might or would cause the Private Placement Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Placement Agent and PHC, and, if in the opinion of the Placement Agent and/or PHC such event requires the preparation and publication of a supplement or amendment to the Private Placement Memorandum, the

District will at its expense supplement or amend the Private Placement Memorandum in a form and in a manner approved by the Placement Agent and PHC;

(m) Since its inception, the District is not in material breach of or material default under any applicable provision of the Act or any applicable constitutional provision or statute or, to the best of its knowledge, administrative regulation of the State or the United States of America or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement, or other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of its knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or material event of default under any such instrument; and the execution and delivery of the Series 2023 Bonds, the Transaction Documents to which it is a party, the Private Placement Memorandum, and the adoption of the Bond Resolution and the Assessment Resolutions, and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a material breach of or material default under any applicable constitutional provision, or law, or, to the best of its knowledge, any administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instrument, except as provided by the Bond Resolution, the Assessment Resolutions, the Series 2023 Bonds, the Transaction Documents and the Indenture. To the best of its knowledge, no event has occurred which, with the lapse of time or the giving of notice, or both, would constitute an event of default under the Series 2023 Bonds, or the Transaction Documents to which it is a party;

(n) Since its inception, there has been no material adverse change in the properties, businesses, results of operations, prospects, management or financial or other condition of the District, except as disclosed in the Private Placement Memorandum, and the District has not incurred liabilities that would materially adversely affect its ability to discharge its obligations under the Bond Resolution, the Assessment Resolutions, the Series 2023 Bonds or the Transaction Documents to which it is a party, direct or contingent, other than as set forth in the Private Placement Memorandum;

(o) The District is not now in default and has not been in default at any time after December 31, 1975 in the payment of the principal of or the interest on any governmental security issued or guaranteed by it which would require the disclosure pursuant to Section 517.051, Florida Statutes or Rule 69W-400.003 of the Florida Department of Financial Services;

(p) The District has never undertaken any continuing disclosure obligations in accordance with the continuing disclosure requirements of Rule 15c2-12 under the Securities Exchange Act. Although the issuance of the Series 2023 Bonds is not subject to Rule 15c2-12 under the Securities Exchange Act, the District agrees to provide the financial and operating information and event notices to be provided by the District to the information repositories in the manner and to the extent required by the Disclosure Agreement as described in the Private Placement Memorandum under the caption "CONTINUING DISCLOSURE," the form of which Disclosure Agreement is attached thereto as Appendix E;

(q) Any certificate signed by an authorized officer of the District and delivered to the Placement Agent and/or PHC shall be deemed a representation and warranty by the District to the Placement Agent and PHC as to the statements made therein;

(r) The District has not issued, assumed or guaranteed any indebtedness, incurred any liabilities, direct or contingent, or entered into any contract or arrangement of any kind payable from or secured by the respective Series 2023 Pledged Revenues securing the related Series 2023 Bonds with a lien thereon prior to, on a parity with, or subordinate to the lien of such related Series 2023 Bonds;

(s) Prior to the Closing, the District will not take any action within or under its control that will cause any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District;

(t) Prior to the Closing, the District (i) shall not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or indirect, contingent or otherwise, except in the normal course of business, payable from or secured by any of the revenues or assets that will secure the Series 2023 Bonds without the prior approval of the Placement Agent and (ii) shall take no action that would, at the time of such action or with the passage of time, cause the representations and warranties made in this Section to be untrue as of Closing; and

(u) On the date of Closing, each of the representations and warranties of the District contained herein and in the Transaction Documents to which it is a party and all other documents executed by the District in connection with the Series 2023 Bonds shall be true, correct and complete.

5. **Representations, Warranties and Agreements of PHC.** PHC hereby represents and warrants to the Placement Agent and the District that:

(a) PHC is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware and is authorized by law to consummate the transaction to be consummated by it under this Placement Agreement. PHC has full right, power and authority to authorize, approve, enter into, execute and deliver this Placement Agreement and to perform such other acts and things as are provided for in this Placement Agreement;

(b) The execution and delivery by PHC of this Placement Agreement and compliance with the provisions thereof, do not conflict with or constitute on the part of PHC a breach of, or a default under, any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage or lease by which PHC is or may be bound;

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body, pending or, to the knowledge of PHC, threatened against PHC wherein an unfavorable decision, ruling or finding would materially adversely affect the transaction contemplated hereby or the validity or enforceability in accordance with its terms of this Placement Agreement or the powers or authority of PHC; and

(d) This Placement Agreement has been duly authorized by PHC and, when executed, shall constitute a valid and binding obligation of PHC enforceable against PHC in accordance with its terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar law or laws affecting the enforcement of creditors' rights generally from time to time in effect and further subject to the availability of equitable remedies); [provided, however, that PHC may terminate this Agreement pursuant to Section 7 hereof if PHC's governing board shall not have authorized PHC to purchase the Series 2023 Bonds in accordance with the terms hereof].

6. **Closing.** At [12:00 noon] eastern standard time on [_____], 2023 (the "Closing Date"), or at such other time as shall have been mutually agreed upon by the District, PHC and the Placement Agent, the District will deliver, or cause to be delivered, to PHC (or to the Trustee if so directed

by PHC), and PHC will accept such delivery and pay the purchase price of the Series 2023 Bonds as set forth in Section 2. Payment and delivery of the Series 2023 Bonds shall be made in Fort Lauderdale, Florida and is herein called the "Closing."

Payment for the Series 2023 Bonds shall be made to the Trustee for the benefit of the District in immediately available funds or such other arrangement as shall be mutually agreeable on or before the Closing. The definitive Series 2023 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Upon receipt of the purchase price of the Series 2023 Bonds by the Trustee for the benefit of the District, the District will deliver, or cause to be delivered, the Series 2023 Bonds to PHC through the facilities of DTC in accordance with the Deposit/Withdrawal at Custodian ("DWAC") procedures of DTC.

One fully-registered Bond in the principal amount of each maturity of each Series of Series 2023 Bonds (as set forth in **Exhibit B**) will be deposited with DTC, or delivered to and held by the Trustee pursuant to the "FAST" procedures of DTC for the benefit of DTC, not less than one Business Day prior to the Closing. The Series 2023 Bonds shall be available for delivery in accordance with DTC's settlement procedures and held by the Trustee for the benefit of DTC at the Closing.

It is anticipated that CUSIP identification numbers will be printed on the Series 2023 Bonds, but neither the failure to print such numbers on any Bond nor any error in the printing of such numbers shall constitute cause for a failure or refusal by PHC to accept delivery of and pay for any Series 2023 Bonds.

7. **Events Permitting PHC to Terminate.** Subject to the provisions of this Section 7, PHC shall have the right to terminate this Placement Agreement prior to the Closing Date by notifying the District and the Placement Agent in writing of its election to do so if, after the execution hereof and prior to the Closing Date: (i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairperson or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such committee, by any member thereof, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States, or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or by any similar body, or upon interest on obligations of the general character of the Series 2023 Bonds, which may have the purpose or effect, directly or indirectly, of materially and adversely affecting the tax status of the District, its property or income, its securities (including the Series 2023 Bonds) or the interest thereon, or any tax exemption granted or authorized by the State or, which in the reasonable opinion of PHC, affects materially and adversely the market for the Series 2023 Bonds, or the terms generally of obligations of the general character and credit sold through a private placement of the Series 2023 Bonds; (ii) the District or the Developer has, without the prior written consent of PHC, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District or the Developer, other than in the ordinary course of its business; (iii) any event shall have occurred or shall exist which, in the reasonable opinion of PHC, would or might cause the information contained in the Private Placement

Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iv) the District fails to perform any action to be performed by it in connection with the levy of Series 2023 Special Assessments.

8. **Conditions to Closing.** The obligations hereunder of each party hereto shall be subject to (i) the performance by the other parties of their respective obligations to be performed hereunder at and prior to the Closing, (ii) the accuracy in all material respects of the representations and warranties herein of the other party as of the date hereof and as of the Closing, and (iii) the following conditions, including the delivery by the appropriate party or parties hereto or other entities of such documents as are enumerated herein:

(a) At the Closing, (i) the representations and warranties of the District and PHC contained in this Placement Agreement shall be true, complete and correct in all material respects as if made on and as of the date of Closing; (ii) each of the District and PHC shall have complied with all agreements and satisfied all the conditions on its part to be performed at or prior to the Closing; (iii) the Series 2023 Bonds shall have been duly executed, delivered and authenticated; (iv) the Private Placement Memorandum shall have been executed and delivered by the District at or prior to the Closing in sufficient time to permit the Placement Agent to comply with its regulatory obligations; (v) the Transaction Documents shall have been authorized, executed and delivered, and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Placement Agent, the District and PHC, the Closing in all events, however, to be deemed such approval; (vi) the proceeds of the sale of the Series 2023 Bonds shall have been deposited and applied as described in the Indenture, the Private Placement Memorandum; (vii) the District shall have duly adopted and there shall be in full force and effect such resolutions, including the Bond Resolution and the Assessment Resolutions as, in the opinion of Greenberg Traurig, P.A., West Palm Beach, Florida (herein called "Bond Counsel") and Kutak Rock, LLP, Tallahassee, Florida (herein called "District Counsel"), as applicable, shall be necessary in connection with the transaction contemplated hereby; and (viii) the District and the Developer shall have undertaken, pursuant to the Disclosure Agreement, to provide annual and quarterly reports and notices of certain events.

(b) At or prior to the Closing, the Placement Agent, PHC, and the District shall have received counterparts, copies or certified copies (as appropriate) of the following documents in such number as shall be reasonably required:

(1) **Bond Counsel Opinion.** The opinion of Bond Counsel, dated the date of Closing, in substantially the form set forth in Appendix B to the Private Placement Memorandum, relating to the due authorization, execution and delivery of the Series 2023 Bonds, and the supplemental opinion of Bond Counsel, addressed to the District, PHC, the Trustee and the Placement Agent, as to the matters set forth on **Exhibit C** hereto and otherwise in form and substance acceptable to the District, PHC and the Placement Agent, and their respective counsel.

(2) **Opinion of Counsel to the District.** The opinion of District Counsel, dated the date of Closing, addressed to the District, the Placement Agent, PHC, and the Trustee as to the matters set forth on **Exhibit D** hereto and otherwise in form and substance satisfactory to Bond Counsel, PHC, and the Placement Agent and their counsel.

(3) **Opinion of Counsel to the Placement Agent.** The opinion of GrayRobinson, P.A., counsel to the Placement Agent, dated the date of Closing, addressed to the Placement Agent, in form and substance satisfactory to the Placement Agent.

(4) District's Closing Certificate. A certificate of the District, satisfactory in form and substance to the Placement Agent, dated the date of Closing and signed by signed by the Chairperson or Vice-Chairperson and the Secretary or an Assistant Secretary of the Board to the effect that (i) each of the representations of the District contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and continues to be true and accurate in all material respects on the Closing Date as if made on such date; (ii) the District has performed all obligations to be performed hereunder as of the Closing Date; (iii) the District has complied with all of its obligations under the Transaction Documents to which it is a party, and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing (iv) the District has never been in default as to principal or interest with respect to any obligation issued or guaranteed by the District; (v) the District agrees to take all reasonable action necessary to use the Uniform Method as the means of collecting the Series 2023 Special Assessments as described in the Indenture; and (vi) the Private Placement Memorandum (other than the information under the captions "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE DEVELOPER AND THE FUTURE PHASES LANDOWNER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer and the Future Phases Landowner," and "CONTINUING DISCLOSURE" (with respect to the Developer) (as to each of which no view need be expressed) as of its date, and as of the date hereof, does not contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which the Private Placement Memorandum is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

(5) No Litigation Certificate. A customary signature and no litigation certificate, dated as of the Closing Date, signed on behalf of the District by the Chairperson or Vice-Chairperson and Secretary or an Assistant Secretary of the Board.

(6) Trustee's Certificate; Trustee's Counsel Opinion. A customary authorization and incumbency certificate of the Trustee to the effect that it possesses all necessary powers and it has duly authorized and accepted its appointment to act as Trustee for the Series 2023 Bonds, and an opinion, dated as of the Closing Date and addressed to PHC, the Placement Agent, and the District, of counsel to the Trustee, in form and substance acceptable to Bond Counsel, the Placement Agent and its counsel and the District.

(7) Private Placement Memorandum. The Private Placement Memorandum and each supplement or amendment, if any, thereto, executed on behalf of the District by the Chairperson of the Board or such other authorized member of the Board.

(8) Indenture. The Indenture duly executed on behalf of the District by the Chairperson of the Board or such other authorized member of the Board and by the Trustee and certified by the Secretary or an Assistant Secretary of the Board under seal.

(9) District Resolutions. A copy of each of the Bond Resolution and the Assessment Resolutions certified by the Secretary or an Assistant Secretary of the Board under seal as having been duly adopted by the Board of the District and as being in full force and effect.

(10) Ordinance. A copy of the Ordinance.

(11) Statutory Bond Issuance. Evidence of compliance by the District with the requirements of Section 189.051, Florida Statutes.

(12) Disclosure Agreement. The Disclosure Agreement duly executed by an authorized officer of the District, the Developer and the Dissemination Agent.

(13) Arbitrage and Tax Certificate. A certificate of the District, dated the date of the Closing, of an appropriate official of the District in form and substance satisfactory to Bond Counsel and counsel to the Placement Agent setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Series 2023 Bonds will be used in a manner that would cause the Series 2023 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed) issued pursuant to the Code.

(14) IRS Form 8038-G. Executed copies of Internal Revenue Service Form 8038-G relating to the Series 2023 Bonds.

(15) Investor Letter. An executed investor letter from PHC in substantially the form annexed as **Exhibit H** hereto.

(16) Other Certificates. Other certificates listed on a closing index to be approved by Bond Counsel, PHC, the District and the Placement Agent, and their respective counsel, including any certificates or representations of the District required in order for Bond Counsel to deliver its required opinions.

(17) Specimen Series 2023 Bonds. A specimen of the Series 2023 Bonds.

(18) Letter of Representations. The DTC Blanket Issuer Letter of Representations entered into by the District with respect to the Series 2023 Bonds.

(19) Receipt for Purchase Price. A receipt of the District for the purchase price of the Series 2023 Bonds.

(20) Developer Certificate; Opinion of Counsel to Developer. Certificate of the Developer dated as of the Closing Date, in substantially the form annexed as **Exhibit E-1** hereto and an opinion of the firm serving as counsel to the Developer dated as of the Closing Date, addressed to the District, PHC and the Placement Agent, in form and substance satisfactory to the Placement Agent, Placement Agent's Counsel, PHC and their Counsel, and District Counsel in substantially the form annexed as **Exhibit F-1** hereto.

(21) Landowner Certificate; Opinion of Counsel to Landowner. Certificate of the Future Phases Landowner dated as of the Closing Date in substantially the form annexed as **Exhibit E-2** hereto and an opinion of the firm serving as counsel to the Future Phases Landowner dated as of the Closing Date, addressed to the District, PHC and the Placement Agent, in form and substance satisfactory to the Placement Agent, Placement Agent's Counsel, PHC and their Counsel, and District Counsel in substantially the form annexed as **Exhibit F-2** hereto.

(22) Certificate of Engineer. A certificate of the District's consulting engineer, in the form annexed as **Exhibit G** hereto or otherwise in form and substance acceptable to Bond Counsel, the Placement Agent, Placement Agent's Counsel and PHC.

(23) Copy of Engineer's Report. A copy of the Engineer's Report for Lake Flores Community Development District dated February 15, 2022, as supplemented by the First

Supplemental Engineer's Report for the Lake Flores Community Development District dated September 12, 2023.

(24) Certificate of District Manager and Methodology Consultant. A certificate of the District Manager and Methodology Consultant, in the form annexed as **Exhibit H** hereto or otherwise in form and substance acceptable to Placement Agent, Placement Agent 's Counsel and PHC.

(25) Copy of Assessment Methodologies. A copy of the Lake Flores Community Development District Master Special Assessment Methodology Report dated February 23, 2022, as amended and supplemented by the First Supplemental Special Assessment Methodology Report dated [_____], 2023 (collectively, the "Assessment Methodology").

(26) Acknowledgments from Mortgage Holders. Acknowledgments in recordable form by all mortgage holder(s), if any, in form and substance acceptable to Placement Agent, Placement Agent's Counsel and PHC.

(27) Final Judgment and Certificate of No Appeal. A certified copy of the final judgment of the Circuit Court of the Twelfth Judicial Circuit of Florida, in and for Manatee County, Florida, validating the Series 2023 Bonds and appropriate certificate of no appeal.

(28) Imposition of Special Assessments. The Landowner Declaration of Consent and the Developer Declaration of Consent executed by the Landowner and the Developer, respectively, each in recordable form.

(29) Maximum Interest Rate. Evidence of compliance by the District with the requirements of Section 215.84, Florida Statutes.

(30) Miscellaneous Documents. Executed copies of each of the Transaction Documents in form and substance acceptable to the Placement Agent and its counsel, the District and District Counsel, Bond Counsel, and PHC and its counsel.

(31) Other Closing Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel, PHC, the Placement Agent, or counsel to the District may reasonably request to evidence compliance with all legal requirements, the truth and accuracy, as of the Closing, of the representations herein and the due performance or satisfaction of all agreements then to be performed and all conditions then to be satisfied.

The documents to be delivered to the Placement Agent pursuant to this Placement Agreement shall be deemed to be in compliance with the conditions of this Placement Agreement if, but only if, in the judgment of PHC, they are satisfactory in form and substance. No condition contained in this Section shall be deemed to have been waived by PHC, unless the performance of such condition is expressly waived in a writing signed by PHC.

Unless performance is waived by the party or parties for whose benefit a condition or obligation is intended, if any person shall be unable to satisfy the above conditions to the obligations of any party to this Placement Agreement, or if the obligations hereunder of any party shall be terminated for any reason permitted by this Placement Agreement and unless otherwise waived, this Placement Agreement shall terminate and none of the Placement Agent, the District or PHC shall be under further obligation hereunder.

If the District shall be unable to satisfy the conditions to the obligations of PHC to purchase, to accept delivery of and to pay for the Series 2023 Bonds contained in this Placement Agreement, or if the obligations of PHC to purchase, to accept delivery of and to pay for the Series 2023 Bonds shall be terminated for any reason permitted by this Placement Agreement, this Placement Agreement shall terminate and neither PHC, the Placement Agent nor the District shall be under any further obligation hereunder, except with regard to the respective obligations of the District and the Placement Agent set forth in Section 9 hereof shall continue in full force and effect.

9. **Survival of Representations, Warranties and Agreements.** All representations, warranties and agreements of the District and PHC herein shall remain operative and in full force and effect and survive the closing on the Series 2023 Bonds, regardless of: (i) any investigations made by or on behalf of the Placement Agent and (ii) delivery of and payment for the Series 2023 Bonds pursuant to this Placement Agreement. Without limiting the generality of the foregoing, it is expressly agreed that the agreements, rights and remedies contained herein with respect to the funding of the Series 2023A-2 Bonds on a draw-down basis shall continue in full force and effect until the full principal amount of the Series 2023A-2 Bonds shall have been funded, including without limitation the payment of the full purchase price and placement agent fee set forth in Section 2 hereof and the rights and remedies set forth in this Section 9.

(a) The District agrees to pay from the proceeds of the Series 2023 Bonds, and neither the Placement Agent nor PHC shall be obligated to pay, any expenses incident to the performance of the District's obligations hereunder, including, but not limited to: (i) the cost of the preparation and distribution of the Transaction Documents (for distribution on or subsequent to the date of execution of this Placement Agreement); (ii) the cost of the preparation and printing, if applicable, of the Private Placement Memorandum and any supplements thereto, together with a reasonable number of copies which the Placement Agent may request; (iii) the cost of registering the Series 2023 Bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for such Series 2023 Bonds; (iv) the fees and disbursements of counsel to the District, the District Manager, Bond Counsel, counsel to the Placement Agent, the Developer's counsel as it relates to work incurred in connection with the Series 2023 Bonds, the District's methodology consultant, the District's Engineer, the Trustee, Trustee's Counsel and any other experts or consultants retained by the District; and (v) the cost of recording in the Official Records of the County any Transaction Documents or other documents or certificates that are required to be recorded pursuant to the terms of this Placement Agreement. The costs identified above shall be paid by wire transfer of immediately available funds on the date of Closing upon submission of a requisition therefor to the Trustee. If the Series 2023 Bonds are sold to PHC by the District, the District shall pay out of the proceeds of the Series 2023 Bonds the fee of the Placement Agent, as set forth in Section 2 hereof. The District shall submit for recording all documents required to be provided in recordable form hereunder within three business days after the Closing Date, which obligation shall survive the Closing.

(b) The Placement Agent agrees to pay all advertising expenses in connection with the Series 2023 Bonds, if any.

(c) The provisions of the Indenture regarding the obligation of the Initial Purchaser to fund subsequent Draw Requests with respect to the Series 2023A-2 Bonds and the remedies available to the District in the event of a failure to fund such Draw Requests in accordance with the terms of the Indenture, including, without limitation, the provisions set forth in Section 5.04 of the First Supplemental Indenture, and Sections 2.11 and 5.04 of, and Exhibit D to, the Second Supplemental Indenture, are expressly incorporated herein and made a part hereof. Notwithstanding anything herein to the contrary, the Developer is expressly deemed a third-party beneficiary of the foregoing provisions and shall have the right to enforce the same in its own name.

10. **Third Party Beneficiaries.** This Placement Agreement is made solely for the benefit of the District, PHC (including the successors or assigns thereof) and the Placement Agent (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof, except as set forth herein.

11. **Notices.** Any notice or other communication to be given to any of the parties hereto under this Placement Agreement may be given by delivering the same in writing at the corresponding address set forth below.

To the District:

Lake Flores Community Development District
c/o Wrathell, Hunt & Associates, LLC
2300 Glades Rd., Ste. # 410W
Boca Raton, Florida 33431
Attention: Craig Wrathell
Email: wrathellc@whassociates.com

To the Placement Agent:

FMSbonds, Inc.
20660 W. Dixie Highway
North Miami Beach, Florida 33180
Attention: Jon Kessler
Email: jkessler@fmsbonds.com

To PHC:

PHCC LLC, d/b/a Preston Hollow Community Capital
1717 Main Street, Suite 3900
Dallas, Texas 75201
Attention: Ramiro Albarran
Email: ralbarran@phccllc.com

12. **Successors.** This Placement Agreement is made for the benefit of the District, the Placement Agent and PHC (including the successors or assigns thereof) and no other person shall acquire or have any rights hereunder or by virtue hereof.

13. **Governing Law.** This Placement Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

14. **Effectiveness.** This Placement Agreement shall become effective upon the execution and delivery by the appropriate officials of the District and shall be valid and enforceable at the time of such acceptance. To the extent of any conflict between the provisions of this Placement Agreement and any prior contract between the parties hereto, the provisions of this Placement Agreement shall govern.

15. **Section Headings.** Section headings have been inserted in this Placement Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Placement Agreement and will not be used in the interpretation of any provisions of this Placement Agreement.

16. **Severability.** If any provision of this Placement Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision or provisions of any Constitution, statute, rule of public policy or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Placement Agreement invalid, inoperative or unenforceable to any extent whatever.

17. **No Personal Liability.** None of the members of the Board, nor any officer, agent or employee of the District, shall be charged personally by the Placement Agent or PHC with any liability, or be held liable to the Placement Agent or PHC under any term or provision of this Placement Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Placement Agreement.

18. **Entire Agreement.** This Placement Agreement represents the entire agreement among the District, PHC and the Placement Agent with respect to the preparation of the Private Placement Memorandum, the conduct of the delivery and sale of the Series 2023 Bonds.

19. **Counterparts.** This Placement Agreement may be executed in several counterparts, each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document), and all of which shall constitute one and the same document. Facsimile and pdf signatures shall be deemed originals.

[Signature Page to Follow]

This Placement Agreement shall become a binding agreement among the District, PHC, and the Placement Agent when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

FMSBONDS, INC., as Placement Agent

By: _____
Theodore A. Swinarski,
Senior Vice President – Trading

**PHCC LLC, d/b/a Preston Hollow
Community Capital, as Initial Purchaser**

By: _____
Name: _____
Title: _____

Accepted and agreed to this
____ day of _____, 2023.

**LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairperson, Board of Supervisors

EXHIBIT A

DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

[____], 2023

Lake Flores Community Development District
Manatee County, Florida

Re: Lake Flores Community Development District \$[____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its Not to Exceed \$[____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds")

Dear Board of Supervisors:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the Series 2023 Bonds, FMSbonds, Inc. (the "Placement Agent"), pursuant to a Bond Placement Agreement dated [____], 2023 (the "Placement Agreement"), among the Placement Agent, PHCC LLC, d/b/a Preston Hollow Community Capital ("PHC") and Lake Flores Community Development District (the "District"), furnishes the following disclosures to the District:

1. The Placement Agent is acting as placement agent to the District for a private placement of the Series 2023 Bonds. The Placement Agent is acting as an agent on a best efforts basis and not as a principal. PHC is purchasing the Series 2023 Bonds directly from the District for PHC's account and, with respect to the Series 2023A-2 Bonds, will be making an initial advance in accordance with the Indenture. The total fee paid to the Placement Agent pursuant to the Placement Agreement is \$[____] and will be payable from the proceeds of the Series 2023 Bonds as a cost of issuance.
2. The total placement agent fee to the Placement Agent pursuant to the Placement Agreement is \$15.00 per \$1,000.00 of principal funded, of which (i) \$[____] shall be paid at closing (based upon the issuance of the Series 2023A-1 Bonds in the principal amount of \$[____] and the issuance of and initial draw under the Series 2023A-2 Bonds in the principal amount of \$[____]), and (ii) \$15.00 per \$1,000 shall be paid upon the funding of each subsequent Draw Request made pursuant to the A-2 Indenture.
3. No expenses incurred by the Placement Agent are being reimbursed by the District.
4. There are no "finders" as such term is used in Sections 218.385 and 218.386, Florida Statutes, in connection with the issuance of the Series 2023 Bonds.
5. The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, the Placement Agent, bank, banker, or financial consultant or advisor and who enters into an understanding with either the District or the Placement Agent, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the District and the Placement Agent for the purposes of influencing any transaction in the purchase of the Series 2023 Bonds are: None.

6. The nature and estimated amounts of expenses to be incurred by the Placement Agent in connection with the issuance of the Series 2023 Bonds are set forth in Schedule I attached hereto.
7. The management fee charged by the Placement Agent is: \$0/\$1,000 or \$0.
8. Any other fee, bonus or other compensation estimated to be paid by the Placement Agent in connection with the Series 2023 Bonds to any person not regularly employed or retained by the Placement Agent in connection with the Series 2023 Bonds is as follows: None. GrayRobinson, P.A. has been retained as counsel to the Placement Agent and will be compensated from the proceeds of the Series 2023 Bonds as a cost of issuance.

Pursuant to the provisions of Sections 218.385(2) and (3), Florida Statutes, as amended, the following truth-in-bonding statements are made with respect to the Series 2023 Bonds:

The District is proposing to issue \$[_____] aggregate amount of the Series 2023A-1 Bonds to provide funds for (i) the costs of acquiring and/or constructing a portion of the 2023 Project (as defined in the Indenture), (ii) funding interest on the Series 2023A-1 Bonds through at least May 1, 2024; (iii) the funding of the Series 2023A-1 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2023A-1 Bonds. This debt or obligation is expected to be repaid over a period of approximately [_____] (__) years and [_____] (__) months. At a net interest cost of approximately [_____] % for the Series 2023A-1 Bonds, total interest paid over the life of the Series 2023A-1 Bonds will be \$[_____].

The District is proposing to issue not to exceed \$[_____] aggregate amount of the Series 2023A-2 Bonds to provide funds for (i) the costs of acquiring and/or constructing a portion of the 2023 Project not otherwise financed with the proceeds of the Series 2023A-1 Bonds, (ii) funding interest on the Series 2023A-2 Bonds through at least May 1, 2024; (iii) the funding of the Series 2023A-2 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2023A-2 Bonds. This debt or obligation is expected to be repaid over a period of approximately [_____] (__) years and [_____] (__) months. With the assumption that \$[_____] of the Series 2023A-2 Bonds are issued on [_____] , 2023 and the balance (\$[_____]) are issued on [_____] 31, 20__ , at a net interest cost of approximately [_____] % for the Series 2023A-2 Bonds, total interest paid over the life of the Series 2023A-2 Bonds will be \$[_____].

The source of repayment for the Series 2023 Bonds is the corresponding Series 2023 Special Assessments, imposed and collected by the District. Based solely upon the assumptions set forth in the paragraph above, the issuance of the Series 2023A-1 Bonds and Series 2023A-2 will initially result in approximately \$[_____] and \$[_____] , respectively (representing the average annual debt service payments due on the Series 2023 Bonds) of the District's Series 2023A-1 Special Assessment revenues and Series 2023A-2 Special Assessment revenues not being available to the District on an annual basis to finance other capital projects of the District; provided however, that in the event that the Series 2023 Bonds were not issued, the District would not be entitled to impose and collect the Series 2023 Special Assessments in the amount of the principal of and interest to be paid on the related Series of Series 2023 Bonds.

The name and address of the Placement Agent is:

FMSbonds, Inc.
20660 W. Dixie Highway
North Miami Beach, Florida 33180

[Signature Page to Follow]

Sincerely,

FMSBONDS, INC.

By: _____
Theodore A. Swinarski,
Senior Vice President – Trading

SCHEDULE I

Expenses for Series 2023A-1 Bonds:

<u>Expense</u>	<u>Amount</u>
DALCOMP	\$(<input type="text"/>)
CUSIP	<input type="text"/>
DTC	<input type="text"/>
FINRA/SIPC	<input type="text"/>
MSRB	<input type="text"/>
Travel/Calls	<input type="text"/>
DALCOMP Wire	<input type="text"/>
TOTAL:	\$(<input type="text"/>)

Expenses for Series 2023A-2 Bonds:

<u>Expense</u>	<u>Amount</u>
DALCOMP	\$(<input type="text"/>)
CUSIP	<input type="text"/>
DTC	<input type="text"/>
FINRA/SIPC	<input type="text"/>
MSRB	<input type="text"/>
Travel/Calls	<input type="text"/>
DALCOMP Wire	<input type="text"/>
TOTAL:	\$(<input type="text"/>)

EXHIBIT B

TERMS OF SERIES 2023 BONDS

1. **Series 2023A-1 Purchase Price:** \$[_____], payable on the date of issuance of the Series 2023A-1 Bonds.
2. **Series 2023A-2 Purchase Price:** Not to exceed \$[_____], payable in installments in the amount and on the dates set forth in the Indenture.

3. **Series 2023A-1 Basic Bond Terms:**

<u>Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
\$[_____]	May 1, 20__	___%	___%	_____

4. **Series 2023A-2 Basic Bond Terms:**

- (a) Aggregate Not to Exceed Principal Amount of Series 2023A-2 Bonds: \$[_____]
- (b) Maturity Date for Series 2023A-2 Bonds: [May 1, 20__]
- (c) Interest Rate for Series 2023A-2 Bonds: [_____] % per annum payable in the amount of Bond principal which has been advanced in accordance with the Indenture.
- (d) Initial Advance of Purchase Price: \$[_____] (representing \$[_____] principal par amount of the Series 2023A-2 Bonds to be advanced on the date of Closing and \$[_____] of original issue discount allocable to such amount) and subsequent advances of the Purchase Price to be paid in accordance with the Indenture.

5. **Redemption Provisions:**

Optional Redemption

Series 2023A-1 Bonds

The Series 2023A-1 Bonds (other than the Outstanding Series 2023A-1 Bonds allocated to the Future Phases Area) may, at the option of the District, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will accept less than forty-five (45) days' notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after May 1, [20__] (less than all Series 2023A-1 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Series 2023A-1 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2023A-1 Optional Redemption Subaccount of the Series 2023A-1 Bond Redemption Account. If such optional redemption shall be in part, the District shall select such principal amount of Series 2023A-1 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Series 2023A-1 Bonds is substantially level. Notwithstanding the foregoing, the Series 2023A-1 Bonds may be optionally redeemed prior to May 1, [20__] if the Series 2023A-2 Bonds become subject to optional redemption pursuant to the provisions of the A-2 Indenture.

Series 2023A-2 Bonds

Except as provided in the next succeeding sentence, the Series 2023A-2 Bonds are not subject to optional redemption. If at any time the Initial Purchaser fails to fund a properly submitted Draw Request, the District may redeem all or a portion of the Outstanding Series 2023A-1 Bonds at a Redemption Price equal to the principal amount of Outstanding Series 2023A-2 Bonds to be optionally redeemed, plus accrued interest to the applicable redemption date.

Mandatory Sinking Fund Redemption

Series 2023A-1 Bonds

The Series 2023A-1 Bonds are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2023A-1 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2024	\$
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
2047	
2048	
2049	
2050	
2051	
2052	
2053*	

*Maturity

Upon any redemption or purchase of Series 2023A-1 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2023A-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2023A-1 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2023A-1 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five

(45) days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Series 2023A-2 Bonds

The Series 2023A-2 Bonds are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2023A-2 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2028	\$
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
2047	
2048	
2049	
2050	
2051	
2052	
2053*	

*Maturity

Upon any redemption or purchase of Series 2023A-2 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2023A-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2023A-2 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2023A-2 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing

recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Extraordinary Mandatory Redemption

Series 2023A-1 Bonds

The Series 2023A-1 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2023A-1 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2023A-1 Prepayment Principal deposited into the Series 2023A-1 Prepayment Subaccount of the Series 2023A-1 Bond Redemption Account (taking into account the credit from the Series 2023A-1 Reserve Account pursuant to the A-1 Indenture) following the Prepayment in whole or in part of the Series 2023A-1 Special Assessments on any assessable property within the 2023A-1 Assessment Area within the District in accordance with the provisions of the A-1 Indenture; the Quarterly Redemption Date requirement shall not apply if any of the lands within the [2023A-2 Assessment Area] have been sold to any homebuilder or commercial builder, and the District Manager, on behalf of the District, shall provide written notice to the Trustee at any time such sale has occurred, on which notice the Trustee may conclusively rely;

(ii) from moneys, if any, on deposit in the Series 2023A-1 Funds, Accounts and subaccounts (other than the Series 2023A-1 Rebate Fund, the Series 2023A-1 Costs of Issuance Account and the Series 2023A-1 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2023A-1 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the A-1 Indenture; and

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2023A-1 Acquisition and Construction Account not otherwise reserved to complete the 2023 Project intended to be financed with the proceeds of the Series 2023A-1 Bond, all of which have been transferred to the Series 2023A-1 General Redemption Subaccount of the Series 2023A-1 Bond Redemption Account.

Series 2023A-2 Bonds

The Series 2023A-2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2023A-2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2023A-2 Prepayment Principal deposited into the Series 2023A-2 Prepayment Subaccount of the Series 2023A-2 Bond Redemption Account (taking into account the credit from the Series 2023A-2 Reserve Account pursuant to the A-2 Indenture) following the Prepayment in whole or in part of the Series 2023A-2 Special Assessments on any assessable property within the 2023A-2 Assessment Area within the District in accordance with the provisions of the A-2 Indenture; provided that the Quarterly Redemption Date requirement shall not apply if any of the lands within the [2023A-1] Assessment Area have been sold to any homebuilder or commercial builder, and such redemption may occur on any date provided proper notice of redemption has been given; the District Manager, on behalf of the District, shall provide written notice to the Trustee at any time such sale has occurred, on which notice the Trustee may conclusively rely;

(ii) from moneys, if any, on deposit in the Series 2023A-2 Funds, Accounts and subaccounts (other than the Series 2023A-2 Rebate Fund, the Series 2023A-2 Costs of Issuance Account and the Series 2023A-2 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2023A-2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the A-2 Indenture; and

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2023A-2 Acquisition and Construction Account not otherwise reserved to complete the 2023 Project intended to be financed with the proceeds of the Series 2023A-2 Bond, all of which have been transferred to the Series 2023A-2 General Redemption Subaccount of the Series 2023A-2 Bond Redemption Account.

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EXHIBIT C

BOND COUNSEL'S SUPPLEMENTAL OPINION

[_____], 2023

Lake Flores Community Development District
Manatee County, Florida

PHCC LLC, d/b/a Preston Hollow Community Capital
Dallas, Texas

FMSbonds, Inc.
North Miami Beach, Florida

Re: Lake Flores Community Development District \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its Not to Exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds")

Ladies and Gentlemen:

We have acted as Bond Counsel to Lake Flores Community Development District (the "District"), a community development district established and existing pursuant to Chapter 190 of the Florida Statutes, as amended (the "Act"), in connection with the issuance by the District of its \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its not to exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds"). In such capacity, we have rendered our final approving opinion (the "Opinion") of even date herewith relating to the Series 2023 Bonds. The Series 2023 Bonds are secured pursuant to that certain Master Trust Indenture dated as of September 1, 2023 (the "Master Indenture"), as supplemented with respect to the Series 2023A-1 Bonds by a First Supplemental Trust Indenture dated as of September 1, 2023 (the "First Supplemental Indenture" and, together with the Master Indenture, the "A-1 Indenture") and with respect to the Series 2023A-2 Bonds by a Second Supplemental Trust Indenture dated as of September 1, 2023 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "A-2 Indenture") (the A-1 Indenture and the A-2 Indenture collectively referred to herein as the "Indenture") by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

In connection with the rendering of this opinion, we have reviewed records of the acts taken by the District in connection with the authorization, sale and issuance of the Series 2023 Bonds, were present at various meetings of the District and participated in various discussions in connection therewith and have reviewed such other documents, records and other instruments as we deem necessary to deliver this opinion.

The District has entered into a Bond Placement Agreement dated [_____], 2023 (the "Purchase Agreement"), for the purchase of the Series 2023 Bonds. Capitalized words used, but not defined, herein shall have the meanings ascribed thereto in the Purchase Agreement.

Based upon the forgoing, we are of the opinion that:

1. The sale of the Series 2023 Bonds by the District is not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the exemption provided in Section 3(a)(2) of the Securities Act.
2. The Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.
3. The information in the Private Placement Memorandum under the captions "INTRODUCTION" (other than the information under the sixth, seventh, eight and tenth paragraphs under the subheading "-General" thereunder), "DESCRIPTION OF THE SERIES 2023 BONDS" (other than the subheading "-Book-Entry Only System"), "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" (other than the subheading "Prepayment of Special Assessments") and "APPENDIX A: FORMS OF MASTER INDENTURE, FIRST SUPPLEMENTAL INDENTURE AND SECOND SUPPLEMENTAL INDENTURE," insofar as such statements constitute descriptions of the Act, the Series 2023 Bonds or the Indenture, are accurate as to the matters set forth or documents described therein, and the information under the captions "TAX MATTERS" and "AGREEMENT BY THE STATE," insofar as such information purports to describe or summarize certain provisions of the laws of the State of Florida (the "State") and the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), are correct as to matters of law.

This letter is furnished by us as Bond Counsel. No attorney-client relationship has existed or exists between our firm and PHCC LLC, d/b/a Preston Hollow Community Capital (the "Purchaser") and FMSbonds, Inc. (the "Placement Agent") in connection with the Series 2023 Bonds or by virtue of this letter. This letter is delivered to the Purchaser and the Placement Agent solely for their benefit as Purchaser and Placement Agent, respectively, of the Series 2023 Bonds and may not be used, circulated, quoted or otherwise referred to or relied upon by the Purchaser or the Placement Agent for any other purpose or by any other person other than the addressees hereto.

Very truly yours,

EXHIBIT D

OPINION OF DISTRICT COUNSEL

[_____], 2023

Lake Flores Community Development District
Manatee County, Florida

PHCC LLC, d/b/a Preston Hollow Community Capital
Dallas, Texas

FMSbonds, Inc.
North Miami Beach, Florida

U.S. Bank Trust Company, National Association
Ft. Lauderdale, Florida

Re: Lake Flores Community Development District its \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its Not to Exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds")

Ladies and Gentlemen:

We serve as counsel to the Lake Flores Community Development District (the "District"), a local unit of special-purpose government established pursuant to the laws of the State of Florida, in connection with the sale by the District of its \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its not to exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds"). This letter is delivered to you pursuant to Section 3.01 of the Master Indenture (defined below), Section 2.09 of the First Supplemental Indenture (defined below), Section 2.09 of the Second Supplemental Indenture (defined below) and Section 8(b)(2) of the Bond Placement Agreement (referenced below), and is effective as of the date first written above. Each capitalized term not otherwise defined herein has the meaning given it to it in the Indenture (defined herein).

A. DOCUMENTS EXAMINED

In rendering the opinions set forth below, we have examined and/or relied upon the following documents and have made such examination of law as we have deemed necessary or appropriate:

1. Ordinance No. 22-04, duly enacted by the Board of County Commissioners of the Manatee County, Florida (the "County") and effective on January 13, 2022, as corrected on April 12, 2022, effective on April 13, 2022 ("**Establishment Ordinance**");
2. the *Master Trust Indenture* dated as of September 1, 2023 (the "**Master Indenture**"), as supplemented with respect to the Series 2023A-1 Bonds by a *First Supplemental Trust Indenture* dated as of September 1, 2023 (the "**First Supplemental Indenture**" and, together with the Master Indenture, the "**A-1 Indenture**") and with respect to the Series 2023A-2 Bonds by a *Second Supplemental Trust Indenture* dated as of September 1, 2023

- (the "**Second Supplemental Indenture**" and, together with the Master Indenture, the "**A-2 Indenture**") (the A-1 Indenture and the A-2 Indenture collectively referred to herein as the "**Indenture**"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee ("**Trustee**");
3. Resolutions Nos. 2022-28 and 2023-05 adopted by the District on March 4, 2022 and September 14, 2023, respectively (collectively, "**Bond Resolution**");
 4. *Engineer's Report for Lake Flores Community Development District* dated February 15, 2022, as supplemented by the *First Supplemental Engineer's Report for the Lake Flores Community Development District* dated September 12, 2023 (collectively, the "**Engineer's Report**"), which describes among other things, the "**Project**";
 5. *Master Special Assessment Methodology Report* adopted February 23, 2022, as supplemented by the *First Supplemental Special Assessment Methodology Report*, dated [____], 2023 (collectively, "**Assessment Methodology**");
 6. Resolution Nos. 2022-25, 2022-35, and 2023-__ (collectively, "**Assessment Resolution**"), establishing the debt service special assessments ("**Debt Assessments**"), securing the Series 2023 Bonds;
 7. the *Final Judgment* issued on June 7, 2022, by the Circuit Court for the Twelfth Judicial Circuit in and for Manatee County, Florida in Case No. 2022-CA-001153 and the Certificate of No Appeal issued therefor;
 8. the Private Placement Memorandum dated [____], 2023 the ("**Private Placement Memorandum**");
 9. certain certifications by FMSbonds, Inc. ("**Placement Agent**"), as Placement Agent for the sale of the Series 2023 Bonds;
 10. certain certifications of ZNS Engineering, L.C., as District Engineer;
 11. certain certifications of Wrathell, Hunt & Associates, LLC, as District Manager, Assessment Consultant and Financial Advisor;
 12. general and closing certificate of the District;
 13. an opinion of Greenberg Traurig, P.A. ("**Bond Counsel**"), issued to the District in connection with the sale and issuance of the Series 2023 Bonds;
 14. an opinion of Holland & Knight, LLP ("**Trustee Counsel**"), issued to the District, PHCC LLC, d/b/a Preston Hollow Community Capital, and the Placement Agent in connection with the sale and issuance of the Series 2023 Bonds;
 15. an opinion of White & Case LLP, counsel to the Developer (defined herein), issued to the District, PHCC LLC, d/b/a Preston Hollow Community Capital, and the Placement Agent in connection with the sale and issuance of the Series 2023 Bonds;
 16. the following agreements ("**Bond Agreements**"):
 - (a) the Continuing Disclosure Agreement dated [____], 2023, by and among the District and Cortez 75W Investors, LLC, a Delaware limited liability company (the "**Developer**"), and a dissemination agent;
 - (b) the Bond Placement Agreement between the Placement Agent, PHCC LLC, d/b/a Preston Hollow Community Capital and the District and dated [____], 2023 ("**BPA**");
 - (c) the Acquisition Agreement (Capital Improvement Plan), between the District and the Developer and dated [____], 2023;
 - (d) the Completion Agreement (2023 Bonds), between the District and the Developer and dated [____], 2023;
 - (e) the True-Up Agreement (2023 Bonds), between the District and the Developer and dated [____], 2023;
 - (f) the Collateral Assignment and Assumption Agreement (2023 Bonds), between the District and the Developer and dated [____], 2023; and

- (g) the Collateral Assignment and Assumption Agreement (2023 Bonds), between the District and LF Manatee, LLC, a Florida limited liability company (the "**Future Phases Landowner**") and dated [_____], 2023;
- 17. Declaration of Consent (2023 Bonds) executed by the Developer;
- 18. Declaration of Consent (2023 Bonds – Future Phases) executed by the Future Phases Landowner; and
- 19. such other documents as we have deemed necessary or appropriate in rendering the opinions set forth below.

We have also attended various meetings of the District and have participated in conferences from time to time with representatives of the District, PHCC LLC, d/b/a Preston Hollow Community Capital and their counsel, the District Engineer, the District Manager and Assessment Consultant, the Placement Agent, Bond Counsel, counsel to the Placement Agent, the Developer, counsel to the Developer, and others relative to the Private Placement Memorandum and the related documents described herein.

B. RELIANCE

This opinion is solely for the benefit of the (i) District; (ii) the Placement Agent; (iii) Preston Hollow Community Capital and (iv) the Trustee; provided, however, that the Trustee may only rely on this opinion for the limited purposes of the opinions stated in Sections C.1., C.2., and C.3. This opinion may not be relied on by any other party or for any other purpose without our prior written consent. Notwithstanding the foregoing, no attorney-client relationship has existed or exists between the undersigned and the Placement Agent, Preston Hollow Community Capital or Trustee in connection with the Series 2023 Bonds by virtue of this opinion.

C. OPINIONS

Based on the foregoing, and subject to the qualifications and assumptions set forth herein, we are of the opinion that:

1. **Authority** – Under the Florida Constitution and laws of the State, the District has been duly established and validly exists as a local unit of special purpose government and a community development district under Chapter 190, Florida Statutes (the "Act"), with such powers as set forth in the Act, and with good, right and lawful authority: (a) to enter into and to consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Indenture, the Series 2023 Bonds and the Bond Agreements; (b) to issue the Series 2023 Bonds for the purposes for which they are issued; (c) to impose, levy, collect and enforce the Debt Assessments and pledge the Pledged Revenues to secure the Series 2023 Bonds as provided in the Indenture; (d) to adopt the Bond Resolution and the Assessment Resolution; and (e) to perform its obligations under the terms and conditions of the Bond Resolution, the Assessment Resolution, the Bond Agreements, the Series 2023 Bonds and the Indenture.

2. **Assessments** – The proceedings by the District with respect to the Debt Assessments have been in accordance with Florida law. The District has taken all action necessary to adopt and execute the Assessment Resolution, and to levy and impose the Debt Assessments as set forth in the Assessment Resolution, Assessment Methodology, and/or other applicable documents. The Debt Assessments constitute legal, valid, binding and enforceable first liens upon the property against which such Debt Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.

3. **Agreements** – The (a) Bond Resolution, (b) Series 2023 Bonds, (c) Indenture, and (d) Bond Agreements (assuming due authorization, execution and delivery of documents (b) – (d) listed herein by

any parties thereto other than the District) have been duly and validly authorized, executed and delivered by the District, have been duly approved and adopted and/or issued by the District, are in full force and effect, constitute legal, valid and binding obligations of the District, and are enforceable against the District in accordance with their respective terms. All conditions prescribed in the Indenture as precedent to the issuance of the Series 2023 Bonds have been fulfilled.

4. **Validation** – The Series 2023 Bonds have been validated by a final judgment of the Circuit Court in and for Manatee County, Florida, of which no timely appeals were filed.

5. **Governmental Approvals** – As of the date hereof, all necessary consents, approvals, waivers or other actions by or filings with any governmental authority or other entity that are required for: (a) the adoption of the Bond Resolution and the Assessment Resolution; (b) the issuance, sale, execution and delivery of the Series 2023 Bonds upon the terms set forth in the BPA, PLOM, and the Private Placement Memorandum; (c) the execution and delivery of the Indenture and Bond Agreements; and (d) the performance by the District of the transactions required hereby, have been duly obtained or made and are in full force and effect.

6. **Private Placement Memorandum** – The District has duly authorized the execution, delivery and distribution by the Underwriter of the Private Placement Memorandum. To our knowledge, and based upon our review of the Private Placement Memorandum and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Private Placement Memorandum, and as of the date of its issuance and the date hereof, nothing has come to our attention which would lead us to believe that the Private Placement Memorandum contains an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, provided however that the opinions stated herein extend only to the following provisions of the Private Placement Memorandum: "INTRODUCTION" (as it relates to the District only), "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Prepayment of Special Assessments," "ENFORCEMENT OF ASSESSMENT COLLECTIONS," "THE DISTRICT" (excluding the subcaptions "The District Manager and Other Consultants"), "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "AGREEMENT BY THE STATE," "LEGALITY FOR INVESTMENT," "LITIGATION – The District," "CONTINUING DISCLOSURE" (as it relates to the District only), "VALIDATION," and "AUTHORIZATION AND APPROVAL," and further provided however that the opinions stated herein do not extend to any statements that constitute descriptions of the Series 2023 Bonds or the Indenture. No information or opinion is offered as to any remaining provisions of the Private Placement Memorandum.

7. **Litigation** – As the District's Registered Agent for service of process and the fact that we have not been served with notice, there is no litigation pending or, to the best of our knowledge, threatened against the District: (a) seeking to restrain or enjoin the issuance or delivery of the Series 2023 Bonds or the application of the proceeds thereof, or the imposition, levy or collection of the Debt Assessments or the Pledged Revenues pledged for the payment of the debt service on the Series 2023 Bonds; (b) contesting or affecting the authority for the Debt Assessments, the authority for the issuance of the Series 2023 Bonds or the validity or enforceability of the Series 2023 Bonds, the Indenture, the Bond Agreements or the transactions contemplated thereunder; (c) contesting or affecting the establishment or existence of the District or any of its Supervisors, officers or employees, its assets, property or condition, financial or otherwise, or contesting or affecting any of the powers of the District, including its power to enter into the Indenture or the Bond Agreements, or its power to determine, assess, levy, collect and pledge the Debt Assessments for the payment of the debt service on the Series 2023 Bonds; or (d) specifically contesting the exclusion from federal gross income of interest on the Series 2023 Bonds.

8. ***Compliance with Laws*** – To the best of our knowledge, the District is not, in any manner material to the issuance of the Series 2023 Bonds or the Debt Assessments, in breach of or default under any applicable provision of the Act or constitutional provision, statute, or administrative regulation of the State of Florida, or any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement (including the Bond Agreements and Indenture), or any other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of our knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any such instrument; provided, however, that no opinion is expressed as to compliance with any state or federal tax or securities laws.

9. ***Authority to Undertake the 2023 Project*** – The District has good right and lawful authority under the Act to undertake, finance, acquire, construct, own, and operate the 2023 Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body.

D. CERTAIN ASSUMPTIONS

In rendering the foregoing opinions, we have assumed the following: (1) that all public records, certifications, agreements and other documents examined by us that have been executed or certified by public officials acting within the scope of their official capacities are authentic, truthful and accurate; (2) that copies of such public records, certifications, agreements, and other documents furnished to us are authentic and conform to the originals; (3) that all signatures on executed public records, certifications, agreements and other documents are genuine; and (4) that all public records, certifications, agreements and other documents have been properly authorized and are binding on each of the other parties thereto. Such assumptions do not apply to District documents.

E. CERTAIN QUALIFICATIONS

The foregoing opinions are subject to the following qualifications:

1. The opinions or statements expressed above are based solely on the laws of Florida in effect at the time of issuance of the Series 2023 Bonds. Accordingly, we express no opinion nor make any statement regarding the effect or application of the laws of the federal government (including but not limited to the Internal Revenue Code or any proposed changes thereto), or any other state or other jurisdiction.

2. Our opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws, relating to or affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases, including the fact that specific performance and other equitable remedies are granted only in the discretion of a court.

3. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws or federal securities laws, as to which no opinion is expressed.

4. We further express no opinion as to the necessity for an interest rate waiver under Florida law, or the applicability of any provision or section of the Internal Revenue Code.

5. We express no opinion and make no representations with regard to financial, statistical or other similar information or data. We express no opinion as to compliance with any state or federal tax

laws. Except as to the Authority to Undertake the 2023 Project as set forth in Section C.9, we express no opinion and make no representations as to the 2023 Project, including but not limited to the costs, estimates, projections, status, technical provisions or anything else related to the 2023 Project.

6. We have not reviewed, and therefore express no opinion, regarding any land use, real property or other related items, including but not limited to whether the Developer are able to convey good and marketable title to any particular real property or interest therein and related to the 2023 Project.

7. With respect to any of the opinions set forth in this letter which are based on or qualified by the phrase "to our knowledge," the words "to our knowledge" signify that, in the course of our representation of the District, no facts have come to our attention that would give us actual knowledge that any such opinions or other matters are not accurate. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts, and no inference as to our knowledge of the existence of such facts should be drawn from the fact of our representation of District.

8. The opinions set forth herein are based on factual representations made to us as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the courts or any other entity; rather, our opinions represent our professional judgment based on our review of existing law, and in reliance on the representations and covenants that we deem relevant to such opinions.

Very truly yours,

KUTAK ROCK LLP

For the Firm

EXHIBIT E-1

CERTIFICATE OF DEVELOPER

Cortez 75W Investors, LLC, a Delaware limited liability company (the "Company"), DOES HEREBY CERTIFY, that:

1. This Certificate is furnished pursuant to the Bond Placement Agreement dated [____], 2023 (the "Placement Agreement") between Lake Flores Community Development District (the "District"), FMSbonds, Inc. (the "Placement Agent"), and PHCC LLC, d/b/a Preston Hollow Community Capital ("PHC") relating to the sale by the District of its \$[____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its not to exceed \$[____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Placement Agreement.

2. The Company is a limited liability company organized and existing under the laws of the State of Delaware and in good standing and authorized to transact business under the laws of the State of Florida.

3. Representatives of the Company have provided information to the District, PHC, and the Placement Agent to be used in connection with the offering by the District of its Series 2023 Bonds, pursuant to a Private Placement Memorandum, dated [____], 2023, including the appendices attached thereto (collectively, the "Private Placement Memorandum").

4. The Continuing Disclosure Agreement, the Completion Agreement (2023 Bonds), the Acquisition Agreement (Capital Improvement Plan), the Collateral Assignment Agreement (2023 Bonds), the True-Up Agreement (2023 Bonds), and the Declaration of Consent (2023 Bonds), each dated [____], 2023 executed by the Company and to be recorded in the public records of Manatee County, Florida (collectively, the "Company Documents"), constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms.

5. The Company has the power to conduct its business and to undertake the transactions as described in the Private Placement Memorandum and to enter into the Company Documents.

6. The Company has reviewed and approved the Company Documents and the information contained in the Private Placement Memorandum under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECT," "THE DEVELOPMENT," "THE DEVELOPER AND THE FUTURE PHASES LANDOWNER" (with respect to the Company), "BONDOWNERS' RISKS" (as it relates to the Company, the Development and non-specific Bondholder risks), "LITIGATION – The Developer and the Future Phases Landowner" (with respect to the Company) and "CONTINUING DISCLOSURE" (with respect to the Company) and warrants and represents that such information does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, the Company is not aware of any other information in the Private Placement Memorandum that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

7. The Company represents and warrants that it has complied with and will continue to comply with Sections 190.009 and 190.048, Florida Statutes, as amended.

8. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Company which has not been disclosed in the Private Placement Memorandum.

9. The Company hereby represents that it owns certain of the lands in the District that will be subject to the Series 2023 Special Assessments as described in the Private Placement Memorandum, and the Company hereby consents to the levy of the Series 2023 Special Assessments on the lands in the District owned by the Company. To the best of the Company's knowledge, the levy of the Series 2023 Special Assessments on the Lands in the District will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Company is a party or to which its property or assets are subject.

10. The Company has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. The Company has not indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

11. The Company acknowledges that the Series 2023 Bonds have the debt service requirements set forth in the Private Placement Memorandum and that the Series 2023 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Series 2023 Bonds when due, all as provided in the Assessment Methodology. The Company consents to and agrees with the methodology delineated in the Assessment Methodology for the levy of each Series of the Series 2023 Special Assessments on tracts of land owned by the Developer.

12. To the best of our knowledge, after due inquiry, the Company is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Company is subject or by which the Company or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Transaction Documents, the Declaration of Consent or on the Development and is current in the payment of all ad valorem, federal and state taxes associated with the Development. The Company has on the date hereof or on such other date as dictated on the relevant document, executed and delivered the Transaction Documents and the Declaration of Consent.

13. Except as otherwise disclosed in the Private Placement Memorandum, there is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of our knowledge, threatened against the Company (a) seeking to restrain or enjoin the execution or delivery of Transaction Documents, the Declaration of Consent and/or Transaction Documents to which the Company is a party, (b) contesting or affecting the validity or enforceability of the Transaction Documents, Declaration of Consent and/or Transaction Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence of the Company or of the Company's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Company, or (d) that would have a material and adverse effect upon the ability of the Company to (i) complete the development of lands within the District as described in the Private Placement Memorandum, (ii) pay the Series 2023 Special Assessments, or (iii) perform its various obligations as described in the Private Placement Memorandum.

14. To the best of our knowledge after due inquiry, the Company is in compliance in all material respects with all provisions of applicable law in all material matters relating to the Development

as described in the Private Placement Memorandum, including applying for all necessary permits. Except as otherwise described in the Private Placement Memorandum, (a) the Development is zoned and properly designated for its intended use; (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received; (c) the Company is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Company's ability to complete the 2023 Project or cause the completion of development of the lands within the District as described in the Private Placement Memorandum and all appendices thereto; and (d) there is no reason to believe that any permits, consents and licenses required to complete the 2023 Project and development of the lands within the District as described in the Private Placement Memorandum will not be obtained as required.

14. The Company acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Series 2023 Special Assessments imposed on lands in the District owned by the Developer as landowner within thirty (30) days following completion of the 2023 Project and acceptance thereof by the District.

15. The Company has not previously entered into any continuing disclosure obligations in connection with Securities Exchange Commission Rule 15c2-12.

16. The Company is not in default of any obligations to pay special assessments, and the Company is not insolvent.

Dated: [_____], 2023.

CORTEZ 75W INVESTORS, LLC, a Delaware
limited liability company

By: _____
Its: _____

EXHIBIT E-2

CERTIFICATE OF FUTURE PHASES LANDOWNER

LF Manatee, LLC, a Florida limited liability company (the "Company"), DOES HEREBY CERTIFY, that:

1. This Certificate is furnished pursuant to the Bond Placement Agreement dated [____], 2023 (the "Placement Agreement") between Lake Flores Community Development District (the "District"), FMSbonds, Inc. (the "Placement Agent"), and PHCC LLC, d/b/a Preston Hollow Community Capital ("PHC") relating to the sale by the District of its \$[____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its not to exceed \$[____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Placement Agreement.

2. The Company is a limited liability company organized and existing under the laws of the State of Florida and in good standing and authorized to transaction business therein.

3. Representatives of the Company have provided information to the District, PHC, and the Placement Agent to be used in connection with the offering by the District of its Series 2023 Bonds, pursuant to a Private Placement Memorandum, dated [____], 2023, including the appendices attached thereto (collectively, the "Private Placement Memorandum").

4. The Collateral Assignment Agreement (2023 Bonds) and the Declaration of Consent (2023 Bonds), each dated [____], 2023, executed by the Company and to be recorded in the public records of Manatee County, Florida (collectively, the "Company Documents"), constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms.

5. The Company has the power to conduct its business and to undertake the transactions as described in the Private Placement Memorandum and to enter into the Company Documents.

6. The Company has reviewed and approved the Company Documents and the information contained in the Private Placement Memorandum under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECT," "THE DEVELOPMENT," "THE DEVELOPER AND THE FUTURE PHASES LANDOWNER" (with respect to the Company), "BONDOWNERS' RISKS" (as it relates to the Company, the Development and non-specific Bondholder risks), and "LITIGATION – The Developer and the Future Phases Landowner" (with respect to the Company) and warrants and represents that such information does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, the Company is not aware of any other information in the Private Placement Memorandum that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

7. The Company represents and warrants that it has complied with and will continue to comply with Sections 190.009 and 190.048, Florida Statutes, as amended.

8. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Company which has not been disclosed in the Private Placement Memorandum.

9. The Company hereby represents that it owns certain of the lands in the District that will be subject to the Series 2023 Special Assessments as described in the Private Placement Memorandum, and the Company hereby consents to the levy of the Series 2023 Special Assessments on the lands in the District owned by the Company. To the best of the Company's knowledge, the levy of the Series 2023 Special Assessments on the Lands in the District will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Company is a party or to which its property or assets are subject.

10. The Company has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. The Company has not indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

11. The Company acknowledges that the Series 2023 Bonds have the debt service requirements set forth in the Private Placement Memorandum and that the Series 2023 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Series 2023 Bonds when due, all as provided in the Assessment Methodology. The Company consents to and agrees with the methodology delineated in the Assessment Methodology for the levy of each Series of the Series 2023 Special Assessments on tracts of land owned by the Developer.

12. To the best of our knowledge, after due inquiry, the Company is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Company is subject or by which the Company or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Transaction Documents, the Declaration of Consent or on the Development and is current in the payment of all ad valorem, federal and state taxes associated with the Development. The Company has on the date hereof or on such other date as dictated on the relevant document, executed and delivered the Transaction Documents and the Declaration of Consent.

13. Except as otherwise disclosed in the Private Placement Memorandum, there is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of our knowledge, threatened against the Company (a) seeking to restrain or enjoin the execution or delivery of Transaction Documents, the Declaration of Consent and/or Transaction Documents to which the Company is a party, (b) contesting or affecting the validity or enforceability of the Transaction Documents, Declaration of Consent and/or Transaction Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence of the Company or of the Company's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Company, or (d) that would have a material and adverse effect upon the ability of the Company to (i) complete the development of lands within the District as described in the Private Placement Memorandum, (ii) pay the Series 2023 Special Assessments, or (iii) perform its various obligations as described in the Private Placement Memorandum.

14. To the best of our knowledge after due inquiry, the Company is in compliance in all material respects with all provisions of applicable law in all material matters relating to the Development as described in the Private Placement Memorandum, including applying for all necessary permits. Except as otherwise described in the Private Placement Memorandum, (a) the Development is zoned and properly designated for its intended use; (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received; (c) the Company is not aware of any default of any

zoning condition, permit or development agreement which would adversely affect the Company's ability to complete the 2023 Project or cause the completion of development of the lands within the District as described in the Private Placement Memorandum and all appendices thereto; and (d) there is no reason to believe that any permits, consents and licenses required to complete the 2023 Project and development of the lands within the District as described in the Private Placement Memorandum will not be obtained as required.

14. The Company acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Series 2023 Special Assessments imposed on lands in the District owned by the Developer as landowner within thirty (30) days following completion of the 2023 Project and acceptance thereof by the District.

15. The Company is not in default of any obligations to pay special assessments, and the Company is not insolvent.

Dated: [_____], 2023.

LF MANATEE, LLC, a Florida limited liability company

By: _____
Its: _____

EXHIBIT F-1

OPINION OF DEVELOPER'S COUNSEL

[H&K TO PROVIDE]

EXHIBIT F-2

OPINION OF FUTURE PHASES LANDOWNER'S COUNSEL

[_____], 2023

Lake Flores Community Development District
Manatee County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

U.S. Bank Trust Company, National Association
Fort Lauderdale, Florida

GrayRobinson, P.A.
Tampa, Florida

Re: Lake Flores Community Development District its \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its not to exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Bonds")

Ladies and Gentlemen:

We are counsel to LF Manatee, LLC, a Florida limited liability company (the "Future Phases Landowner"), which is the owner of certain land referred to as the "Future Phases Area" within the master-planned community located in Manatee County, Florida and commonly referred to as "Lake Flores," as such lands are described in the Private Placement Memorandum (as hereinafter defined). This opinion is rendered at the request of the Future Phases Landowner in connection with the issuance by Lake Flores Community Development District (the "District") of the Bonds as described in the District's Private Placement Memorandum dated September [___], 2023 (the "Private Placement Memorandum"). Capitalized terms not defined herein shall have the meaning set forth in the Private Placement Memorandum. It is our understanding that the Bonds are being issued to provide funds to finance (i) for the payment of the Costs of acquiring or constructing the 2023 Project, (ii) to fund deposits to the Reserve Accounts established for each Series of the Bonds in amounts equal to the initial Reserve Requirements therefor, and (iii) to pay the costs of issuance of the Bonds.

In our capacity as counsel to the Future Phases Landowner, we have examined originals or copies identified to our satisfaction as being true copies of the Private Placement Memorandum, the Collateral Assignment Agreement (2023 Project) in recordable form by and between the District and the Future Phases Landowner dated as of the Closing Date, and the Declaration of Consent (Series 2023 Bonds) in recordable form executed by the Future Phases Landowner and dated the Closing Date (collectively, the "Documents") and have made such examination of law as we have deemed necessary or appropriate in rendering this opinion. In connection with the forgoing, we also have reviewed and examined the Articles of Organization and Operating Agreement of the Future Phases Landowner and certificates of good standing for the Future Phases Landowner issued by the State of Florida on [_____] , 2023 (collectively, the "Organizational Documents").

In rendering this opinion, we have assumed, without having made any independent investigation of the facts, the genuineness of all signatures (other than those of the Future Phases Landowner) and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the legal capacity of all natural persons.

In basing the opinions set forth in this opinion on "our knowledge," the words "our knowledge" signify that, in the course of our representation of the Future Phases Landowner, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters.

Based on the forgoing, we are of the opinion that:

1. The Future Phases Landowner is a limited liability company organized and existing under the laws of the State of Florida.

2. The Future Phases Landowner has the power to conduct its business and to undertake the development and ownership of the lands in the District as described in the Private Placement Memorandum and to enter into the Documents.

3. The Documents have been duly authorized, executed and delivered by the Future Phases Landowner and are in full force and effect. Assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Documents constitute legal, valid and binding obligations of the Future Phases Landowner, enforceable in accordance with their respective terms.

4. Nothing has come to our attention that would lead us to believe the information contained in the Private Placement Memorandum under the captions "THE DEVELOPMENT," "THE DEVELOPER AND THE FUTURE PHASES LANDOWNER" (with respect to the Future Phases Landowner) and "LITIGATION – The Developer and the Future Phases Landowner" (with respect to the Future Phases Landowner) does not accurately and fairly present the information purported to be shown or contains any untrue statement of a material fact nor omits to state any material fact necessary to make the statement made therein, in light of the circumstances under which they were made, not misleading as of the date of the Private Placement Memorandum or as of the date hereof.

5. The execution, delivery and performance of the Documents by the Future Phases Landowner do not violate (i) the organization agreements of the Future Phases Landowner, (ii) to our knowledge, any agreement, instrument or Florida law, rule or regulation known to us to which the Future Phases Landowner is a party or by which its assets are or may be bound; or (iii) to our knowledge, any judgment, decree or order of any administrative tribunal, which judgment, decree, or order is binding on the Future Phases Landowner or its assets.

6. To the best of our knowledge, the levy of the Series 2023 Special Assessments on the lands within the Future Phases Area of the District will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Future Phases Landowner is a party or to which the Future Phases Landowner or any of its property or assets is subject.

7. To the best of our knowledge after due inquiry, there is no litigation pending which would prevent or prohibit the development of the Series 2023 Project or the Future Phases Area in accordance with the descriptions thereof in the Private Placement Memorandum and the Engineer's Report annexed

thereto or which may result in any material adverse change in the business, properties, assets or financial condition of the Future Phases Landowner.

8. To the best of our knowledge after due inquiry, the Future Phases Landowner has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. To the best of our knowledge after due inquiry, the Future Phases Landowner has not indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

9. To the best of our knowledge after due inquiry, the Future Phases Landowner is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets are subject, which default would have a material adverse effect on the Bonds or the development of either the Series 2023 Project or the lands in the Future Phases Area of the District.

This opinion is given as of the date hereof, and we disclaim any obligation to update this opinion letter for events occurring after the date of this opinion letter. The foregoing opinion applies only with respect to the laws of the State of Florida and the federal laws of the United States of America and I express no opinion with respect to the laws of any other jurisdiction. Nothing herein shall be construed as an opinion regarding the possible applicability of federal tax, federal or state securities, or "blue sky" laws, as to which no opinion is expressed. This letter is for the benefit of and may be relied upon solely by the addressees and this opinion may not be relied upon in any manner, nor used, by any other persons or entities. Moreover, our opinions are not a guarantee of a particular result and are not binding on the courts or any other entity; rather, our opinions represent our professional judgment based on our review of existing law and reliance on the representations and covenants that we deem relevant to such opinion.

Our opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws relating to or affecting creditor's rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases.

Very truly yours,

Blalock Walters, P.A.

EXHIBIT G

CERTIFICATE OF ENGINEER

CERTIFICATE OF ZNS ENGINEERING, L.C. (the "Engineers"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to the Bond Placement Agreement dated [____], 2023 (the "Placement Agreement"), by and between Lake Flores Community Development District (the "District"), PHCC LLC, d/b/a Preston Hollow Community Capital, and FMSbonds, Inc. with respect to the District's \$[____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its not to exceed \$[____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Placement Agreement or the Private Placement Memorandum, dated [____], 2023, including the appendices attached thereto, relating to the Series 2023 Bonds (collectively, the "Private Placement Memorandum"), as applicable.

2. The Engineers have been retained by the District as the District Engineer.

3. The plans and specifications for the 2023 Project (as described in the Private Placement Memorandum) were approved by all regulatory bodies required to approve them. All environmental and other regulatory permits or approvals required in connection with the construction of the 2023 Project were obtained or are expected to be obtained in due course.

4. The Engineers prepared the report entitled Engineer's Report for Lake Flores Community Development District dated February 15, 2022, as supplemented by the First Supplemental Engineer's Report for the Lake Flores Community Development District dated September 12, 2023 (the "Report"). The Report was prepared in accordance with generally accepted engineering principles. The Report is included as "APPENDIX C: ENGINEER'S REPORT" to the Private Placement Memorandum and a description of the Report and certain other information relating to the 2023 Project are included in the Private Placement Memorandum under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECT" and "THE DEVELOPMENT." The Report and said information in the Private Placement Memorandum under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECT" and "THE DEVELOPMENT" are true and complete in all material respects, contain no untrue statement of a material fact, and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The Engineers hereby consent to the inclusion of the Report as "APPENDIX C: ENGINEER'S REPORT" to the Private Placement Memorandum and to the references to the Engineers in the Private Placement Memorandum.

6. The 2023 Project is being constructed in sound workmanlike manner and in accordance with industry standards.

7. The price being paid by the District to the Developer for acquisition of the improvements included within the 2023 Project will not exceed the lesser of the cost of the 2023 Project or the fair market value of the assets acquired by the District. There is sufficient benefit from the 2023 Project to support the debt assessments described in the Supplemental Special Assessment Methodology Report, dated [____], 2023 and prepared by Wrathell, Hunt & Associates, LLC.

8. Except as otherwise described in the Private Placement Memorandum, (a) all government permits required in connection with the construction of the 2023 Project and the development of the Assessment Areas as described in the Private Placement Memorandum have been received, or are expected to be received in due course; (b) we are not aware of any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete the 2023 Project or the development of the Assessment Areas within the District as described in the Private Placement Memorandum and all appendices thereto; and (c) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the 2023 Project or the development of the Assessment Areas as described in the Private Placement Memorandum and all appendices thereto will not be obtained in due course as required by the Developer.

9. There is adequate water and sewer service capacity to serve the Development within the District.

Date: [_____], 2023

ZNS ENGINEERING, L.C.

By: _____
Print Name: _____
Title: _____

EXHIBIT H

CERTIFICATE OF DISTRICT MANAGER AND METHODOLOGY CONSULTANT

[_____], 2023

Re: Lake Flores Community Development District \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its Not to Exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds")

Ladies and Gentlemen:

The undersigned representative of WRATHELL, HUNT & ASSOCIATES, LLC ("WRATHELL"), DOES HEREBY CERTIFY:

1. This certificate is furnished pursuant to the Bond Placement Agreement dated [_____] 2023 (the "Placement Agreement"), by and between Lake Flores Community Development District (the "District"), PHCC LLC, d/b/a Preston Hollow Community Capital, and FMSbonds, Inc. with respect to the District's \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its not to exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Placement Agreement or the Private Placement Memorandum, dated [_____] 2023, including the appendices attached thereto, relating to the Series 2023 Bonds (collectively, the "Private Placement Memorandum"), as applicable.

2. WRATHELL has acted as district manager and methodology consultant to the District in connection with the sale and issuance by the District of its Series 2023 Bonds and has participated in the preparation of the Private Placement Memorandum.

3. In connection with the issuance of the Series 2023 Bonds, we have been retained by the District to prepare the Master Special Assessment Methodology Report dated February 23, 2022, as amended by the First Supplemental Special Assessment Methodology Report dated [_____] 2023 (collectively, the "Assessment Methodology"), which Assessment Methodology has been included as appendices to the Private Placement Memorandum. We hereby consent to the use of such Assessment Methodology in the Private Placement Memorandum and consent to the references to us therein.

4. As District Manager, nothing has come to our attention that would lead us to believe that the Private Placement Memorandum, as it relates to the District, the 2023 Project, or any information provided by us, and the Assessment Methodology, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The information set forth in the Private Placement Memorandum under the captions "THE DISTRICT," "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "FINANCIAL INFORMATION," "LITIGATION" (insofar as such description relates to the District), "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "CONTINUING

DISCLOSURE," "CONTINGENT FEES," and in "APPENDIX D: ASSESSMENT METHODOLOGY", "APPENDIX F: DISTRICT'S FINANCIAL STATEMENTS" did not as of the date of the Private Placement Memorandum and does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. To the best of our knowledge, there has been no change which would materially adversely affect the assumptions made or the conclusions reached in the Assessment Methodology and the considerations and assumptions used in compiling the Assessment Methodology including the methodology and apportionment of the Series 2023 Special Assessments are reasonable. The Assessment Methodology and the methodology set forth therein relating to the apportionment and levy of the Series 2023 Special Assessments were prepared in accordance with all applicable provisions of Florida law.

7. As District Manager and Registered Agent for the District, we are not aware of any litigation pending or, to the best of our knowledge, threatened against the District restraining or enjoining the issuance, sale, execution or delivery of the Series 2023 Bonds, or in any way contesting or affecting the validity of the Series 2023 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2023 Bonds, or the existence or powers of the District.

8. The Series 2023 Special Assessments, as levied in accordance with the Assessment Methodology, are supported by sufficient benefit from the District's capital improvement plan, are fairly and reasonably allocated across all benefitted lands within the District, and are sufficient to enable the District to pay the debt service on the related Series of Series 2023 Bonds through the final maturity thereof.

9. WRATHELL hereby acknowledges its agreement to serve as the Dissemination Agent for the District for the Series 2023 Bonds and undertake the obligations of the Dissemination Agent as set forth in the Continuing Disclosure Agreement dated [_____], 2023 (the "Disclosure Agreement") by and among the District, Cortez 75W Investors, LLC and WRATHELL, as Dissemination Agent, and acknowledged by WRATHELL, as District Manager, and U.S. Bank Trust Company, National Association, as trustee. WRATHELL hereby represents that it is aware of the continuing disclosure requirements set forth in the Disclosure Agreement and Rule 15c2-12 promulgated under the Securities Act of 1933, as amended, that it has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreement, and that it will comply with its obligations under the Disclosure Agreement.

Dated: [_____], 2023.

WRATHELL, HUNT & ASSOCIATES, LLC, a
Florida limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT I

FORM OF INVESTOR LETTER

[_____], 2023

Board of Supervisors of District
Lake Flores Community Development District ("District")
c/o Wrathell, Hunt & Associates, LLC
2300 Glades Rd., Ste. # 410W
Boca Raton, Florida 33431

U.S. Bank Trust Company, National Association, as Trustee
Ft. Lauderdale, Florida

Re: Lake Flores Community Development District \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its Not to Exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds")

Ladies and Gentlemen:

The undersigned, authorized representative of PHCC LLC, d/b/a Preston Hollow Community Capital, as initial purchaser (the "Purchaser") of the above referenced bonds (the "Series 2023 Bonds"), does hereby represent and agree, as follows:

1. The Purchaser has authority to purchase the Series 2023 Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Series 2023 Bonds.

2. The Series 2023 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and the Indenture (as defined below) governing the Series 2023 Bonds have not been qualified under the Trust Indenture Act of 1939, as amended.

3. The Purchaser is an institutional "accredited investor" within the meaning of Chapter 517, Florida Statutes, as amended, and Regulation D under the Securities Act and a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act, which has sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax exempt and taxable obligations, to be able to evaluate the risks and merits of the investment represented by the Series 2023 Bonds, and which can bear the economic risk of its investment in the Series 2023 Bonds. The Purchaser understands that it may be required to bear the risks of this investment in the Series 2023 Bonds for an indefinite time, as there may be no market for the Series 2023 Bonds.

4. The Series 2023 Bonds are being acquired by the Purchaser for its own account for investment purposes and not with a present view to or for distribution or resale of the Series 2023 Bonds or any part thereof, and the Purchaser does not intend at this time to dispose of all or any part of the Series 2023 Bonds. The Purchaser does not have any agreement or understanding, directly or indirectly, with any person to distribute any of the Series 2023 Bonds.

5. The Purchaser understands that the Series 2023 Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Series 2023 Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) are not presently rated.

6. The Purchaser acknowledges that it has made its own inquiry and analysis with respect to the Series 2023 Bonds and security therefor, that it has received the documents executed or adopted by the District in connection with the Series 2023 Bonds and other documents it has requested, including but not limited to the Private Placement Memorandum dated [_____], 2023 and all appendices thereto, to which a reasonable investor would consider important in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the District and the Series 2023 Bonds and the security therefor so that, as a reasonable investor based upon the information provided, the Purchaser has been able to make its decision to purchase the Series 2023 Bonds.

7. Although the Purchaser does not intend at this time to dispose of all or any part of the Series 2023 Bonds, the Purchaser acknowledges that it has the right to sell and transfer the Series 2023 Bonds, in accordance with terms and conditions of the Indenture (as hereinafter defined). The Purchaser acknowledges that it is solely responsible for compliance, and covenants and agrees with the District that it will comply with the Indenture and all applicable federal or state securities laws then in effect with respect to any subsequent sale, transfer or other disposition of the Series 2023 Bonds (without involving the District in any manner).

8. The Purchaser acknowledges that the Series 2023 Bonds are limited obligations of the District, payable solely from the applicable Series 2023 Pledged Revenues described in the applicable Indenture and neither the property, the full faith and credit, nor the taxing power of the District, the Manatee County, Florida (the "County"), the State of Florida (the "State"), or any other political subdivision thereof, is pledged as security for the payment of the Series 2023 Bonds, except that the District is obligated under the Indenture to levy and to evidence and certify, or cause to be certified, for collection, Series 2023 Special Assessments to secure and pay the corresponding Series 2023 Bonds. The Series 2023 Bonds do not constitute an indebtedness of the District, the County, the State, or any other political subdivision thereof within the meaning of any constitutional or statutory provision or limitation.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Master Trust Indenture, dated as of September 1, 2023 as supplemented, with respect to the Series 2023 Bonds, by a First Supplemental Trust Indenture dated as of September 1, 2023 (collectively, the "Indenture"), each by and between the District and the Trustee.

**PHCC LLC, d/b/a Preston Hollow Community
Capital**

By: _____
Its: _____

LAKE FLORES

COMMUNITY DEVELOPMENT DISTRICT

3B

**NEW ISSUES - BOOK-ENTRY ONLY
PRIVATE PLACEMENT**

NOT RATED

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2023 Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes; and, further, interest on the Series 2023 Bonds will not be an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2023 Bonds is not excluded from the determination of adjusted financial statement income. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2023 Bonds. Bond Counsel is further of the opinion that the Series 2023 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX MATTERS" herein.

**LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
(MANATEE COUNTY, FLORIDA)**

\$24,090,000
SPECIAL ASSESSMENT BONDS, SERIES 2023A-1
(2023A-1 ASSESSMENT AREA)

NOT TO EXCEED
\$30,910,000
SPECIAL ASSESSMENT BONDS, SERIES 2023A-2
(2023A-2 ASSESSMENT AREA)

Dated: Date of Delivery

Due: As set forth below

The Lake Flores Community Development District (the "Issuer" or "District") is issuing its \$24,090,000 Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its not to exceed \$30,910,000 Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" and, together with the Series 2023A-2 Bonds, the "Series 2023 Bonds"), pursuant to the Act (hereinafter defined), a Master Trust Indenture dated as of September 1, 2023 (the "Master Indenture"), as supplemented with respect to the Series 2023A-1 Bonds by a First Supplemental Trust Indenture dated as of September 1, 2023 (the "First Supplemental Indenture" and, together with the Master Indenture, the "A-1 Indenture"), and with respect to the Series 2023A-2 Bonds by a Second Supplemental Trust Indenture dated as of September 1, 2023 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "A-2 Indenture") (the A-1 Indenture and the A-2 Indenture collectively referred to herein as the "Indenture"), each by and between the District and the Trustee (as defined herein). Capitalized terms not defined herein shall have the meanings assigned to them in the Indenture. See "APPENDIX A: FORMS OF MASTER INDENTURE, FIRST SUPPLEMENTAL INDENTURE AND SECOND SUPPLEMENTAL INDENTURE" herein.

The District is a local unit of special purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and established by Ordinance No. 22-04 enacted by the Board of County Commissioners of the Manatee County, Florida (the "County"), and effective January 13, 2022, as amended. The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as hereinafter defined), and has previously determined to undertake the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands. The Series 2023 Bonds are being issued by the District pursuant to the Act, Resolutions No. 2022-28 and No. 2023-05 adopted by the District's Board of Supervisors ("Board") on March 4, 2022 and September 14, 2023, respectively (together, the "Bond Resolution"), and the Indenture.

The Series 2023 Bonds will bear interest at the fixed rate set forth on the inside cover, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing May 1, 2024. The Series 2023 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2023 Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2023 Bonds will be paid from sources described below by U.S. Bank Trust Company, National Association, a national banking association having a designated corporate trust office in Fort Lauderdale, Florida, as trustee (the "Trustee"), directly to DTC or its nominee as the registered owner thereof. Disbursements of such payments to the Direct Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of the Direct Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest in a Series 2023 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2023 Bond. See "DESCRIPTION OF THE SERIES 2023 BONDS - Book-Entry Only System" herein.

Proceeds of the Series 2023A-1 Bonds will be used to provide funds for (i) the Costs of acquiring and/or constructing a portion of the 2023 Project (as defined herein), (ii) funding interest on the Series 2023A-1 Bonds through at least November 1, 2024; (iii) the funding of the Series 2023A-1 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2023A-1 Bonds. See "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2023A-2 Bonds are being issued on a draw-down basis. See "DESCRIPTION OF THE SERIES 2023 BONDS – Series 2023A-2 Draw-Down Bond" herein. Proceeds of the Series 2023A-2 Bonds, as received, will be used to provide funds for (i) the Costs of acquiring and/or

constructing a portion of the 2023 Project not otherwise financed with the proceeds of the Series 2023A-1 Bonds, (ii) funding interest on the Series 2023A-2 Bonds through at least November 1, 2024; (iii) the funding of the Series 2023A-2 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2023A-2 Bonds. See "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2023A-1 Bonds are payable from and secured solely by the Series 2023A-1 Pledged Revenues. As further provided in the A-1 Indenture, the Series 2023A-1 Pledged Revenues consist of (a) all revenues received by the District from the Series 2023A-1 Special Assessments levied and collected on the assessable lands within the 2023A-1 Assessment Area (as defined herein) within the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2023A-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2023A-1 Special Assessments, and (b) all moneys on deposit in the Funds, Accounts and subaccounts established under the A-1 Indenture created and established with respect to or for the benefit of the Series 2023A-1 Bonds; provided, however, that Series 2023A-1 Pledged Revenues shall not include (A) any moneys transferred to the Series 2023A-1 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2023A-1 Costs of Issuance Account of the Acquisition and Construction Fund, (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the District under Section 190.021(3) of the Act, and (D) the Series 2023A-2 Special Assessments (it being expressly understood that the lien and pledge of the A-1 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B), (C) and (D) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

The Series 2023A-2 Bonds are payable from and secured solely by the Series 2023A-2 Pledged Revenues. As further provided in the A-2 Indenture, the Series 2023A-2 Pledged Revenues consists of (a) all revenues received by the District from the Series 2023A-2 Special Assessments levied and collected on the assessable lands within the 2023A-2 Assessment Area within the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2023A-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2023A-2 Special Assessments, and (b) all moneys on deposit in the Funds, Accounts and subaccounts established under the A-2 Indenture created and established with respect to or for the benefit of the Series 2023A-2 Bonds; provided, however, that Series 2023A-2 Pledged Revenues shall not include (A) any moneys transferred to the Series 2023A-2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2023A-2 Costs of Issuance Account of the Acquisition and Construction Fund, (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the District under Section 190.021(3) of the Act, and (D) the Series 2023A-1 Special Assessments (it being expressly understood that the lien and pledge of the A-2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B), (C) and (D) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

Pursuant to the Indenture, the Series 2023 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption at the times, under the circumstances, in the amounts, and at the redemption prices as more fully described under the caption "DESCRIPTION OF THE SERIES 2023 BONDS – Redemption Provisions" herein.

THE SERIES 2023 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2023A-1 PLEDGED REVENUES AND THE SERIES 2023A-2 PLEDGED REVENUES, RESPECTIVELY, PLEDGED THEREFOR UNDER THE A-1 INDENTURE AND THE A-2 INDENTURE, RESPECTIVELY, AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2023 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, THE SERIES 2023A-1 SPECIAL ASSESSMENTS AND THE SERIES 2023A-2 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2023A-1 BONDS AND THE SERIES 2023A-2 BONDS, RESPECTIVELY. THE SERIES 2023 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

While the Series 2023A-1 Bonds and the Series 2023A-2 Bonds are being issued simultaneously, each Series of Series 2023 Bonds is separately secured under a separate supplemental indenture, as previously noted herein. Notwithstanding the foregoing, however, the Series 2023A-1 Special Assessments that secure the Series 2023A-1 Bonds and the Series 2023A-2 Special Assessments that secure the Series 2023A-2 Bonds are initially being levied on portions of the same lands within the District, so that an Event of Default (as defined herein) under the A-1 Indenture or the A-2 Indenture, as the case may be, or the exercise of remedies thereunder, with respect to one Series of the Series 2023 Bonds could adversely affect the other Series of Series 2023 Bonds.

The Series 2023 Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Series 2023 Bonds are not being offered by the District through a public offering. Rather, the District has determined initially to privately place, through the best efforts of the Placement Agent, the Series 2023 Bonds solely to a single "accredited investor" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial private placement to an accredited investor does not denote restrictions on transfers in any secondary market for the Series 2023 Bonds. The Series 2023 Bonds are not credit enhanced or rated and no application has been made for credit enhancement or a rating with respect to the Series 2023 Bonds.

This cover page, and the inside cover page, contain certain information for quick reference only. They are not, and are not intended to be, a summary of this issue. Investors must read the entire Private Placement Memorandum, including the Appendices hereto, to obtain information essential to the making of an informed investment decision.

SEE THE INSIDE COVER HEREOF FOR THE MATURITY SCHEDULE.

The initial sale of the Series 2023 Bonds is subject to certain conditions precedent, including, without limitation, receipt of the opinion of Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel, as to the validity of the Series 2023 Bonds and the excludability of interest on the Series 2023 Bonds from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida, as District Counsel, for the Placement Agent by its counsel GrayRobinson, P.A., Tampa, Florida, for the Developer (hereinafter defined) by its counsel, Holland & Knight LLP, Tampa, Florida, and for the Future Phases Landowner (hereinafter defined) by its counsel, Blalock Walters, P.A., Bradenton, Florida. It is expected that the Series 2023 Bonds will be delivered in book-entry form through the facilities of DTC on or about _____, 2023.

Dated: _____, 2023

MATURITY SCHEDULE

**LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
(Manatee County, Florida)**

[\$24,090,000]

Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area)

<u>Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>
\$_[_____]	May 1, 20__	____%	____%	_____	_____

NOT TO EXCEED

[\$30,910,000]

Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area)

<u>Amount**</u>	<u>Maturity</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>
\$_[_____]	May 1, 20__	____%	____%	_____	_____

* Neither the District nor the Placement Agent shall be responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Private Placement Memorandum.

** Assumes the full not to exceed Series 2023A-2 Bond principal is drawn.

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS*

Gary Walker*, Chairperson
David Brasher*, Vice Chairperson
Reginald Tisdale*, Assistant Secretary
Krystal Parsons**, Assistant Secretary
Walter Preston**, Assistant Secretary

*Affiliated with the Development Manager (as defined herein)

** Affiliated with the Future Phases Landowner

DISTRICT MANAGER AND METHODOLOGY CONSULTANT

Wrathell, Hunt & Associates, LLC
Boca Raton, Florida

DISTRICT COUNSEL

Kutak Rock LLP
Tallahassee, Florida

BOND COUNSEL

Greenberg Traurig, P.A.
West Palm Beach, Florida

DISTRICT ENGINEER

ZNS Engineering, L.C.
Bradenton, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2023 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2023 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DEVELOPER AND THE FUTURE PHASES LANDOWNER (EACH AS HEREINAFTER DEFINED), THE DISTRICT, THE DEPOSITORY TRUST COMPANY (AS TO ITSELF AND THE BOOK-ENTRY ONLY SYSTEM), PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF DISTRICT OR THE PLACEMENT AGENT. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS PRIVATE PLACEMENT MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT, THE DEVELOPER, THE FUTURE PHASES LANDOWNER OR IN THE STATUS OF THE DEVELOPMENT OR THE CAPITAL IMPROVEMENT PLAN (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2023 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2023 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTION WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. THE SERIES 2023 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NEITHER THE DISTRICT, THE COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2023 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF SERIES 2023 SPECIAL ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S, THE DEVELOPER'S AND THE FUTURE PHASES LANDOWNER'S CONTROL. BECAUSE THE DISTRICT, THE DEVELOPER AND THE

FUTURE PHASES LANDOWNER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT AND THE DEVELOPER DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

THE DESCRIPTIONS AND REFERENCES HEREIN TO LAWS, RULES, REGULATIONS, RESOLUTIONS, AGREEMENTS, REPORTS, THE SERIES 2023 BONDS, THE DOCUMENTS AUTHORIZING AND SECURING THE SAME, AND OTHER DOCUMENTS DO NOT PURPORT TO BE COMPREHENSIVE OR DEFINITIVE. ALL REFERENCES TO SUCH DOCUMENTS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PARTICULAR DOCUMENT, THE FULL TEXT OF WHICH MAY CONTAIN QUALIFICATIONS OF AND EXCEPTIONS TO STATEMENTS MADE HEREIN.

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**LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
(MANATEE COUNTY, FLORIDA)**

\$24,090,000	NOT TO EXCEED
\$30,910,000	
SPECIAL ASSESSMENT BONDS,	SPECIAL ASSESSMENT BONDS,
SERIES 2023A-1 (2023A-1 ASSESSMENT AREA)	SERIES 2023A-2 (2023A-2 ASSESSMENT AREA)

INTRODUCTION

General

The purpose of this Private Placement Memorandum, including the cover page, inside cover page, and appendices attached hereto, is to set forth certain information in connection with the offering for sale by the Lake Flores Community Development District ("District" or "Issuer") of its \$24,090,000 Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its Not to Exceed \$30,910,000 Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds").

This introduction is not a summary of this Private Placement Memorandum. It is only a description of and guide to, and is qualified by, the information contained in the entire Private Placement Memorandum, including the cover page and appendices hereto, and the documents summarized or described herein. The information provided in this Private Placement Memorandum is made only by means of the entire Private Placement Memorandum taken as a whole, and a full review should be made of the entire Private Placement Memorandum prior to making any investment decision.

THE SERIES 2023 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. THE SERIES 2023 BONDS ARE BEING OFFERED INITIALLY THROUGH A PRIVATE PLACEMENT ONLY TO A SINGLE "ACCREDITED INVESTOR" WITHIN THE MEANING OF CHAPTER 517, FLORIDA STATUTES, AS AMENDED, AND THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES PROMULGATED THEREUNDER. THE INITIAL PURCHASER OF THE SERIES 2023 BONDS WILL BE REQUIRED TO SIGN AN INVESTOR LETTER. SEE "APPENDIX G: FORM OF INVESTOR LETTER."

THE LIMITATION OF THE INITIAL PRIVATE PLACEMENT TO AN ACCREDITED INVESTOR DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2023 BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2023 BONDS. ANY TRANSFER OF SERIES 2023 BONDS MUST BE IN AUTHORIZED DENOMINATIONS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

The District is a local unit of special-purpose government of the State of Florida (the "State"), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and Ordinance No. 22-04, enacted by the Board of County Commissioners of the Manatee County, Florida (the "County"), effective as of January 13, 2022, as amended (the "Ordinance"). The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as hereinafter defined) and has previously determined to undertake, in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the District Lands. The Act authorizes the District to issue bonds for the purposes of, among others, financing, funding, planning,

establishing, acquiring, constructing or reconstructing, enlarging or extending, or equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, street lights and other basic infrastructure projects within or without the boundaries of the District as provided in the Act. For more complete information about the District, the Board and the District Manager, see "THE DISTRICT" herein.

The District's boundaries contain approximately [1,173.1] gross acres of land ("District Lands") located entirely within an unincorporated area of the County. The District Lands are planned to contain a master-planned mixed-use community known as "Lake Flores" (herein referred to as the "Development"). At buildout, the Development is planned to contain approximately 4,000 residential units, 600 rental apartment units, 250 hotel rooms and approximately 650,000 square feet of retail and office uses. See "THE DEVELOPMENT" herein for more information.

The District Lands are being developed in phases, as follows: (i) Phase 1A is planned for a mitigation node and drainage areas and is not anticipated to contain any commercial or residential uses ("Phase 1A"), (ii) Phase 1B-1 consists of 68.53 acres of land and is planned to contain 242 residential units ("Phase 1B-1"), (iii) Phase N1 consists of 20.72 acres of land and is planned to contain 158 residential units ("Phase N1"), (iv) Phase 1B-2 consists of 57.58 acres of land and is planned to contain 265 residential units ("Phase 1B-2"), (v) the Town Center consists of 50.92 acres of land and is planned to contain approximately 235,000 square feet of retail and office uses, 300 apartments and 250 hotel rooms (the "Town Center"), (vi) the Multifamily/Commercial Area consists of 18.83 acres of land and zoned for multifamily residential units and/or commercial uses (the "Multifamily/Commercial Area"), (vii) Phase 1C consists of 95.62 acres of land and is planned to contain 398 residential units ("Phase 1C") and (viii) the Future Phases Area consists of 778.9 acres of land and is planned to contain approximately 2,937 residential units and approximately 415,000 square feet of commercial, retail and office uses (the "Future Phases Area"). See "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECT" herein for more information.

The District has created separate assessment areas to facilitate its financing plan for the Development. The "2023A-1 Assessment Area" corresponds to residential Phases 1B-1, N1, and 1B-2, as well as the Town Center, the Multifamily/Commercial Area and the Future Phases Area. The "2023A-2 Assessment Area" corresponds to Phases 1B-1, N1, and 1B-2 as well as the Town Center and the Multifamily/Commercial Area, but not the Future Phases Area. See "THE DEVELOPMENT – Development Plan and Status" herein for more information.

The Series 2023A-1 Bonds will be payable from and secured solely by the Series 2023A-1 Pledged Revenues, which consist primarily of the Series 2023A-1 Special Assessments (as hereinafter defined). The Series 2023A-1 Special Assessments will initially be levied primarily on the approximately [250.39] gross acres constituting the 2023A-1 Assessment Area, less the Future Phases Area. In addition, a portion of the Series 2023A-1 Special Assessments in the initial principal amount of \$5,000,000 will initially be assigned to the 778.9 gross acres constituting the Future Phases Area. The Series 2023A-2 Special Assessments will thereafter be allocated to platted lots and platted and unplatted lands in accordance with the Assessment Methodology. The Series 2023A-2 Bonds will be payable from and secured solely by the Series 2023A-2 Pledged Revenues, which consist primarily of the Series 2023A-2 Special Assessments (as hereinafter defined). The Series 2023A-2 Special Assessments will initially be levied on the approximately [250.39] gross acres within the 2023A-2 Assessment Area on a per acre basis. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" and "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein.

Cortez75W Investors, LLC, a Delaware limited liability company (the "Developer"), is the landowner and developer of the lands within Phase 1 of the Development. LF Manatee, LLC, a Florida limited liability company (the "Future Phases Landowner"), is the current landowner of the Future Phases

Area. See "THE DEVELOPER AND THE FUTURE PHASES LANDOWNER" herein for more information. The Developer has entered into builder contracts to sell all 238 developed and platted lots within Phase 1B-1 as follows: (i) David Weekley Homes (as defined herein, "Weekley") for 53 lots upon development completion (the "Weekley Contract"), (ii) Issa Homes (as defined herein "Issa") for 21 lots upon development completion (the "Issa Contract"), (iii) Cardel Homes (as defined herein "Cardel") for 59 lots upon development completion (the "Cardel Contract"), and (iv) Pulte Homes (as defined herein, "Pulte") for 105 lots upon development completion (the "Pulte Contract," and collectively, the "Builder Contracts"). See "THE DEVELOPMENT–The Builder Contracts and the Builders" herein for more information.

The Series 2023 Bonds are being issued by the District pursuant to the Act, Resolutions No. 2022-28 and No. 2023-05, adopted by the District's Board of Supervisors ("Board") on March 4, 2022 and September 14, 2023, (collectively, "Bond Resolution"), and a Master Trust Indenture dated as of September 1, 2023 (the "Master Indenture"), as supplemented with respect to the Series 2023A-1 Bonds by a First Supplemental Trust Indenture dated as of September 1, 2023 (the "First Supplemental Indenture" and, together with the Master Indenture, the "A-1 Indenture"), and with respect to the Series 2023A-2 Bonds by a Second Supplemental Trust Indenture dated as of September 1, 2023 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "A-2 Indenture") (the A-1 Indenture and the A-2 Indenture collectively referred to herein as the "Indenture"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Series 2023 Bonds. All capitalized terms not defined herein shall have the respective meanings set forth in the Indenture. See "APPENDIX A: FORMS OF MASTER INDENTURE, FIRST SUPPLEMENTAL INDENTURE AND SECOND SUPPLEMENTAL INDENTURE" attached hereto.

"Bondholder Representative," as used herein, shall mean (i) PHCC LLC (d/b/a Preston Hollow Community Capital), as the Initial Purchaser of the Series 2023A-1 Bonds and the Series 2023A-2 Bonds, as applicable, or its designee, and (ii) thereafter, if the Initial Purchaser, together with its affiliates, collectively owns, directly or indirectly, less than twenty-five percent (25%) of the aggregate Outstanding principal amount of the Bonds of a Series of Series 2023 Bonds, then the Bondholder Representative shall be the Person appointed by the beneficial owners of more than twenty-five percent (25%) of the Outstanding Bonds of such Series of Series 2023 Bonds. Notwithstanding the foregoing, the Initial Purchaser shall remain the Bondholder Representative until a new Bondholder Representative has been appointed and written notice of the same has been communicated to the Initial Purchaser, the District and the Trustee. During any period in which no Bondholder Representative has been appointed, references in the A-1 Indenture or the A-2 Indenture, as applicable, to the Bondholder Representative shall be deemed to be references to the Majority Holders of the Bonds of such Series.

Purpose

Proceeds of the Series 2023A-1 Bonds will be used to provide funds for (i) the Costs of acquiring and/or constructing a portion of the 2023 Project (as defined herein), (ii) funding interest on the Series 2023A-1 Bonds through at least November 1, 2024; (iii) the funding of the Series 2023A-1 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2023A-1 Bonds. See "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2023A-2 Bonds are being issued on a draw-down basis. See "DESCRIPTION OF THE SERIES 2023 BONDS – Series 2023A-2 Draw-Down Bond" herein. Proceeds of the Series 2023A-2 Bonds, as received, will be used to provide funds for (i) the Costs of acquiring and/or constructing a portion of the 2023 Project not otherwise financed with the proceeds of the Series 2023A-1 Bonds, (ii) funding

interest on the Series 2023A-2 Bonds through at least November 1, 2024; (iii) the funding of the Series 2023A-2 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2023A-2 Bonds. See "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Security for the Series 2023 Bonds

The Series 2023A-1 Bonds are payable from and secured solely by the Series 2023A-1 Pledged Revenues. As further provided in the A-1 Indenture, the Series 2023A-1 Pledged Revenues consists of (a) all revenues received by the District from the Series 2023A-1 Special Assessments levied and collected on the assessable lands within the 2023A-1 Assessment Area within the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2023A-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2023A-1 Special Assessments, and (b) all moneys on deposit in the Funds, Accounts and subaccounts established under the A-1 Indenture created and established with respect to or for the benefit of the Series 2023A-1 Bonds; provided, however, that Series 2023A-1 Pledged Revenues shall not include (A) any moneys transferred to the Series 2023A-1 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2023A-1 Costs of Issuance Account of the Acquisition and Construction Fund, (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the District under Section 190.021(3) of the Act, and (D) the Series 2023A-2 Special Assessments (it being expressly understood that the lien and pledge of the A-1 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B), (C) and (D) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

The Series 2023A-2 Bonds are payable from and secured solely by the Series 2023A-2 Pledged Revenues. As further provided in the A-2 Indenture, the Series 2023A-2 Pledged Revenues consists of (a) all revenues received by the District from the Series 2023A-2 Special Assessments levied and collected on the assessable lands within the 2023A-2 Assessment Area within the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2023A-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2023A-2 Special Assessments, and (b) all moneys on deposit in the Funds, Accounts and subaccounts established under the A-2 Indenture created and established with respect to or for the benefit of the Series 2023A-2 Bonds; provided, however, that Series 2023A-2 Pledged Revenues shall not include (A) any moneys transferred to the Series 2023A-2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2023A-2 Costs of Issuance Account of the Acquisition and Construction Fund, (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the District under Section 190.021(3) of the Act, and (D) the Series 2023A-1 Special Assessments (it being expressly understood that the lien and pledge of the A-2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B), (C) and (D) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

There follows in this Private Placement Memorandum a brief description of the District, the Developer and the Future Phases Landowner, the Development, the 2023 Project, and summaries of the terms of the Series 2023 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and statute, and all references to the Series 2023 Bonds are qualified by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. The forms of the Master Indenture, First Supplemental Indenture and Second Supplemental Indenture appear in APPENDIX A hereto.

This Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change.

DESCRIPTION OF THE SERIES 2023 BONDS

General Description

The Series 2023 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. The Series 2023 Bonds will mature, subject to the redemption provisions set forth herein, on the date and in the amount set forth on the inside cover page hereof.

The Series 2023 Bonds will be dated their date of issuance and delivery to the Initial Purchaser. The Series 2023 Bonds shall be dated as of the date of initial delivery. Regularly scheduled interest on the Series 2023 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. "Interest Payment Date" means May 1 and November 1 of each year, commencing May 1, 2024, and any other date the principal of the Series 2023 Bonds is paid, including any Quarterly Redemption Date. Interest on the Series 2023 Bonds will be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2024, in which case from the date of initial delivery, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. Interest on the Series 2023 Bonds will be computed in all cases on the basis of a 360-day year of twelve 30-day months. "Quarterly Redemption Date" means February 1, May 1, August 1 and November 1 of any year.

The Series 2023 Bonds shall be issued as one fully registered bond and deposited with The Depository Trust Company, New York, New York ("DTC"), which is responsible for establishing and maintaining records of ownership for its participants. As long as the Series 2023 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes of the Indenture. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("Direct Participants") and other institutions that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2023 Bonds ("Beneficial Owners"). Principal and interest on the Series 2023 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to Direct Participants shall be the responsibility of DTC. Payments by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Trustee or the District. During the period for which Cede & Co. is Registered Owner of the Series 2023 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to Direct Participants and Direct Participants shall be responsible for notices to Indirect Participants, and Direct Participants and Indirect Participants shall be responsible for notices to Beneficial Owners. The District and the Trustee shall enter into a letter of representations with DTC providing for such book-entry-only system, in accordance with the provisions of the Indenture. Such agreement may be terminated at any time by either DTC or the District. In the event of such termination, the District shall select another securities depository. If the District does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2023 Bonds in the form of fully registered Series 2023 Bonds in accordance with the instructions from Cede & Co. In the event DTC, any successor of DTC or the District, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system for the Series 2023 Bonds, the Trustee shall deliver

bond certificates in accordance with the instructions from DTC or its successor, and after such time the Series 2023 Bonds may be exchanged for an equal aggregate principal amount of such Series 2023 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee. See "– Book-Entry Only System" herein.

The Series 2023 Bonds will initially be offered solely through a private placement by the best efforts of the Placement Agent on behalf of the District and sold only to a single "accredited investor" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules of the Florida Department of Financial Services promulgated thereunder, although there is no limitation on resales of the Series 2023 Bonds. See "BOOK ENTRY ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT" herein.

U.S. Bank Trust Company, National Association is the initial Trustee, Paying Agent and Registrar for the Series 2023 Bonds.

Series 2023A-2 Draw-Down Bond

The Series 2023A-2 Bonds are being issued on a draw-down basis. The initial advance of Series 2023A-2 Bond proceeds shall occur on the date of delivery of the Series 2023A-2 Bonds and shall be in the aggregate principal amount of \$[_____] (the "Initial Advance"). The "Draw Period" during which the District may present Draw Requests shall commence on [_____, 2023] and end on [_____, 2023], unless extended at the sole discretion of the Initial Purchaser, with notice of the same having been provided to the District and the Trustee.

Subject to the provisions of the A-2 Indenture, the District is authorized to present one or more Draw Requests to the Initial Purchaser for the portion of the Series 2023A-2 Bonds that were authorized but not yet advanced by the Initial Purchaser at the time of initial delivery of the Series 2023A-2 Bonds. For purposes of the foregoing, the maximum amount of Bond Proceeds Advances that the District may request pursuant to the Draw Schedule set forth in the A-2 Indenture shall be equal to the difference between the not to exceed principal amount described in the A-2 Indenture and the total of all Draw Requests that have been funded (the "Maximum Draw Request Amount"). If any Bond Proceeds Advance has been repaid, the Maximum Draw Request Amount shall not be increased. The maximum number of Draw Requests shall not exceed six (6), and not more than one (1) Draw Request may be made each calendar quarter, commencing after the date of delivery of the initial principal amount of Series 2023A-2 Bonds.

Notwithstanding any of the foregoing, the District shall not present a Draw Request to the Initial Purchaser upon the occurrence or continuance of an Event of Default as described in paragraphs (a), (b) or (f) herein set forth under the heading "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Events of Default and Remedies" herein. In the event the District fails to request the Maximum Draw Request Amount by the end of the Draw Period, no further Draw Requests may be made unless otherwise consented to by the Initial Purchaser in writing provided to the District, the Trustee and the Developer.

Subject to the conditions set forth in the A-2 Indenture, the Initial Purchaser shall fund each Draw Request within ten (10) Business Days from receipt of such Draw Request. Upon its receipt of each Bond Proceeds Advance, the Trustee shall immediately deposit the same in the Series 2023A-2 Acquisition and Construction Account to be disbursed pursuant to the provisions of the A-2 Indenture and in the Series 2023A-2 Reserve Account, Series 2023A-2 Interest Account and the Series 2023A-2 Costs of Issuance Account in the amounts set forth in each Draw Request. The Trustee shall also make appropriate notations on its records relating to each Bond Proceeds Advance including, but not limited to, (1) the now outstanding principal amount of the Series 2023A-2 Bonds as a result of the Bond Proceeds Advance and (2) the amount of remaining Bond Proceeds Advances that the District is authorized to make prior to the end of the Draw

Period. The records of the Initial Purchaser shall govern the funding of all Draw Requests absent manifest effort.

For certain remedies available to the District in the event the Initial Purchaser fails to fund a Draw Request, see "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Additional Bonds" herein.

Redemption Provisions

Optional Redemption

Series 2023A-1 Bonds

The Series 2023A-1 Bonds (other than the Outstanding Series 2023A-1 Bonds allocated to the Future Phases Area) may, at the option of the District, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will accept less than forty-five (45) days' notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after May 1, [20__] (less than all Series 2023A-1 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Series 2023A-1 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2023A-1 Optional Redemption Subaccount of the Series 2023A-1 Bond Redemption Account. If such optional redemption shall be in part, the District shall select such principal amount of Series 2023A-1 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Series 2023A-1 Bonds is substantially level. Notwithstanding the foregoing, the Series 2023A-1 Bonds may be optionally redeemed prior to May 1, [20__] if the Series 2023A-2 Bonds become subject to optional redemption pursuant to the provisions of the A-2 Indenture.

Series 2023A-2 Bonds

Except as provided in the next succeeding sentence, the Series 2023A-2 Bonds are not subject to optional redemption. If at any time the Initial Purchaser fails to fund a properly submitted Draw Request, the District may redeem all or a portion of the Outstanding Series 2023A-1 Bonds at a Redemption Price equal to the principal amount of Outstanding Series 2023A-2 Bonds to be optionally redeemed, plus accrued interest to the applicable redemption date.

Mandatory Sinking Fund Redemption

Series 2023A-1 Bonds

The Series 2023A-1 Bonds are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2023A-1 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2024	\$
2025	
2026	
2027	
2028	

**Mandatory Sinking Fund
Redemption Amount**

<u>Year</u>
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053*

*Maturity

Upon any redemption or purchase of Series 2023A-1 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2023A-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2023A-1 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2023A-1 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Series 2023A-2 Bonds

The Series 2023A-2 Bonds are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2023A-2 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2028	\$
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
2047	
2048	
2049	
2050	
2051	
2052	
2053*	

*Maturity

Upon any redemption or purchase of Series 2023A-2 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2023A-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2023A-2 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2023A-2 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Extraordinary Mandatory Redemption

Series 2023A-1 Bonds

The Series 2023A-1 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below which extraordinary

mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2023A-1 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2023A-1 Prepayment Principal deposited into the Series 2023A-1 Prepayment Subaccount of the Series 2023A-1 Bond Redemption Account (taking into account the credit from the Series 2023A-1 Reserve Account pursuant to the A-1 Indenture) following the Prepayment in whole or in part of the Series 2023A-1 Special Assessments on any assessable property within the 2023A-1 Assessment Area within the District in accordance with the provisions of the A-1 Indenture; the Quarterly Redemption Date requirement shall not apply if any of the lands within the [2023A-2 Assessment Area] have been sold to any homebuilder or commercial builder, and the District Manager, on behalf of the District, shall provide written notice to the Trustee at any time such sale has occurred, on which notice the Trustee may conclusively rely;

(ii) from moneys, if any, on deposit in the Series 2023A-1 Funds, Accounts and subaccounts (other than the Series 2023A-1 Rebate Fund, the Series 2023A-1 Costs of Issuance Account and the Series 2023A-1 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2023A-1 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the A-1 Indenture; and

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2023A-1 Acquisition and Construction Account not otherwise reserved to complete the 2023 Project intended to be financed with the proceeds of the Series 2023A-1 Bond, all of which have been transferred to the Series 2023A-1 General Redemption Subaccount of the Series 2023A-1 Bond Redemption Account.

Series 2023A-2 Bonds

The Series 2023A-2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2023A-2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2023A-2 Prepayment Principal deposited into the Series 2023A-2 Prepayment Subaccount of the Series 2023A-2 Bond Redemption Account (taking into account the credit from the Series 2023A-2 Reserve Account pursuant to the A-2 Indenture) following the Prepayment in whole or in part of the Series 2023A-2 Special Assessments on any assessable property within the 2023A-2 Assessment Area within the District in accordance with the provisions of the A-2 Indenture; provided that the Quarterly Redemption Date requirement shall not apply if any of the lands within the [2023A-1] Assessment Area have been sold to any homebuilder or commercial builder, and such redemption may occur on any date provided proper notice of redemption has been given; the District Manager, on behalf of the District, shall provide written notice to the Trustee at any time such sale has occurred, on which notice the Trustee may conclusively rely;

(ii) from moneys, if any, on deposit in the Series 2023A-2 Funds, Accounts and subaccounts (other than the Series 2023A-2 Rebate Fund, the Series 2023A-2 Costs of Issuance Account and the Series 2023A-2 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2023A-2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the A-2 Indenture; and

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2023A-2 Acquisition and Construction Account not otherwise reserved to complete the 2023 Project intended to be financed with the proceeds of the Series 2023A-2 Bond, all of which have been transferred to the Series 2023A-2 General Redemption Subaccount of the Series 2023A-2 Bond Redemption Account.

Notice of Redemption

Notice of each redemption of the Series 2023 Bonds is required to be mailed by the Trustee by class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of the Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Trustee or the Paying Agent, all as provided in the Indenture, the Series 2023 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2023 Bonds or such portions thereof on such date, interest on such Series 2023 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2023 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2023 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Trustee or the Paying Agent. Further notice of redemption shall be given by the Trustee to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Notwithstanding the foregoing, the Trustee is authorized to give conditional notice of redemption as provided in the Master Indenture.

Purchase of Series 2023 Bonds

At the written direction of the District, the Trustee shall apply moneys from time to time available in the applicable Series 2023 Sinking Fund Account to the purchase of Series 2023 Bonds of the related Series which mature in the aforesaid years, at prices not higher than the principal amount thereof, in lieu of redemption as aforesaid, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given.

Exchange of Series 2023 Bonds

Bonds of a Series of Series 2023 Bonds initially issued as Term Bonds may be exchanged for one or more Serial Bonds at the written direction of 100% of the beneficial owners of the Bonds of such Series of Series 2023 Bonds, provided that overall debt service on the Bonds of such Series of Series 2023 Bonds shall not be increased. All expenses relating to such exchange shall be borne by the beneficial owners of the Bonds of such Series of Series 2023 Bonds, provided that the Trustee shall not charge more than \$5,000.

Bond Pooling Program

The Initial Purchaser is developing a bond pooling program (the "Bond Pooling Program"), pursuant to which a joint powers authority or other governmental unit or political subdivision of a state (the "Pool Bond Issuer") will, from time to time, issue bonds, notes or other evidences of indebtedness ("Pool Debt") and either apply proceeds of such Pool Debt to the purchase of bonds, notes or other evidences of indebtedness of states and political subdivisions thereof ("Local Bonds"), including Local Bonds such as the Series 2023 Bonds, or exchange such Pool Debt for such Local Bonds. In the Indenture, the District will acknowledge that the Initial Purchaser is coordinating the establishment of the Bond Pooling Program

and agrees that, in connection with the Bond Pooling Program, an owner of Series 2023 Bonds may (a) at any time, sell all or a portion of the Series 2023 Bonds of such owner to the Pool Bond Issuer, or exchange all or a portion of the Series 2023 Bonds of such owner for Pool Debt, on such terms as may be agreed upon by such owner and the Pool Bond Issuer, and (b) in connection with any such sale or exchange, transfer such Series 2023 Bonds so sold or exchanged to the Pool Bond Issuer, or to a commercial bank acting as trustee for the Pool Debt (the "Pool Bond Trustee").

The District will further acknowledge that (a) in connection with any such sale or exchange, only the debt service payments on the Series 2023 Bonds so sold or exchanged will be pledged to the payment of and as security for such Pool Debt, and (b) the Pool Bond Issuer or such Pool Bond Trustee, as applicable, as the owner of such Series 2023 Bonds so sold or exchanged, will be entitled to exercise such rights as are granted to owners of Series 2023 Bonds. In connection with any Pool Debt or Series 2023 Bonds that may become subject to an Internal Revenue Service audit, the District will agree to cooperate, if necessary, with the Pool Bond Issuer in connection with any such audit of the Pool Debt, provided that the Pool Bond Issuer likewise agrees to cooperate, if necessary, with the District in connection with any audit of the Series 2023 Bonds. The District shall not be responsible for any fees and expenses in connection with any audit of the Pool Debt and, in addition, shall have no additional liability with respect to such Pool Debt beyond what is set forth in the applicable Indenture and the Disclosure Agreement (as defined herein) with respect to such pooling.

Book-Entry Only System

The information in this caption concerning DTC and DTC's book-entry system has been obtained from DTC and neither the District nor the Placement Agent make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2023 Bond certificate will be issued for each maturity of each Series of the Series 2023 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules

applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2023 Bond documents. For example, Beneficial Owners of Series 2023 Bonds may wish to ascertain that the nominee holding the Series 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds within a series or maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions^{*}, and dividend payments on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding

^{*} Not applicable to the Series 2023 Bonds.

detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2023 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2023 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2023 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2023 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2023 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2023 Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2023 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository) pursuant to the procedures of DTC. In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS

General

THE SERIES 2023 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2023A-1 PLEDGED REVENUES AND THE SERIES 2023A-2 PLEDGED REVENUES, RESPECTIVELY, PLEDGED THEREFOR UNDER THE A-1 INDENTURE AND THE A-2 INDENTURE, RESPECTIVELY, AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2023 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, THE SERIES 2023A-1 SPECIAL ASSESSMENTS AND THE SERIES 2023A-2 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2023A-1 BONDS AND THE SERIES 2023A-2 BONDS, RESPECTIVELY. THE SERIES 2023 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Series 2023A-1 Bonds are payable from and secured solely by the Series 2023A-1 Pledged Revenues. As further provided in the A-1 Indenture, the Series 2023A-1 Pledged Revenues consists of (a) all revenues received by the District from the Series 2023A-1 Special Assessments levied and collected on the assessable lands within the 2023A-1 Assessment Area within the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2023A-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2023A-1 Special Assessments, and (b) all moneys on deposit in the Funds, Accounts and subaccounts established under the A-1 Indenture created and established with respect to or for the benefit of the Series 2023A-1 Bonds; provided, however, that Series 2023A-1 Pledged Revenues shall not include (A) any moneys transferred to the Series 2023A-1 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2023A-1 Costs of Issuance Account of the Acquisition and Construction Fund, (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the District under Section 190.021(3) of the Act, and (D) the Series 2023A-2 Special Assessments (it being expressly understood that the lien and pledge of the A-1 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B), (C) and (D) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

The Series 2023A-2 Bonds are payable from and secured solely by the Series 2023A-2 Pledged Revenues. As further provided in the A-2 Indenture, the Series 2023A-2 Pledged Revenues consists of (a) all revenues received by the District from the Series 2023A-2 Special Assessments levied and collected on the assessable lands within the 2023A-2 Assessment Area within the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2023A-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2023A-2 Special Assessments, and (b) all moneys on deposit in the Funds, Accounts and subaccounts established under the A-2 Indenture created and established with respect to or for the benefit of the Series 2023A-2 Bonds; provided, however, that Series 2023A-2 Pledged Revenues shall not include (A) any moneys transferred to the Series 2023A-2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2023A-2 Costs of Issuance Account of the Acquisition and Construction Fund, (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the District under Section 190.021(3) of the Act, and (D) the Series 2023A-1 Special Assessments (it being expressly understood that the lien and pledge of the A-2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B), (C) and (D) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

As set forth in the A-1 Indenture, "Series 2023A-1 Special Assessments" shall mean the Special Assessments (as defined in the Master Indenture) levied on the assessable lands within the 2023A-1 Assessment Area within the District as a result of the District's acquisition and/or construction of a portion of the 2023 Project, corresponding in amount to the debt service on the Series 2023A-1 Bonds and designated as such in the Assessment Methodology attached hereto as APPENDIX D, provided, however, that no more than \$5,000,000 in principal amount of the Series 2023A-1 Bonds shall be allocated to the Future Phases Area. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein.

As set forth in the A-2 Indenture, "Series 2023A-2 Special Assessments" shall mean the Special Assessments levied on the assessable lands within the 2023A-2 Assessment Area within the District as a result of the District's acquisition and/or construction of a portion of the 2023 Project, corresponding in amount to the debt service on the Series 2023A-2 Bonds and designated as such in the Assessment Methodology attached hereto as APPENDIX D. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein.

The Series 2023A-1 Special Assessments and the Series 2023A-2 Special Assessments are herein collectively referred to as the "Series 2023 Special Assessments."

The Assessment Methodology, which describes the methodology for allocating the Series 2023 Special Assessments to the corresponding assessable lands within the 2023A-1 Assessment Area and the 2023A-2 Assessment Area, is included as APPENDIX D hereto. The Series 2023 Special Assessments are levied pursuant to Section 190.022 of the Act, and the Assessment Resolutions (as defined in the Indenture) and assessment proceedings conducted by the District (together with the Assessment Resolutions, the "Assessment Proceedings"). Non-ad valorem assessments are not based on millage and are not taxes, but are a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Series 2023 Special Assessments will constitute a lien against the lands as to which the Series 2023 Special Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" and "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein.

Additional Bonds

Series 2023A-1 Bonds

The District will covenant not to issue any other Bonds or other debt obligations secured by the Series 2023A-1 Special Assessments. Such covenant shall not prohibit the District from issuing refunding bonds. In addition, other than the Series 2023A-2 Bonds and as otherwise provided in the A-1 Indenture, the District will covenant not to issue any other Bonds or debt obligations secured by any other Special Assessments on assessable lands within the 2023A-1 Assessment Area within the District that are subject to the Series 2023A-1 Special Assessments unless the Bondholder Representative provides its written consent, which may be given in its sole discretion, provided the foregoing shall not preclude the imposition of Special Assessments or other non-ad valorem assessments on such lands in connection with other capital projects that are necessary for health, safety or welfare reasons or to remediate a natural disaster. In addition, the District may issue other Bonds or other debt obligations on the lands within the Future Phases Area at any time there are no longer any Series 2023A-1 Special Assessments levied on such lands.

Subject to the covenants of the District described above, the District may issue other Bonds secured by other Special Assessments levied on the assessable lands within the Series 2023A-1 Assessment Area (other than on the Future Phases Area) if the Initial Purchaser fails, pursuant to the terms of the A-2 Indenture, to fund any properly submitted Draw Request, provided that (i) the annual principal amount of such other Special Assessments, together with the Series 2023 Special Assessments, does not exceed in the aggregate \$90.00 per front foot for each residential unit planned, and (ii) the total principal amount of such other Special Assessments, together with the Series 2023 Special Assessments does not exceed \$250,000 per acre for any commercial land use planned for within the Series 2023A-1 Assessment Area and the Series 2023A-2 Assessment Area (collectively, with respect to the Series 2023A-1 Bonds, the "Additional Bonds Limitations"). The District, or the District Manager on behalf of the District, shall provide written notice to the Trustee that the Additional Bonds Limitations will be satisfied as a condition precedent to issue any other Bonds, on which the Trustee may conclusively rely.

In addition, as provided in the A-2 Indenture, upon any failure to fund any properly submitted Draw Request, the District may bring an action against the Initial Purchaser for specific performance and an action to recover all costs resulting therefrom, and, if the District exercises its option to redeem all or a portion of its Outstanding Series 2023A-1 Bonds pursuant to the A-1 Indenture, such claim shall include any additional interest costs and closing costs and expenses incurred as a result. It is recognized that the Developer may become a direct party as a plaintiff to any such claim. Notwithstanding the foregoing, the District may not issue any additional Bonds pursuant to the A-1 Indenture unless all of the following has been obtained regarding the planned development: (1) all required zoning has been obtained; and (2) all

construction approvals have been obtained, including permits and environmental clearance, and satisfaction of such conditions have been certified by the Developer or its successor in interest, which certification may be conclusively relied upon by the District, the Trustee, the Initial Purchaser and the Placement Agent.

Series 2023A-2

The District will covenant not to issue any other Bonds or other debt obligations secured by the Series 2023A-2 Special Assessments. Such covenant shall not prohibit the District from issuing refunding bonds. In addition, other than the Series 2023A-1 Bonds and as provided in the A-2 Indenture, the District will covenant not to issue any other Bonds or debt obligations secured by any other Special Assessments on assessable lands within the 2023A-2 Assessment Area within the District that are subject to the Series 2023A-2 Special Assessments unless the Bondholder Representative provides its written consent, which may be given in its sole discretion, provided the foregoing shall not preclude the imposition of Special Assessments or other non-ad valorem assessments on such lands in connection with other capital projects that are necessary for health, safety or welfare reasons or to remediate a natural disaster.

Subject to the covenants of the District described above, the District may issue other Bonds secured by other Special Assessments levied on the assessable lands within the Series 2023A-2 Assessment Area if the Initial Purchaser fails to fund any properly submitted Draw Request, provided that (i) the total annual principal amount of such other Special Assessments, together with the Series 2023 Special Assessments, does not exceed in the aggregate \$90.00 per front foot for each residential unit planned, and (ii) the total principal amount of such other Special Assessments, together with the Series 2023 Special Assessments, does not exceed \$250,000 per acre for any commercial land use planned within the Series 2023A-2 Assessment Area and the Series 2023A-2 Assessment Area (collectively, with respect to the Series 2023A-2 Bonds, the "Additional Bonds Limitations"). The District, or the District Manager on behalf of the District, shall provide written notice to the Trustee that the Additional Bonds Limitations will be satisfied as a condition precedent to issue any other Bonds, on which the Trustee may conclusively rely.

In addition, upon any failure to fund any properly submitted Draw Request, the District may bring an action against the Initial Purchaser for specific performance and/or an action to recover all costs resulting therefrom, and, if the District exercises its option to redeem all or a portion of its Outstanding Series 2023A-2 Bonds pursuant to the A-2 Indenture, such claim shall include any additional interest costs and closing costs and expenses incurred as a result. It is recognized that the Developer may become a direct party as a plaintiff to any such claim. Notwithstanding the foregoing, the District may not issue any additional Bonds pursuant to the foregoing provisions of the A-2 Indenture unless all of the following have been obtained regarding the planned development: (1) all required zoning has been obtained; and (2) all construction approvals have been obtained including permits and environmental clearance and satisfaction of such conditions have been certified by the Developer or its successor in interest which certification may be conclusively relied upon by the District, the Trustee, the Initial Purchaser and the Placement Agent. It is recognized that the Developer may become a direct party to any such claim as a plaintiff.

Other Taxes and Assessments

The District, subject to the limitations set forth above, and/or other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2023 Special Assessments without the consent of the holders of the Series 2023 Bonds. The District expects to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the Series 2023 Special Assessments on the same lands upon which the Series 2023 Special Assessments are imposed, to fund the maintenance and operation of the District. See "THE DEVELOPMENT – Taxes, Fees and Assessments" and "BONDOWNERS' RISKS" herein for more information.

Covenant Against Sale or Encumbrance

In the Master Indenture, the District will covenant that (a) except for those improvements comprising the Projects that are to be conveyed by the District to the County, the State Department of Transportation or another governmental entity, as to which no assessments of the District will be imposed and (b) except as otherwise permitted in the Master Indenture, it will not sell, lease or otherwise dispose of or encumber any Projects or any part thereof. See "APPENDIX C: PROPOSED FORMS OF MASTER INDENTURE, FIRST SUPPLEMENTAL INDENTURE AND SECOND SUPPLEMENTAL INDENTURE" herein.

Reserve Accounts

Series 2023A-1 Reserve Account

A Series 2023A-1 Reserve Account will be created under the A-1 Indenture within the Debt Service Reserve Fund for the benefit of the Series 2023A-1 Bonds and will be funded in the amount of the Series 2023A-1 Reserve Requirement. Proceeds of the Series 2023A-1 Bonds shall be deposited into the Series 2023A-1 Reserve Account in the amount of the Series 2023A-1 Reserve Requirement, and such moneys, together with any other moneys deposited into the Series 2023A-1 Reserve Account shall be applied for the purposes provided in the A-1 Indenture.

Pursuant to the A-1 Indenture, "Series 2023A-1 Reserve Requirement" shall mean, initially, an amount equal to fifty percent (50%) of the maximum annual debt service with respect to the initial principal amount of the Series 2023A-1 Bonds determined on the date of issue, which may be reduced as provided in the A-1 Indenture upon Prepayment of Series 2023A-1 Special Assessments. Once all of the developable lands in the 2023A-1 Assessment Area, excluding the Future Phases Area therein, has been sold to third parties (homebuilders and commercial developers) and the Series 2023A-2 Bonds are no longer Outstanding, the Series 2023A-1 Reserve Requirement shall be reduced to twenty-five percent (25%) of the then maximum annual debt service on the Outstanding principal amount of the Series 2023A-1 Bonds. The occurrence of such events shall be referred to as the "Release Conditions," and notice of the same shall be communicated to the Trustee by the District Manager, upon which notice the Trustee may conclusively rely without further inquiry. Any amount in the Series 2023A-1 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2023A-1 Bonds be used to pay principal of and interest on the Series 2023A-1 Bonds at that time. The Series 2023A-1 Reserve Requirement shall be equal to \$_____.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2023A-1 Reserve Account and transfer any excess therein above the Reserve Requirement for the Series 2023A-1 Bonds caused by investment earnings prior to the Completion Date to the Series 2023A-1 Acquisition and Construction Account and after the Completion Date to the Series 2023A-1 Revenue Account.

Notwithstanding any of the foregoing, amounts on deposit in the Series 2023A-1 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Series 2023A-1 Bonds to the Series 2023A-1 General Redemption Subaccount of the Series 2023A-1 Bond Redemption Account, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2023A-1 Special Assessments and applied to redeem a portion of the Series 2023A-1 Bonds is less than the principal amount of Series 2023A-1 Bonds indebtedness attributable to such lands.

Upon satisfaction of the Release Conditions, as evidenced by a written certificate of the District Manager delivered to the District and the Trustee, stating that the Release Conditions have been satisfied and setting forth the amount of the new Series 2023A-1 Reserve Requirement, the Trustee shall without further direction reduce the Series 2023A-1 Reserve Requirement to twenty-five percent (25%) of the maximum annual debt service of the then Outstanding principal amount of the Series 2023A-1 Bonds, as calculated by the District Manager. The excess amount in the Series 2023A-1 Reserve Account as a result of satisfaction of Release Conditions shall be transferred to the Series 2023A-1 Acquisition and Construction Account. The Trustee may conclusively rely on such written certificate of the District Manager.

In addition, in the event of an extraordinary mandatory redemption pursuant to A-1 Indenture, the District Manager on behalf of the District shall calculate the applicable Reserve Requirement and communicate the same to the Trustee, and the Trustee shall apply any excess in the Series 2023A-1 Reserve Account toward such extraordinary mandatory redemption.

Following a prepayment of any Series 2023A-1 Special Assessment, in the event the amount in the Series 2023A-1 Reserve Account will exceed the Reserve Requirement for the Series 2023A-1 Bonds as a result of such Prepayment in accordance with the A-1 Indenture and the resulting redemption of the Series 2023A-1 Bonds in accordance with the A-1 Indenture, the excess amount shall be transferred from the Series 2023A-1 Reserve Account to the Series 2023A-1 Prepayment Subaccount of the Series 2023A-1 Bond Redemption Account as a credit against the Series 2023A-1 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions to the Trustee of the District Manager, upon which the Trustee may conclusively rely, on behalf of the District, together with a certification stating that, after giving effect to such transfer, sufficient moneys will be on deposit in the Series 2023A-1 Reserve Account to equal or exceed the then Reserve Requirement for the Series 2023A-1 Bonds and which certificate of the District Manager will further state that, after giving effect to the proposed redemption of Series 2023A-1 Bonds, there will be sufficient Series 2023A-1 Pledged Revenues to pay the principal and interest, when due, on all Series 2023A-1 Bonds that will remain Outstanding.

Series 2023A-2 Reserve Account

A Series 2023A-2 Reserve Account will be created under the A-2 Indenture within the Debt Service Reserve Fund for the benefit of the Series 2023A-2 Bonds. Proceeds of the Series 2023A-2 Bonds, as received initially and during the Draw Period, shall be deposited into the Series 2023A-2 Reserve Account in the amount of the applicable Series 2023A-2 Reserve Requirement, and such moneys, together with any other moneys deposited into the Series 2023A-2 Reserve Account shall be applied for the purposes provided in the A-2 Indenture.

Pursuant to the A-2 Indenture, "Series 2023A-2 Reserve Requirement" shall mean, initially, an amount equal to fifty percent (50%) of the maximum annual debt service with respect to the initial principal amount of the Outstanding Series 2023A-2 Bonds determined on the date of issue and then subsequently increased upon the funding of each Draw Request. The Series 2023A-2 Reserve Requirement may be reduced pursuant to the provisions of the A-2 Indenture upon Prepayment of Series 2023A-2 Special Assessments. Any amount in the Series 2023A-2 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2023A-2 Bonds be used to pay principal of and interest on the Series 2023A-2 Bonds at that time. The initial Series 2023A-2 Reserve Requirement shall be equal to \$_____.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2023A-2 Reserve Account and transfer any excess therein above the Reserve Requirement for the Series 2023A-2 Bonds

caused by investment earnings prior to the Completion Date to the Series 2023A-2 Acquisition and Construction Account and after the Completion Date to the Series 2023A-2 Revenue Account.

Notwithstanding any of the foregoing, amounts on deposit in the Series 2023A-2 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Series 2023A-2 Bonds to the Series 2023A-2 General Redemption Subaccount of the Series 2023A-2 Bond Redemption Account, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2023A-2 Special Assessments and applied to redeem a portion of the Series 2023A-2 Bonds is less than the principal amount of Series 2023A-2 Bonds indebtedness attributable to such lands.

Following a Prepayment of any Series 2023A-2 Special Assessment, in the event the amount in the Series 2023A-2 Reserve Account will exceed the Reserve Requirement for the Series 2023A-2 Bonds as a result of such Prepayment in accordance with the A-2 Indenture and the resulting redemption of the Series 2023A-2 Bonds in accordance with the A-2 Indenture, the excess amount shall be transferred from the Series 2023A-2 Reserve Account to the Series 2023A-2 Prepayment Subaccount of the Series 2023A-2 Bond Redemption Account as a credit against the Series 2023A-2 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions to the Trustee of the District Manager on behalf of the District, upon which the Trustee may conclusively rely, together with a certification stating that, after giving effect to such transfer sufficient moneys will be on deposit in the Series 2023A-2 Reserve Account to equal or exceed the then Reserve Requirement for the Series 2023A-2 Bonds and which certificate of the District Manager will further state that, after giving effect to the proposed redemption of Series 2023A-2 Bonds, there will be sufficient Series 2023A-2 Pledged Revenues to pay the principal and interest, when due, on all Series 2023A-2 Bonds that will remain Outstanding.

Acquisition and Construction Accounts

Series 2023A-1 Acquisition and Construction Account

The First Supplemental Indenture establishes within the Acquisition and Construction Fund a separate account designated as the "Series 2023A-1 Acquisition and Construction Account." Proceeds of the Series 2023A-1 Bonds shall be deposited into the Series 2023A-1 Acquisition and Construction Account in the amount set forth in the A-1 Indenture, together with any moneys transferred to the Series 2023A-1 Acquisition and Construction Account pursuant to the provisions of the A-1 Indenture. Such moneys in the Series 2023A-1 Acquisition and Construction Account shall be applied by the District as set forth in the A-1 Indenture and the Acquisition Agreement. Upon presentment by the District Manager or the District to the Trustee of a properly signed requisition in substantially the form attached to the A-1 Indenture, the Trustee shall withdraw moneys from the Series 2023A-1 Acquisition and Construction Account and pay such moneys to the Person or Persons such requisition so directs.

Any moneys remaining in the Series 2023A-1 Acquisition and Construction Account after the Completion Date, except for any moneys reserved therein for the payment of any costs of the 2023 Project intended to be financed with the proceeds of the Series 2023A-1 Bond owed but not yet requisitioned, as evidenced in a certificate from the Consulting Engineer to the Trustee, upon which the Trustee may conclusively rely, and the adoption of a resolution by the District accepting the 2023 Project, as evidenced by a certificate from the District Manager delivered to the Trustee, upon which the Trustee may conclusively rely, shall be transferred by the Trustee to the Series 2023A-1 General Redemption Subaccount of the Series 2023A-1 Bond Redemption Account. The Series 2023A-1 Acquisition and Construction Account shall be closed upon the expenditure or transfer of all funds therein. All earnings on moneys on deposit in the Series 2023A-1 Acquisition and Construction Account shall remain on deposit therein until the Series 2023A-1 Acquisition and Construction Account is closed.

Series 2023A-2 Acquisition and Construction Account

The Second Supplemental Indenture establishes within the Acquisition and Construction Fund a separate account designated as the "Series 2023A-2 Acquisition and Construction Account." Proceeds of the Series 2023A-2 Bonds shall be deposited into the Series 2023A-2 Acquisition and Construction Account in the amount set forth in the A-2 Indenture, together with any moneys transferred to the Series 2023A-2 Acquisition and Construction Account pursuant to the provisions of the A-2 Indenture, including moneys received as a result of the funding of Draw Requests. Such moneys in the Series 2023A-2 Acquisition and Construction Account shall be applied by the District as set forth in the A-2 Master Indenture and the Acquisition Agreement. Notwithstanding anything in the A-2 Indenture to the contrary, the District shall not present any requisitions to the Trustee for funding from the Series 2023A-2 Acquisition and Construction Account until all moneys on deposit in the Series 2023A-1 Acquisition and Construction Account have been withdrawn. Upon presentment by the District Manager or the District to the Trustee of a properly signed requisition in substantially the form attached to the A-2 Indenture, the Trustee shall withdraw moneys from the Series 2023A-2 Acquisition and Construction Account and pay such moneys to the Person or Persons such requisition so directs.

Any moneys remaining in the Series 2023A-2 Acquisition and Construction Account after the Completion Date, except for any moneys reserved therein for the payment of any costs of the 2023 Project intended to be financed with the proceeds of the Series 2023A-2 Bond owed but not yet requisitioned, as evidenced in a certificate from the Consulting Engineer to the Trustee, upon which the Trustee may conclusively rely, and the adoption of a resolution by the District accepting the 2023 Project, as evidenced by a certificate from the District Manager delivered to the Trustee, upon which the Trustee may conclusively rely, shall be transferred by the Trustee to the Series 2023A-2 General Redemption Subaccount of the Series 2023A-2 Bond Redemption Account. The Series 2023A-2 Acquisition and Construction Account shall be closed upon the expenditure or transfer of all funds therein. All earnings on moneys on deposit in the Series 2023A-2 Acquisition and Construction Account shall remain on deposit therein until the Series 2023A-2 Acquisition and Construction Account is closed.

Application of Series 2023 Pledged Revenues

Series 2023A-1 Pledged Revenues

Pursuant to the A-1 Indenture, Series 2023A-1 Special Assessments (except for Prepayments of Series 2023A-1 Special Assessments, which shall be identified as such by the District to the Trustee and deposited in the Series 2023A-1 Prepayment Subaccount) shall be deposited by the Trustee into the Series 2023A-1 Revenue Account and applied as set forth in the A-1 Indenture. The Trustee shall transfer from amounts on deposit in the Series 2023A-1 Revenue Account to the Funds, Accounts and subaccounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each May 1 commencing May 1, 2024, to the Series 2023A-1 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2023A-1 Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the Series 2023A-1 Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each November 1 commencing November 1, 2024, to the Series 2023A-1 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2023A-1 Bonds becoming due on the next succeeding November 1, less any amounts on deposit in the Series 2023A-1 Interest Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, commencing May 1, 202[], to the Series 2023A-1 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2023A-1 Bonds subject to sinking fund redemption on such May 1, less any amounts on deposit in the Series 2023A-1 Sinking Fund Account not previously credited;

FOURTH, no later than the Business Day next preceding May 1, 20__, which is the principal payment date for the Series 2023A-1 Bonds, to the Series 2023A-1 Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2023A-1 Bonds Outstanding maturing on such May 1, 2053 less any amounts on deposit in the Series 2023A-1 Principal Account not previously credited;

FIFTH, notwithstanding the foregoing, at any time the Series 2023A-1 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2023A-1 Interest Account, the amount necessary to pay interest on the Series 2023A-1 Bonds subject to redemption on such date;

SIXTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2023A-1 Bonds remain Outstanding, to the Series 2023A-1 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2023A-1 Reserve Requirement for the Series 2023A-1 Bonds; and

SEVENTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be deposited into the Series 2023A-1 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2023A-1 Bonds and next, any balance in the Series 2023A-1 Revenue Account shall remain on deposit in such Series 2023A-1 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2023A-1 Rebate Fund , in which case, the District shall direct the Trustee to make such deposit thereto.

Series 2023A-2 Pledged Revenues

Pursuant to the A-2 Indenture, Series 2023A-2 Special Assessments (except for Prepayments of Series 2023A-2 Special Assessments, which shall be identified as such by the District to the Trustee and deposited in the Series 2023A-2 Prepayment Subaccount) shall be deposited by the Trustee into the Series 2023A-2 Revenue Account which shall be applied as set forth in the A-2 Indenture. The Trustee shall transfer from amounts on deposit in the Series 2023A-2 Revenue Account to the Funds, Accounts and subaccounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each May 1 commencing May 1, 2024, to the Series 2023A-2 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2023A-2 Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the Series 2023A-2 Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each November 1 commencing November 1, 2024, to the Series 2023A-2 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2023A-2 Bonds becoming due on the next succeeding November 1, less any amounts on deposit in the Series 2023A-2 Interest Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, commencing May 1, 2028, to the Series 2023A-2 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2023A-2 Bonds subject to sinking fund redemption on such May 1, less any amounts on deposit in the Series 2023A-2 Sinking Fund Account not previously credited;

FOURTH, no later than the Business Day next preceding May 1, [205_], which is the principal payment date for the Series 2023A-2 Bonds, to the Series 2023A-2 Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2023A-2 Bonds Outstanding maturing on such May 1, [205_] less any amounts on deposit in the Series 2023A-2 Principal Account not previously credited;

FIFTH, notwithstanding the foregoing, at any time the Series 2023A-2 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2023A-2 Interest Account, the amount necessary to pay interest on the Series 2023A-2 Bonds subject to redemption on such date;

SIXTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2023A-2 Bonds remain Outstanding, to the Series 2023A-2 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2023A-2 Reserve Requirement for the Series 2023A-2 Bonds; and

SEVENTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be deposited into the Series 2023A-2 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2023A-2 Bonds and next, any balance in the Series 2023A-2 Revenue Account shall remain on deposit in such Series 2023A-2 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2023A-2 Rebate Fund , in which case, the District shall direct the Trustee to make such deposit thereto.

Investment or Deposit of Funds

The Trustee shall, as directed by the District in writing, invest moneys held in the Series Accounts in the Debt Service Fund, any Series Account of the Debt Service Reserve Fund, and any Series Account within the Bond Redemption Fund only in Government Obligations and certain specified types of Investment Securities (as defined in the Master Indenture). All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth in the Master Indenture. All securities securing investments under the Indenture shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made, except as provided in the Indenture; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to the Indenture, any interest and other income so received shall be deposited in the applicable Series Account of the Revenue Fund. Upon request of the District, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the respective Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a

result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund. See "APPENDIX A: FORMS OF MASTER INDENTURE, FIRST SUPPLEMENTAL INDENTURE AND SECOND SUPPLEMENTAL INDENTURE" attached hereto.

Covenant to Levy and Reassess

In the Master Indenture, the District will covenant to levy Special Assessments, and, unless the District collects the Special Assessments directly under the conditions set forth therein, evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the District pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, and the Master Indenture, to the extent and in an amount sufficient to pay Debt Service Requirements on all Outstanding Bonds.

The District will further covenant that, if any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Special Assessment when it might have done so, the District shall either (i) take all necessary steps to cause a new Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (ii) in its sole discretion, make up the amount of such Special Assessment from any legally available moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such second Special Assessment shall be annulled, the District shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

Prepayment of Special Assessments

The Assessment Resolutions provide that the owner of property subject to a Series 2023 Special Assessment may, at its option, prepay the entire amount of the Series 2023 Special Assessment any time, or a portion of the amount of the Series Special Assessment up to two times, plus accrued interest to the next succeeding interest payment date (or the second succeeding interest payment date if such prepayment is made within forty-five calendar days before an interest payment, or such other time as set forth in the Indenture), attributable to the property subject to such Series 2023 Special Assessments owned by such owner. Prepayment of Series 2023 Special Assessments does not entitle the property owner to any discounts for early payment.

Pursuant to the Assessment Resolutions and the Act, an owner of property subject to the levy of a Series 2023 Special Assessment may pay the entire balance of the Series 2023 Special Assessment remaining due, without interest, within thirty (30) days after the 2023 Project has been completed or acquired by the District, and the Board has adopted a resolution accepting the 2023 Project pursuant to Chapter 170.09, Florida Statutes. The Developer and the Future Phases Landowner, as the sole owners of the property within the District subject to the levy of the Series 2023 Special Assessments at the time of issuance of the Series 2023 Bonds, will covenant to waive this right on behalf of themselves and their respective successors and assigns in connection with the issuance of the Series 2023 Bonds. See "BONDOWNERS' RISKS – Prepayment and Redemption Risk" herein.

The Series 2023 Bonds are subject to extraordinary redemption as indicated under "DESCRIPTION OF THE SERIES 2023 BONDS – Redemption Provisions – Extraordinary Mandatory Redemption" from optional or required prepayments of Series 2023 Special Assessments by property owners.

Indenture Provisions Relating to Bankruptcy or Insolvency of Landowner

For purposes of the following, (a) the Series 2023 Bonds secured by and payable from Series 2023 Special Assessments levied against property owned by any Insolvent Taxpayer (defined below) are collectively referred to herein as the "Affected Bonds" and (b) the Series 2023 Special Assessments levied against any Insolvent Taxpayer's property and pledged under the Indenture as security for the Affected Bonds are collectively referred to herein as the "Affected Special Assessments."

The Master Indenture contains the following provisions which, pursuant to the Indenture, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to the Affected Special Assessments (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding"). For as long as any Affected Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments, the District will covenant to act in accordance with any direction from the Trustee with regard to all matters directly or indirectly affecting at least three percent (3%) of the Outstanding aggregate principal amount of the Affected Bonds or for as long as any Affected Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments or the Trustee. The District will agree that it shall not be a defense to a breach of the foregoing covenant that it has acted upon advice of counsel in not complying with such covenant.

In the Master Indenture, the District will acknowledge and agree that, although the Affected Bonds were issued by the District, the Owners of the Affected Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the District will agree that it shall follow the direction of the Trustee in making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture; (b) the District will agree that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) vote in any such Proceeding any and all claims of the District, or (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, including without limitation, motions seeking relief from the automatic stay, dismissal the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing. If the Trustee chooses to exercise any such rights, the District shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code and (d) the District shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District claim and rights with respect to the Affected Special Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District will agree

that the Trustee shall have the right (i) to file a proof of claim with respect to the Affected Special Assessments, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

Notwithstanding the foregoing, nothing in the Master Indenture shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, or claims for moneys or performance under a contract, and the District shall be free to pursue such claim in such manner as it shall deem appropriate in its sole and absolute discretion, provided such action does not seek to reduce, or have the effect of reducing, the Pledged Revenues. Any actions taken by the District in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Special Assessments relating to the Bonds Outstanding whether such claim is pursued by the District or the Trustee.

Events of Default and Remedies

Under the Indenture, each of the following events is an Event of Default with respect to a Series of Series 2023 Bonds:

(a) if payment of any installment of interest on any Bond of a Series of Series 2023 Bond is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Bond of a Series of Series 2023 Bond is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the District, for any reason, fails in, or is rendered incapable of fulfilling its obligations under the Indenture or under the Act, which may be determined by the Majority Holders of the Bonds of such Series of Series 2023 Bonds; or

(d) if the District proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the District or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the District and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the District defaults in the due and punctual performance of any other covenant in the Indenture or in any Series 2023 Bond and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Holder of the Bonds of such Series of Series 2023 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) if at any time the amount in the Series 2023 Reserve Account is less than the Series 2023 Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement on the Series 2023 Bonds and such amount has not been restored within thirty (30) days of such withdrawal; or

(g) more than twenty percent (20%) of the "maintenance special assessments" levied by the District on the District Lands on which the related Series 2023 Special Assessments are levied pursuant to Section 190.021(3), Florida Statutes, as amended, and collected directly by the District have become due and payable and have not been paid when due.

The Trustee shall not be required to rely on any official action, admission or declaration by the District before recognizing that an Event of Default under (c) above has occurred.

No Series 2023 Bonds shall be subject to acceleration. Upon occurrence and continuance of an Event of Default with respect to the Series 2023 Bonds, no optional redemption or extraordinary mandatory redemption of Series 2023 Bonds pursuant to the Indenture shall occur unless all of the Series 2023 Bonds will be redeemed or if 100% of the Holders of the Series 2023 Bonds agree to such redemption.

Pursuant to the Indenture, if any Event of Default with respect to the Series 2023 Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Holders of the Outstanding Series 2023 Bonds and receipt of indemnity to its satisfaction shall, in its capacity as Trustee:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series of Series 2023 Bonds, including, without limitation, the right to require the District to carry out any agreements with, or for the benefit of, the Bondholders of such Series of the Series 2023 Bonds and to perform its or their duties under the Act;

(ii) bring suit upon the Bonds of such Series of Series 2023 Bonds;

(iii) by action or suit in equity require the District to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series of Series 2023 Bonds;

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series of Series 2023 Bonds; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing the Bonds of such Series of Series 2023 Bonds.

If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, then the District, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights under the Indenture as though no such proceeding had been taken.

Subject to the provisions of the Indenture, the Majority Holders of the Outstanding Series 2023 Bonds then subject to remedial proceedings under the Master Indenture shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture.

In addition, the District will acknowledge that the Bonds of each Series of the Series 2023 Bonds are payable solely from the related Series Pledged Revenues, which include without limitation all amounts on deposit in the related Series Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee. Except as provided below, anything in the Indenture to the contrary notwithstanding, the District will further acknowledge that, upon the occurrence of an Event of Default with respect to a Series of Series 2023 Bonds, (i) the related Series Pledged Revenues may not be used by the District (whether to pay costs of the 2023 Project or otherwise) without the consent of the Bondholder

Representative, and (ii) the related Series Pledged Revenues may be used by the Trustee, at the direction, or with the approval of the Bondholder Representative, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture.

During the continuance of an Event of Default as described in paragraphs (a) or (b) above (a "Payment Related Default"), disbursements from the related Series Acquisition and Construction Account shall be made only with the consent of the Bondholder Representative, except as provided below. During the continuance of a Payment Related Default, the Bondholder Representative shall have the right to provide direction to the District to terminate, suspend, or proceed under any contracts for construction of the 2023 Project entered into prior to the occurrence of such Payment Related Default. The Bondholder Representative may provide such direction at any time during the continuance of such Payment Related Default and shall not be deemed to have waived their right to do so through inaction or delay and may change such direction from time to time.

(i) Until such time as the Bondholder Representative provide such direction to the District, disbursements may be made without the consent of the Bondholder Representative for Costs incurred by the District under construction contracts entered into by the District prior to the occurrence of such Payment Related Default.

(ii) Upon direction by the Bondholder Representative to proceed under any such contract(s), no consent of the Bondholder Representative shall be required for disbursements for Costs incurred by the District thereunder until the date of suspension or termination of such contract directed by the Bondholder Representative described in subparagraph (iii) below.

(iii) Upon direction by the Bondholder Representative to suspend or terminate such construction contract(s), disbursements for Cost incurred by the District thereunder shall only be made (x) for disbursements for Costs incurred by the District under construction contracts entered into by the District prior to the occurrence of such Payment Related Default and which Costs relate to work performed before the earliest date on which the District is entitled to suspend or terminate such construction contract at the direction of the Bondholder Representative, or (y) with the consent of the Bondholder Representative.

Notwithstanding anything in the Indenture to the contrary, during the continuance of a Payment Related Default, the consent of the Bondholder Representative shall be required for disbursements for Costs under contracts for the acquisition of the 2023 Project improvements from the Developer or its affiliates.

In the event proceeds from any foreclosure action are received by the District as a result of a nonpayment of the Series 2023 Special Assessments on any parcel of land subject to the Series 2023 Special Assessments and any other Special Assessments levied by the District which are being collected by way of a direct bill to the applicable landowner, the District shall allocate such proceeds on a pro-rata basis, as set forth in the Indenture. In addition, if the District or the Trustee receives any other moneys in the pursuit of remedies against the owner of any parcel of land subject to the Series 2023 Special Assessments and any other defaulted Special Assessments as a result of non-payment, such other moneys shall also be distributed on a pro-rata basis. Notwithstanding the next preceding sentence, any moneys received from the sale of tax certificates pursuant to the Uniform Method shall not be distributed on a pro-rata basis if the Series 2023 Special Assessments are not being collected pursuant to the Uniform Method. All moneys the District receives from the sale of tax certificates shall be only used for the Series of Series 2023 Bonds that relate to the proceeds therefrom, as determined by the District, or the District Manager on behalf of the District.

Notwithstanding any provision in the Master Indenture to the contrary, upon an Event of Default, the District will agree that the Initial Purchaser, so long as it is a beneficial owner of the Series 2023 Bonds,

shall have the right, but not the obligation, (i) to take any action permitted under the Master Indenture or the applicable Supplemental Indenture, (ii) to make advances to pay for any costs relating to the pursuit of available remedies or to cure any debt service deficiencies resulting from non-payment of the related Series 2023 Special Assessments or any other Special Assessments, as applicable (collectively, "Curative Advances") to cure any Event of Default. In connection therewith, no action shall be taken which adversely affects the rights of any Owner of the Series 2023 Bonds or any other Bonds secured by such other Special Assessments. The District will make no representations that any of such advances made to pay debt service on the Series 2023 Bonds or other Bonds secured by other Special Assessments levied on the lands within either the Series 2023A-1 Assessment Area or the Series 2023A-2 Assessment Area are tax-exempt income. In addition, any Curative Advance to pay delinquent debt service on the Series 2023 Bonds will not be deemed a payment of any delinquent Series 2023 Special Assessments.

Each Curative Advance will be repaid with proceeds received by the District from the exercise of remedies, including any foreclosure action as a result of the nonpayment of Series 2023 Special Assessments or other Special Assessments on the parcel relating to the debt service deficiency with respect to which the Curative Advance was made, before such proceeds are applied to the repayment of the Series 2023 Bonds or the other Bonds secured by the other Special Assessments in accordance with the terms of the Master Indenture.

See "APPENDIX A: FORMS OF MASTER INDENTURE, FIRST SUPPLEMENTAL INDENTURE AND SECOND SUPPLEMENTAL INDENTURE" attached hereto for more information regarding Events of Default and Remedies.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

A primary source of payment for the Series 2023 Bonds is the collection of the related Series 2023 Special Assessments (referred to under this heading as the "Special Assessments") imposed on certain lands in the District specially benefited by the 2023 Project pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX D: ASSESSMENT METHODOLOGY" hereto.

The imposition, levy, and collection of Special Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Manatee County Tax Collector ("Tax Collector") or the Manatee County Property Appraiser ("Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Special Assessments during any year. Such delays in the collection of Special Assessments, or complete inability to collect the Special Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2023 Bonds. See "BONDOWNERS' RISKS." To the extent that landowners fail to pay the Special Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2023 Bonds.

For the Special Assessments to be valid, the Special Assessments must meet two requirements: (1) the benefit from the 2023 Project to the lands subject to the Special Assessments must exceed or equal the amount of the Special Assessments, and (2) the Special Assessments must be fairly and reasonably allocated across all such benefitted properties. The Certificate of the Methodology Consultant certifies that these requirements have been met with respect to the Special Assessments.

Pursuant to the Act, and the Assessment Proceedings, the District may collect the Special Assessments through a variety of methods. See "BONDOWNERS' RISKS." Initially, with respect to Special Assessments levied against District Lands owned by the Developer prior to platting of such lands, or when the timing does not permit the use of the Uniform Method, the District will directly issue annual bills to landowners requiring payment of the Special Assessments, and will enforce that bill through foreclosure proceedings, unless the District determines that it is in its best interests to collect pursuant to the Uniform Method. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Assessment Methodology and the Allocation of Series 2023 Special Assessments" herein and "APPENDIX D: ASSESSMENT METHODOLOGY." As lands are developed and platted, the Special Assessments will be added to the County tax roll and collected pursuant to the Uniform Method, unless the District determines that it is in its best interests to collect directly, or unless the District provides otherwise in accordance with the Assessment Resolutions. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

Direct Billing & Foreclosure Procedure

As noted above, and pursuant to Chapters 170 and 190 of the Florida Statutes, the District has the ability to directly levy, collect and enforce the Special Assessments. In this context, Section 170.10 of the Florida Statutes provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Special Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Special Assessments and the ability to foreclose the lien of such Special Assessments upon the failure to pay such Special Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Special Assessments. See "BONDHOLDER'S RISKS."

Uniform Method Procedure

Subject to certain conditions, the District may alternatively elect to collect the Special Assessments using the Uniform Method. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Special Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Special Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land

from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments – including the Special Assessments – are to be billed, and landowners in the District are required to pay, all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Special Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Special Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2023 Bonds.

Under the Uniform Method, if the Special Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Placement Agent can give any assurance to the holders of the Series 2023 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Special Assessments, (2) that future landowners and taxpayers in the District will pay such Special Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Series 2023 Special Assessment Proceedings to discharge the lien of the Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Special Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Special Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or struck off, to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Special Assessments), interest, costs and charges on the real property described in the certificate.

Unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees, any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued, and at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described above.

For any holder other than the County, a tax certificate expires seven years after the date of issuance, if a tax deed has not been applied for, and no other administrative or legal proceeding, including a bankruptcy, has existed of record, the tax certificate is null and void. After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due (as well as any costs of resale, if applicable). If the County holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and all other costs to the applicant for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. The holder is also responsible for payment of any amounts included in the bid not already paid, including but not limited to, documentary stamp tax, recording fees, and, if property is homestead property, the moneys to cover the one-half value of the homestead. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, together with all subsequent unpaid taxes plus the costs and expenses of the application for deed, with interest on the total of such sums, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear. If the property is purchased for an amount in excess of the statutory bid of the certificate holder, but such excess is not sufficient to pay all governmental liens of record, the excess shall be paid to each governmental unit pro rata.

Except for certain governmental liens and certain restrictive covenants and restrictions, no right, interest, restriction or other covenant survives the issuance of a tax deed. Thus, for example, outstanding mortgages on property subject to a tax deed would be extinguished.

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the County Commission that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid, or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

There can be no guarantee that the Uniform Method will result in the payment of Special Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Special Assessments, which are the primary source of payment of the Series 2023 Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDHOLDERS' RISKS."

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BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described under other headings of this Private Placement Memorandum. Certain additional risks are associated with the Series 2023 Bonds offered hereby and are set forth below. Prospective investors in the Series 2023 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2023 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. The information contained under this heading does not purport to summarize all risks that may be associated with purchasing or owning the Series 2023 Bonds, and prospective purchasers are advised to read this Private Placement Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2023 Bonds.

Concentration of Land Ownership

As of the date hereof, the Developer and the Future Phases Landowner own all of the assessable lands within the 2023A-1 Assessment Area and the 2023A-2 Assessment Area (collectively, the "Assessment Areas"), which are the lands that will be subject to the Series 2023 Special Assessments securing the related Series of Series 2023 Bonds. Payment of the Series 2023 Special Assessments is primarily dependent upon their timely payment by the Developer and the Future Phases Landowner and the other future landowners in the Assessment Areas. Non-payment of the Series 2023 Special Assessments by any of the landowners could have a substantial adverse impact upon the District's ability to pay debt service on the related Series of the Series 2023 Bonds. See "THE DEVELOPER AND THE FUTURE PHASES LANDOWNER" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

WHILE THE SERIES 2023A-1 BONDS AND THE SERIES 2023A-2 BONDS ARE BEING ISSUED SIMULTANEOUSLY, EACH SERIES OF SERIES 2023 BONDS IS SEPARATELY SECURED UNDER A SEPARATE SUPPLEMENTAL INDENTURE, AS PREVIOUSLY NOTED HEREIN. NOTWITHSTANDING THE FOREGOING, HOWEVER, THE SERIES 2023A-1 SPECIAL ASSESSMENTS THAT SECURE THE SERIES 2023A-1 BONDS AND THE SERIES 2023A-2 SPECIAL ASSESSMENTS THAT SECURE THE SERIES 2023A-2 BONDS ARE INITIALLY BEING LEVIED ON PORTIONS OF THE SAME LANDS WITHIN THE DISTRICT, SO THAT AN EVENT OF DEFAULT UNDER, OR THE EXERCISE OF REMEDIES AGAINST, ONE SERIES OF THE SERIES 2023 BONDS COULD ADVERSELY AFFECT THE OTHER SERIES OF SERIES 2023 BONDS.

Bankruptcy and Related Risks

In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or the Future Phases Landowner or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2023 Bonds, as such bankruptcy could negatively impact the ability of: (i) the Developer or Future Phases Landowner and any other landowner to pay the Series 2023 Special Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2023 Special Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2023 Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of each Series of the Series 2023 Bonds under the applicable Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the Series 2023 Bonds, including, without limitation, enforcement of the obligation to pay Series 2023 Special Assessments and the ability of the

District to foreclose the lien of the Series 2023 Special Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to a Series of the Series 2023 Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer. The Master Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an "Insolvent Taxpayer" (as previously defined). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Indenture Provisions Relating to Bankruptcy or Insolvency of Landowner" herein. The District cannot express any view whether such delegation would be enforceable.

Series 2023 Special Assessments Are Non-Recourse

The principal security for the payment of the principal and interest on each Series of the Series 2023 Bonds is the timely collection of the related Series 2023 Special Assessments. The Series 2023 Special Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Developer, the Future Phases Landowner or subsequent landowners will be able to pay the Series 2023 Special Assessments or that they will pay such Series 2023 Special Assessments even though financially able to do so. Neither the Developer, the Future Phases Landowner nor any other subsequent landowners have any personal obligation to pay the Series 2023 Special Assessments. Neither the Developer, the Future Phases Landowner nor any subsequent landowners are guarantors of payment of any Series 2023 Special Assessments, and the recourse for the failure of the Developer, the Future Phases Landowner or any subsequent landowner to pay the Series 2023 Special Assessments is limited to the collection proceedings against the land subject to such unpaid Series 2023 Special Assessments, as described herein. Therefore the likelihood of collection of the Series 2023 Special Assessments may ultimately depend on the market value of the land subject to the Series 2023 Special Assessments. While the ability of the Developer, the Future Phases Landowner or subsequent landowners to pay the Series 2023 Special Assessments is a relevant factor, the willingness of the Developer, the Future Phases Landowner or subsequent landowners to pay the Series 2023 Special Assessments, which may also be affected by the value of the land subject to the Series 2023 Special Assessments, is also an important factor in the collection of Series 2023 Special Assessments. The failure of the Developer, the Future Phases Landowner or subsequent landowners to pay the Series 2023 Special Assessments could render the District unable to collect delinquent Series 2023 Special Assessments and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the corresponding Series of Series 2023 Bonds.

Regulatory and Environmental Risks

The development of the District Lands is subject to comprehensive federal, state and local regulations and future changes to such regulations. Approval is required from various public agencies in

connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, land use and environmental regulations. Although all such approvals required to date have been received and any further approvals are anticipated to be received as needed, failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the development of the District Lands. See "THE DEVELOPMENT – Development Approvals" herein for more information.

The value of the land within the District, the success of the Development, the development of the Assessment Areas and the likelihood of timely payment of principal and interest on the Series 2023 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the lands within the Assessment Areas and the likelihood of the timely payment of the Series 2023 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. See "THE DEVELOPMENT – Environmental" for information on environmental site assessments obtained or received. Such information is being provided solely for informational purposes, and nothing herein or in such assessments grants any legal rights or remedies in favor of the Series 2023 Bondholders in the event any recognized environmental conditions are later found to be present on District Lands. Nevertheless, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the lands in the Assessment Areas.

The value of the lands subject to the Series 2023 Special Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and interest on the Series 2023 Bonds. The Series 2023 Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

Economic Conditions and Changes in Development Plans

The successful development of the Assessment Areas, the sale of residential units therein once such homes are built, and the ability to lease and or operate commercial and multifamily space at maximum occupancy levels may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer and the Future Phases Landowner. Moreover, the Developer and the Future Phases Landowner have the right to modify or change plans for development of the Assessment Areas from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with and subject to the provisions of the Act, to contract or expand the boundaries of the District.

Other Taxes and Assessments

The willingness and/or ability of an owner of benefited land to pay the Series 2023 Special Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities.

County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 2023 Special Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2023 Special Assessments. In addition, lands within the District may also be subject to assessments by property owners' and homeowners' associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" herein for additional information.

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2023 Special Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2023 Special Assessment, even though the landowner is not contesting the amount of the Series 2023 Special Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem assessments and at least 75% of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

Limited Secondary Market for Series 2023 Bonds

The Series 2023 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2023 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2023 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2023 Bonds may be sold. Such price may be lower than that paid by the current Owners of each Series of the Series 2023 Bonds, depending on the progress of development of the Development and the lands within the Assessment Areas, as applicable, existing real estate and financial market conditions and other factors.

Inadequacy of Reserve Accounts

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2023 Special Assessments, may not adversely affect the timely payment of debt service on a Series of the Series 2023 Bonds because of the Reserve Account corresponding to such Series of Series 2023 Bonds. The ability of the related Series Reserve Account to fund deficiencies caused by delinquencies in the corresponding Series 2023 Special Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in each Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in such Reserve Accounts to make up deficiencies. If the District has difficulty in collecting the Series 2023 Special Assessments, the related Series Reserve Account would be rapidly depleted and the ability of the District to pay debt service on the corresponding Series of Series 2023 Bonds could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the applicable Reserve Account and such other Funds, Accounts and subaccounts created under the applicable Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact a Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the corresponding Series 2023 Special Assessments in order to provide for the replenishment of the applicable Reserve Account. THE SERIES 2023A-1

RESERVE ACCOUNT IS NOT AVAILABLE TO PAY DEBT SERVICE ON THE SERIES 2023A-2 BONDS, AND THE SERIES 2023A-2 RESERVE ACCOUNT IS NOT AVAILABLE TO PAY DEBT SERVICE ON THE SERIES 2023A-1 BONDS. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Reserve Accounts" herein for more information about the Reserve Accounts.

Legal Delays

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2023 Special Assessments that are not being collected pursuant to the Uniform Method, such landowner and/or its mortgagee(s) may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Holders of the corresponding Series of Series 2023 Bonds to allow funds on deposit under the related Indenture to be used to pay the costs of the foreclosure action. Under the Code (as defined herein), there are limitations on the amounts of proceeds from each Series of the Series 2023 Bonds that can be used for such purpose.

IRS Examination and Audit Risk

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations required that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its funds or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not controlled by an unreasonably small number of unrelated electors. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." Notice of withdrawal of the proposed regulations was published in the Federal Register on October 20, 2017.

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within the timeframe established by the applicable state law or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all of the members of the Board of the District were elected by the landowners and none were elected by qualified electors. The Developer will certify as to its expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act. Such certification does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of either Series of the Series 2023 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable State or federal law.

Owners of the Series 2023 Bonds are advised that, if the IRS does audit the Series 2023 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2023 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2023 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2023 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2023 Bonds would adversely affect the availability of any secondary market for the Series 2023 Bonds. Should interest on the Series 2023 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2023 Bonds be required to pay income taxes on the interest received on such Series 2023 Bonds and related penalties, but because the interest rate on such Series 2023 Bonds will not be adequate to compensate Owners of the Series 2023 Bonds for the income taxes due on such interest, the value of the Series 2023 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2023 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2023 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2023 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2023 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2023 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

Loss of Exemption from Securities Registration

The Series 2023 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for securities issued by political subdivisions. It is possible that federal or state regulatory authorities could in the future determine that the District is not a political subdivision for purposes of federal and state securities laws, including without limitation as the result of a determination by the IRS, judicial or otherwise, of the District's status for purposes of the Code. In such event, the District and purchasers of Series 2023 Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2023 Bonds would need to ensure that subsequent transfers of the Series 2023 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and applicable state securities laws.

Federal Tax Reform

Various legislative proposals are mentioned from time to time by members of Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of challenging the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2023 Bonds, by eliminating or changing the tax-exempt status of interest on such bonds. Whether any such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2023 Bonds cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation. See also "TAX MATTERS" herein.

State Tax Reform

It is impossible to predict what new proposals may be presented regarding tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renewed requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for

the Series 2023 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders."

Insufficient Resources or Other Factors Causing Failure to Complete Development

The cost to finish the 2023 Project will exceed the net proceeds from the Series 2023 Bonds. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the 2023 Project, that the District will be able to raise, through the issuance of additional bonds or otherwise, the moneys necessary to complete the 2023 Project. Further, the Indenture sets forth certain limitations on the issuance of additional bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Additional Bonds" for more information. Moreover, the Series 2023A-2 Bonds are being issued on a draw-down basis, and there can be no assurance that the requirements set forth in the A-2 Indenture for the funding of any or all Draw Requests will be met or that such Draw Requests will be fully funded when made. See "DESCRIPTION OF THE SERIES 2023 BONDS – Series 2023A-2 Draw-Down Bond" herein for more information.

Although the Developer will agree to fund or cause to be funded the completion of the 2023 Project regardless of the insufficiency of proceeds from the Series 2023 Bonds and will enter into a completion agreement with the District as evidence thereof, there can be no assurance that the Developer will have sufficient resources to do so. Such obligation of the Developer is an unsecured obligation, and the Developer is a special-purpose entity whose assets consist primarily of its interest in the Development. See "THE DEVELOPER AND THE FUTURE PHASES LANDOWNER" herein for more information.

There are no assurances that the 2023 Project and any other remaining development work associated with the Assessment Areas will be completed. Further, there is a possibility that, even if the Assessment Areas are developed, homebuilders (including the Builders) and commercial developers may not close on all or any of the lots or tracts therein, and such failure to close could negatively impact the construction and sale of homes, multifamily apartments and commercial space within the Assessment Areas. The existing Builder Contracts may be terminated by the Builders upon the occurrence or failure to occur of certain conditions set forth therein. See "THE DEVELOPMENT – The Builder Contracts and the Builders" herein for more information about the Builders and the Builder Contracts.

Pandemics and Other Public Health Emergencies

The COVID-19 pandemic severely impacted global financial markets, unemployment levels and commerce generally. It is possible that, in the future, the spread of epidemic or pandemic diseases and/or government health and public safety restrictions imposed in response thereto could adversely impact the District, the Developer and the Future Phases Landowner, the timely and successful completion of the Development, the purchase of lots or tracts therein by homebuilders and developers and the construction and sale to purchasers of units therein. Such impacts could include delays in obtaining development approvals, construction delays, supply chain delays, or increased costs. See also "Economic Conditions and Changes in Development Plans" and "Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

Cybersecurity

The District relies on a technological environment to conduct its operations. The District, its agents and other third parties the District does business with or otherwise relies upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive

digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that any such attack(s) will not materially impact the operations or finances of the District, which could impact the timely payment of debt service on the Series 2023 Bonds.

Prepayment and Redemption Risk

In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2023 Bonds are subject to extraordinary mandatory redemption, including, without limitation, as a result of prepayments of the Series 2023 Special Assessments by the Developer, the Future Phases Landowner or subsequent owners of the property within the Assessment Areas. Any such redemptions of the Series 2023 Bonds would be at the principal amount of such Series 2023 Bonds being redeemed plus accrued interest to the date of redemption. In such event, owners of the Series 2023 Bonds may not realize their anticipated rate of return on the Series 2023 Bonds. See "DESCRIPTION OF THE SERIES 2023 BONDS – Redemption Provisions," "– Purchase of Series 2023 Bonds" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Prepayment of Special Assessments" herein for more information.

Payment of Series 2023 Special Assessments after Bank Foreclosure

In the event a bank forecloses on property because of a default on a mortgage in favor of such bank on any of the assessable lands within the District, and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2023 Special Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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ESTIMATED SOURCES AND USES OF FUNDS

The following table summarizes the estimated sources and uses of the proceeds of the Series 2023 Bonds:

	Series 2023A-1 Bonds	Series 2023A-2 Bonds⁽³⁾
<u>Sources of Funds:</u>		
Principal Amount of Series 2023 Bonds	\$[_____]	\$[_____]
Less Original Issue Discount	[_____]	[_____]
Total Sources	\$[_____]	\$[_____]
<u>Uses of Funds:</u>		
Deposit to Acquisition and Construction Account	\$[_____]	\$[_____]
Deposit to Reserve Account	[_____]	[_____]
Deposit to Interest Account ⁽¹⁾	[_____]	[_____]
Costs of Issuance, including Placement Agent Fee ⁽²⁾	[_____]	[_____]
Total Uses	\$[_____]	\$[_____]

- (1) Capitalized interest through [_____] 1, 20__].
- (2) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2023 Bonds.
- (3) Assumes the full not to exceed Series 2023A-2 Bond principal is drawn.

[Remainder of page intentionally left blank.]

DEBT SERVICE REQUIREMENTS

The following table sets forth the approximate debt service requirements* for the Series 2023 Bonds:

<u>Period Ending November 1</u>	<u>Principal</u>	<u>Interest**</u>	<u>Annual Debt Service</u>
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Total

*Assumes the full not to exceed Series 2023A-2 Bond principal is drawn by the District.

** Capitalized interest through [November 1, 2024].

** Final maturity May 1, 20[___].

THE DISTRICT

General Information

The District was established by the Ordinance enacted by the Board of County Commissioners of the County and becoming effective on January 13, 2022, as amended, under the provisions of the Act. The District Lands encompass approximately [1,173.1] gross acres of land, which are located entirely within an unincorporated area of the County. The District is generally located south of Cortez Road West, north of El Conquistador Parkway, east of Tidy Island Boulevard, and west of 47th Street West. The District Lands are being developed into a planned mixed-use project referred to herein as the "Development." See "THE DEVELOPMENT" herein for more information.

Legal Powers and Authority

The District is an independent unit of local government created pursuant to, and established in accordance with, the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development pursuant to its general law charter.

Among other provisions, the Act gives the District's Board of Supervisors the authority to, among other things, (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems, facilities, and basic infrastructure for, among other things: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and waste-water management, reclamation and reuse systems or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) District roads equal to or exceeding the specifications of the county in which such District roads are located and street lights, landscaping, hardscaping and undergrounding of electric utility lines; (iv) conservation areas, mitigation areas, and wildlife habitat; (v) any other project, facility, or service required by a development approval, interlocal agreement, zoning condition, or permit issued by a governmental authority with jurisdiction in the District,; and (vi) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses, and security; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessments liens as provided in the Act; and (d) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

The Act does not empower the District to adopt and enforce any land use plans or zoning ordinances and the Act does not empower the District to grant building permits. These functions are to be performed by general- purpose local governments having jurisdiction over the lands within the District.

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any bondholders to pursue any remedy for enforcement of any lien or pledge of the District in connection with its bonds, including the Series 2023 Bonds.

Board of Supervisors

The Act provides that a five-member Board of Supervisors (the "Board") serves as the governing body of the District. Members of the Board (the "Supervisors") must be residents of the State and citizens of the United States. Initially, Supervisors are appointed by the Ordinance. Within 90 days after formation of the District, an election was held pursuant to which new Supervisors were elected on an at-large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number). A Supervisor serves until expiration of his or her term and until his or her successor is chosen and qualified. If, during a term of office, a vacancy occurs, the remaining Supervisors may fill the vacancy by an appointment of an interim Supervisor for the remainder of the unexpired term.

At the initial election held within 90 days after formation of the District, the landowners in the District elected two Supervisors to four-year terms and three Supervisors to two-year terms. Thereafter, the elections take place every two years, with the first such election being held on the first Tuesday in November, and subsequent elections being held on a date in November established by the Board. Upon the later of six years after the initial appointment of Supervisors and the year when the District next attains at least 250 qualified electors, Supervisors whose terms are expiring will begin to be elected (as their terms expire) by qualified electors of the District. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, each elected to four-year terms. The seat of the remaining Supervisor whose term is expiring at such election shall be filled by a Supervisor who is elected by the landowners for a four-year term and who is not required to be a qualified elector. Thereafter, as terms expire, all Supervisors must be qualified electors and must be elected by qualified electors to serve staggered four-year terms.

Notwithstanding the foregoing, if at any time the Board proposes to exercise its ad valorem taxing power, prior to the exercise of such power, it shall call an election at which all Supervisors shall be elected by qualified electors in the District. Elections subsequent to such decision shall be held in a manner such that the Supervisors will serve four-year terms with staggered expiration dates in the manner set forth in the Act.

The Act provides that it shall not be an impermissible conflict of interest under State law governing public officials for a Supervisor to be a stockholder, officer or employee of a landowner or of any entity affiliated with a landowner.

The current members of the Board and the date of expiration of the term of each member are set forth below:

Name	Title	Term Expires
Gary Walker*	Chairman	November 2026
David Brasher*	Vice Chairman	November 2026
Reginald Tisdale*	Assistant Secretary	November 2024
Krystal Parsons**	Assistant Secretary	November 2024
Walter Preston**	Assistant Secretary	November 2024

* Affiliated with the Development Manager (as defined herein).

** Affiliated with the Future Phases Landowner.

A majority of the members of the Board constitutes a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. Action taken by the District shall be upon a

vote of a majority of the members present unless general law or a rule of the District requires a greater number. All meetings of the Board are open to the public under Florida's open meeting or "Sunshine" law.

The District Manager and Other Consultants

The chief administrative official of the District is the District Manager. The Act provides that a District Manager has charge and supervision of the works of the District and is responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, for maintaining and operating the equipment owned by the District, and for performing such other duties as may be prescribed by the Board. The District has retained Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, to serve as its District Manager. The District Manager's office is located at 2300 Glades Rd., Ste. # 410W, Boca Raton, Florida 33431.

The Act further authorizes the District Manager to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Greenberg Traurig, P.A., West Palm Beach, Florida, as Bond Counsel; ZNS Engineering, L.C., Bradenton, Florida, as Consulting Engineer; and Kutak Rock LLP, Tallahassee, Florida, as District Counsel. The Board has also retained Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, to serve as Methodology Consultant and prepare the Assessment Methodology and to serve as the initial Dissemination Agent.

No Outstanding Bond Indebtedness

The District has not previously issued any bonds or other similar debt obligations.

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ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

The Master Special Assessment Methodology Report for Lake Flores Community Development District, dated February 23, 2022, as supplemented by the [Preliminary] First Supplemental Special Assessment Methodology Report], dated as of September 14, 2023 (collectively, the "Assessment Methodology"), which allocates the Series 2023 Special Assessments to the lands within the District, has been prepared by Wrathell, Hunt and Associates, LLC, Boca Raton, Florida (the "Methodology Consultant"). See "EXPERTS" herein for more information. A copy of the Assessment Methodology is included herein as APPENDIX D. Once levied and imposed, the Series 2023 Special Assessments are a first lien on the assessed lands within respective Assessment Areas within the District, as applicable, until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Series 2023A-1 Special Assessments will initially be levied primarily on the approximately [250.39] gross acres constituting the 2023A-1 Assessment Area, less the Future Phases Area. As platting of residential lots and commercial land therein occurs, the Series 2023A-1 Special Assessments will be assigned to the platted lots and tracts therein on a first-platted, first-assigned basis in accordance with the Assessment Methodology. In addition, a portion of the Series 2023A-1 Special Assessments in the initial principal amount of \$5,000,000 will initially be assigned to the 778.9 gross acres constituting the Future Phases Area. As the precise location of the various land use types planned for the Future Phases Area is unknown, such Series 2023A-1 Special Assessments will initially be levied on all land within the Future Phases Area on an equal pro-rata gross acre basis. As land within the Future Phases Area is platted, the Series 2023A-1 Special Assessments will be allocated to each platted parcel on a first platted, first assigned basis based on the planned land use for that parcel based on ERUs as reflected in the Assessment Methodology. In the event unplatted land within the Future Phases Area is sold (the "Transferred Property") to the Developer or any other third-party, Series 2023A-1 Special Assessments will be assigned to such Transferred Property at the time of sale based on the maximum total numbers of ERUs assigned to that Transferred Property based on its assigned development rights, in accordance with the Assessment Methodology.

The Series 2023A-2 Bonds will be secured by the Series 2023A-2 Special Assessments, which will initially be levied on the approximately [250.39] gross acres within the 2023A-2 Assessment Area and, as platting occurs, will be assigned to the platted lots or tracts therein on a first-platted, first-assigned basis in accordance with the Assessment Methodology.

Assuming that all of the planned uses within the 2023A-1 Assessment Area and the 2023A-2 Assessment Area are developed and platted, then the Series 2023 Special Assessments are expected to be allocated on a per unit basis below and as set forth in the Assessment Methodology. See "THE DEVELOPMENT – Development Plan and Status" herein and "APPENDIX D: ASSESSMENT METHODOLOGY" attached hereto.

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Product Type	No. Units	Unit Type	Annual 2023A-1 Assessments Per Unit*	2023A-1 Par Per Unit	Annual 2023A-2 Assessments Per Unit**	2023A-2 Par Per Unit**
Residential Uses (Phases 1B-1, N1, and 1B-2)						
<i>Phase N1</i>						
Townhomes	68	Units	\$1,000	\$13,353	\$2,495	\$31,720
Twin Villa	90	Units	\$1,100	\$14,688	\$2,478	\$31,511
<i>Phase 1B-1</i>						
Single-Family 42'	66	Units	\$1,260	\$16,825	\$2,399	\$30,502
Single-Family 45'	32	Units	\$1,350	\$18,026	\$2,570	\$32,680
Single-Family 50'	77	Units	\$1,500	\$20,029	\$2,856	\$36,312
Single-Family 60'	46	Units	\$1,800	\$24,035	\$3,427	\$43,574
Single-Family 80'	21	Units	\$2,400	\$32,047	\$4,569	\$58,098
<i>Phase 1B-2</i>						
Single-Family 45'	94	Units	\$1,575	\$21,031	\$2,334	\$29,676
Single-Family 50'	54	Units	\$1,750	\$23,368	\$2,593	\$32,973
Single-Family 60'	90	Units	\$2,100	\$28,041	\$3,112	\$39,568
Single-Family 80'	27	Units	\$2,800	\$27,388	\$4,149	\$52,757
Total:	665					
Commercial Uses						
Apartments	18.83	Acres	\$6,068	\$81,034	\$9,136	\$116,159
Mixed Use	[50.92]	Acres	\$6,068	\$81,034	\$9,136	\$116,159
Future Phases						
Future Phases Area	778.9	Acres	\$481	\$6,419	\$0	\$0

* Series 2023 Special Assessments collected via the Uniform Method will be grossed up to include early payment discounts and County collection fees, currently estimated at 7%.

** The Developer anticipates expects, but is not obligated, to prepay the Series 2023A-2 Special Assessments prior to lot or parcel closings with third-party builders. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Additional Obligations" and "–Redemption Provisions – Extraordinary Mandatory Redemption," as well as "BONDOWNERS' RISKS – Prepayment and Redemption Risk," herein for more information.

The District anticipates levying assessments to cover its operation and maintenance costs that are initially expected to range from approximately \$[____] to \$[____] per unit annually, which amounts are subject to change. The District Land has been and is expected to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2022 was approximately 15.1306 mills, which millage rate is subject to change in future tax years. These taxes would be payable in addition to the Series 2023 Special Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Manatee County, Florida may each levy ad valorem taxes and/or special assessments upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for more information.

THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECT

ZNS Engineering, LC (the "District Engineer") prepared a report entitled Engineer's Report for the Lake Flores Community Development District, dated February 15, 2023 (the "Master Engineer's Report"), as supplemented by the report entitled First Supplemental Engineer's Report for the Lake Flores Community Development District, dated [September 12], 2023 (the "Supplemental Engineer's Report" and together with the Master Engineer's Report, the "Engineer's Report"). The Engineer's Report sets forth certain public infrastructure improvements necessary for the development of the approximately 4,008 residential lots and various multifamily, retail and commercial uses planned for the Development (the "Capital Improvement Plan"). The total cost of the Capital Improvement Plan was estimated in the Engineer's Report to be approximately \$279,795,805.

Land development associated with the Development will occur in phases, as summarized below:

- Phase 1A is planned for a mitigation node and drainage outfalls and is not anticipated to contain any commercial or residential uses ("Phase 1A").
- Phase 1B-1 consists of 68.53 acres of land, which are planned to contain 242 residential units ("Phase 1B-1").
- Phase N1 consists of 20.72 acres of land, which are planned to contain 158 residential units ("Phase N1").
- Phase 1B-2 consists of 57.58 acres of land, which are planned to contain 265 residential units ("Phase 1B-2").
- The Town Center consists of 50.92 acres of land, which are planned to contain approximately 235,000 square feet of retail and office uses, 330 apartments and 250 hotel rooms (the "Town Center").
- The Multifamily/Commercial Area consists of 18.83 acres of land and is zoned for multifamily residential or commercial uses (the "Multifamily/Commercial Area").
- Phase 1C consists of 95.62 acres of land, which are planned to contain 398 residential units ("Phase 1C" and, collectively with all of the above parcels, including the Town Center and the Multifamily/Commercial Area, "Phase 1").
- The Future Phases Area consists of 778.9 acres of land, which are planned to contain approximately 2,937 residential units and approximately 415,000 square feet of commercial, retail and office uses (the "Future Phases Area").

The "2023 Project" consists of the costs of: (i) the master public infrastructure improvements associated with the development of Phases 1A, 1B-1, 1B-2 and N1, as well as the Town Center and the Multifamily/Commercial Area and (ii) the parcel infrastructure public improvements associated with the development of Phases 1B-1, 1B2 and N1. The 2023 Project also includes certain master public infrastructure improvements that provide benefit to the portion of the 2023A-1 Assessment Area located within the Future Phases Area. Proceeds of the Series 2023 Bonds will fund a portion of the 2023 Project. The District Engineer, in the Engineer's Report, estimates the total cost of the 2023 Project to be approximately \$[66,120,000], as more particularly described below.

2023 Project Description	Estimated Costs
Stormwater Management	\$14,300,000
Roadways	9,700,000
Utilities (Water, Sewer, Reuse)	13,400,000
Hardscape/Landscape/Irrigation	4,200,000
Undergrounding of Electrical Conduit	1,200,000
Offsite Improvements	6,600,000
Conservation / Mitigation	3,300,000
Professional Services	2,400,000
Contingency	11,020,000
Total	<u>\$66,120,000</u>

The "2023A-1 Assessment Area" is defined herein as Phases 1B-1, N1, and 1B-2 as well as the Town Center, the Multifamily/Commercial Area, and the Future Phases Area. The "2023A-2 Assessment Area" is defined herein as Phases 1B-1, N1, and 1B-2 as well as the Town Center and the Multifamily/Commercial Area, but not the Future Phases Area.

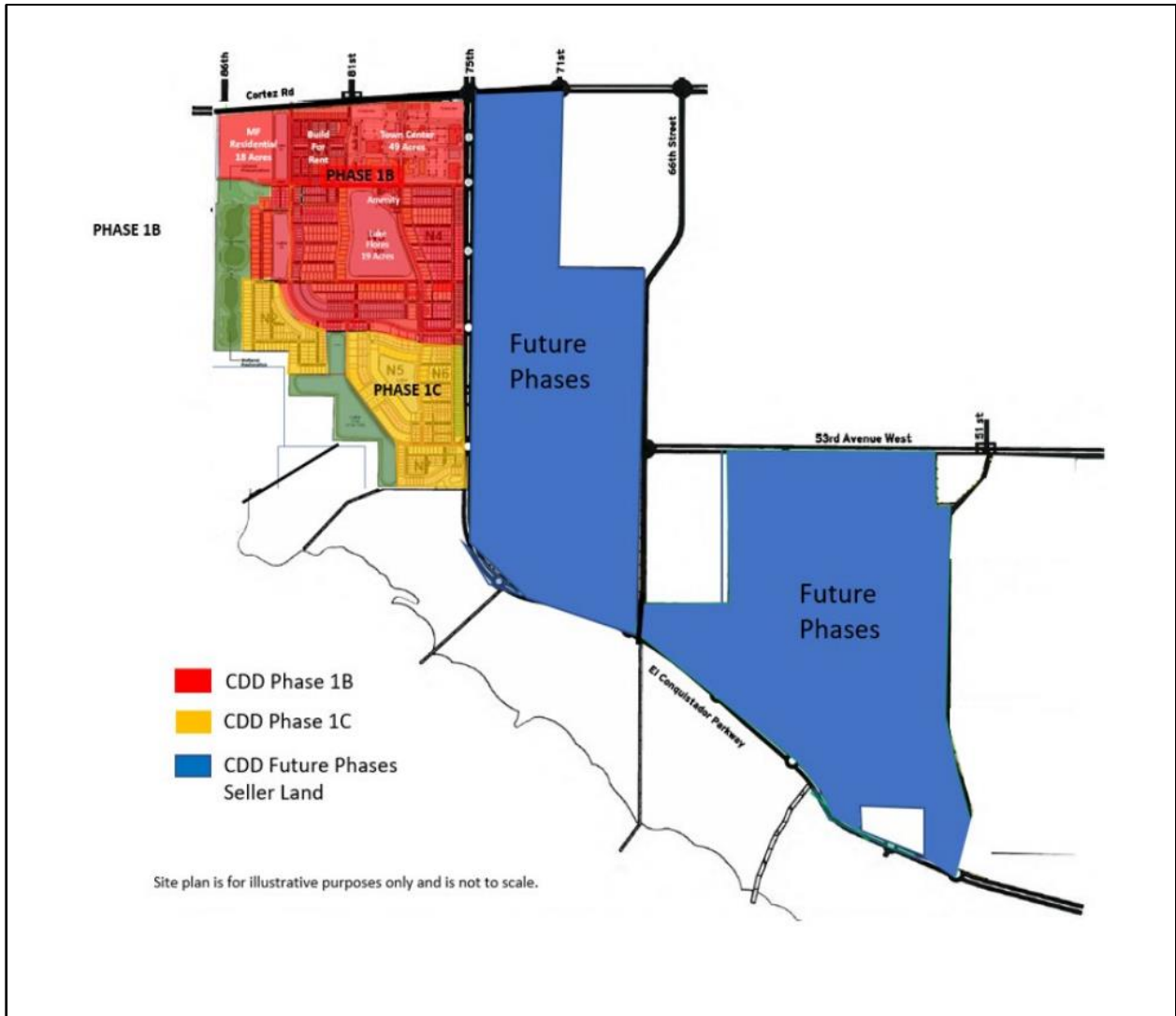
Installation of the 2023 Project is underway. For phasing of the components of the development plan, see "THE DEVELOPMENT – Development Plan and Status" herein. Approximately, \$6 million has been spent as of September 2023 on land development associated with the 2023 Project.

The proceeds of the Series 2023A-1 Bonds to be deposited in the Series 2023A-1 Acquisition and Construction Account will be \$[20,770,942.49], and such proceeds will be used by the District towards the funding and/or acquisition of a portion of the 2023 Project. The proceeds of the Series 2023A-2 Bonds to be deposited in the Series 2023A-2 Acquisition and Construction Account will be in an amount not exceeding \$[28,233,390.55], and such proceeds will be used by the District towards the funding and/or acquisition of a portion of the 2023 Project. See "DESCRIPTION OF THE SERIES 2023 BONDS – Series 2023A-2 Draw-Down Bond" herein. The Developer will enter into a completion agreement that will obligate the Developer to complete any portions of the 2023 Project not funded with proceeds of the Series 2023 Bonds. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

The District anticipates issuing additional bonds in the future to finance a portion of the public infrastructure improvement associated with Phase 1C and the Future Phases Area. Bonds associated with Phase 1C will be secured by special assessments levied on District Lands that are separate and distinct from the District Lands subject to the Series 2023 Special Assessments. To the extent any additional bonds are issued to finance a portion of land development costs associated with the Future Phases Area, such bonds may be secured by special assessments levied on a co-equal basis with the lien of that portion of the Series 2023A-1 Special Assessments that encumber the Future Phases Area as set forth in the A-1 Indenture. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Additional Bonds" herein for more information.

The District Engineer has indicated that all engineering permits necessary to construct the 2023 Project that are set forth in the Engineer's Report have been obtained or will be obtained in the ordinary course of business. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Development Approvals" for a more detailed description of the zoning and permitting status of the Development. See "APPENDIX C: ENGINEER'S REPORT" attached hereto for more information regarding the above improvements.

The sketch below shows the general development plan for the District Lands.



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The information appearing below under the captions "THE DEVELOPMENT" and "THE DEVELOPER" has been furnished by the Developer for inclusion in this Private Placement Memorandum and, although believed to be reliable, such information has not been independently verified by Bond Counsel, the District or its counsel, or the Placement Agent or its counsel, and no persons other than the Developer make any representation or warranty as to the accuracy or completeness of such information supplied by it. The following information is provided by the Developer as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. The Developer is not guaranteeing payment of the Series 2023 Bonds or the Series 2023 Special Assessments.

THE DEVELOPMENT

General

The District Lands encompass approximately [1,173.1]+/- gross acres located entirely within an unincorporated area of Manatee County, Florida (the "County") and are being developed as a walkable, master-planned mixed-use community currently known as "Lake Flores" (the "Development"). The Development is minutes from Sarasota Bay, the Gulf of Mexico beaches, Anna Maria Island and downtown Bradenton and Sarasota. The Development is generally located south of Cortez Road West, north of El Conquistador Parkway, east of Tidy Island Boulevard, and west of 47th Street West. The Development is adjacent to IMG Academy, in close proximity to Manatee Golf Course. The area surrounding the Development is a densely populated residential area containing ancillary services such as shopping, restaurants, and grocery stores. Publix, The Fresh Market, Target, Walmart, Home Depot, HCA Florida Blake Hospital and the Sarasota Bradenton International Airport are in close proximity to the Development. The Development also has access to Tampa International Airport.

At buildout, the Development is planned to contain approximately 4,000 residential units, 600 rental apartment units, 250 hotel rooms and approximately 650,000 square feet of retail and office uses. Land development associated with the Development will occur in phases as summarized below:

- Phase 1A is planned for a mitigation node and drainage outfalls and is not anticipated to contain any commercial or residential uses ("Phase 1A").
- Phase 1B-1 consists of 68.53 acres of land, which are planned to contain 242 residential units ("Phase 1B-1").
- Phase N1 consists of 20.72 acres of land, which are planned to contain 158 residential units ("Phase N1").
- Phase 1B-2 consists of 57.58 acres of land, which are planned to contain 265 residential units ("Phase 1B-2").
- The Town Center consists of 50.92 acres of land, which are planned to contain approximately 235,000 square feet of retail and office uses, 330 apartments and 250 hotel rooms (the "Town Center").
- The Multifamily/Commercial Area consists of 18.83 acres of land and is zoned for multifamily residential or commercial uses (the "Multifamily/Commercial Area").

- Phase 1C consists of 95.62 acres of land, which are planned to contain 398 residential units ("Phase 1C" and, collectively with all of the above parcels, including the Town Center and the Multifamily/Commercial Area, "Phase 1").
- The Future Phases Area consists of 778.9 acres of land, which are planned to contain approximately 2,937 residential units and approximately 415,000 square feet of commercial, retail and office uses (the "Future Phases Area").

Set forth below is a chart summarizing the for-sale residential uses planned for Phase 1.

Residential Product	Phase N1	Phase 1B-1	Phase 1B-2	Phase 1C	Total Residential
Townhome	68	0	0	0	34
Twin Villas 35'	90	0	0	0	90
Single-Family 42'	0	66	0	85	151
Single-Family 45'	0	32	94	37	163
Single-Family 50'	0	77	54	140	271
Single-Family 60'	0	46	90	136	272
Single-Family 80'	0	21	27	0	48
Total	158	242	265	398	1,063

The "2023 Project" consists of the costs of: (i) the master public infrastructure improvements associated with the development of Phases 1A, 1B-1, 1B-2 and N1, as well as the Town Center and the Multifamily/Commercial Area and (ii) the parcel infrastructure public improvements associated with the development of Phases 1B-1, 1B2 and N1. The 2023 Project also includes certain master public infrastructure improvements that provide benefit to the portion of the 2023A-1 Assessment Area located within the Future Phases Area.

At buildout, Phases 1B-1, N1, and 1B-2 are planned to contain approximately 665 for-sale residential units, consisting of (i) 68 townhomes, (ii) 90 twin villa units on 35' wide lots, (iii) 66 single-family homes on 42' wide lots, (iv) 126 single-family homes on 45' wide lots, (v) 131 single-family homes on 50' wide lots, (vi) 136 single-family homes on 60' wide lots, and (vii) 48 single-family homes on 80' wide lots. The 18.83-acre Multifamily/Commercial Area is zoned for multifamily units and/or commercial uses, and the Town Center is planned to contain approximately 235,000 square feet of retail and office uses, 330 apartments and 250 hotel rooms.

The "2023A-1 Assessment Area" is defined herein as Phases 1B-1, N1 and 1B-2, as well as the Town Center, the Multifamily/Commercial Area and (with respect to \$5,000,000 in principal amount of Series 2023A-1 Special Assessments) the Future Phases Area. The "2023A-2 Assessment Area" is defined herein as Phases 1B-1, N1 and 1B-2, as well as the Town Center and the Multifamily/Commercial Area, but not the Future Phases Area.

The Series 2023A-1 Special Assessments will initially be levied primarily on the approximately [250.39] gross acres constituting the 2023A-1 Assessment Area, less the Future Phases Area. As platting of residential lots and commercial land therein occurs, the Series 2023A-1 Special Assessments will be assigned to platted lots and tracts therein on a first-platted, first-assigned basis in accordance with the Assessment Methodology. In addition, a portion of the Series 2023A-1 Special Assessments in the initial principal amount of \$5,000,000 will initially be assigned to the 778.9 gross acres constituting the Future Phases Area on an equal pro-rata gross acre basis and subsequently allocated in accordance with the Assessment Methodology. The Series 2023A-2 Bonds will be secured by the Series 2023A-2 Special Assessments, which will initially be levied on the approximately [250.39] gross acres within the 2023A-2

Assessment Area and, as platting occurs, will be assigned to the platted lots or tracts therein on a first-platted, first-assigned basis in accordance with the Assessment Methodology. See "APPENDIX D: ASSESSMENT METHODOLOGY" attached hereto and "THE DEVELOPMENT – Taxes, Fees and Assessments" herein for more information.

The District anticipates issuing additional bonds in the future to finance a portion of the public infrastructure improvements associated with Phase 1C and the Future Phases Area. Bonds associated with Phase 1C will be secured by special assessments levied on District Lands that are separate and distinct from the District Lands subject to the Series 2023 Special Assessments. To the extent any additional bonds are issued to finance a portion of land development costs associated with the Future Phases Area, such bonds may be secured by special assessments levied on a co-equal basis with the lien of that portion of the Series 2023A-1 Special Assessments that encumber the Future Phases Area as set forth in the A-1 Indenture. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Additional Bonds" herein for more information.

Cortez75W Investors, LLC, a Delaware limited liability company (the "Developer"), is the landowner and developer of the lands within Phase 1 of the Development. LF Manatee, LLC, a Florida limited liability company (the "Future Phases Landowner"), is the current landowner of the Future Phases Area. See "THE DEVELOPER AND THE FUTURE PHASES LANDOWNER" herein for more information.

The Developer has entered into builder contracts to sell all 238 developed and platted lots within Phase 1B-1 as follows: (i) David Weekley Homes (as defined herein, "Weekley") for 53 lots upon development completion (the "Weekley Contract"), (ii) Issa Homes (as defined herein "Issa") for 21 lots upon development completion (the "Issa Contract"), (iii) Cardel Homes (as defined herein "Cardel") for 59 lots upon development completion (the "Cardel Contract"), and (iv) Pulte Homes (as defined herein, "Pulte") for 105 lots upon development completion (the "Pulte Contract," and collectively, the "Builder Contracts"). The remaining phases within the 2023A-1 Assessment Area will be sold over time. See "–The Builder Contracts and the Builders" herein for more information.

Single-family detached homes within Phases 1B-1 and 1B-2 will range in size from approximately 1,400 square feet to over 3,500 square feet, and price points will range from approximately \$455,000 to over \$1,500,000. Attached residential units within Phase N1 will range in size from approximately 1,400 square feet to approximately 2,400 square feet, and price points will range from approximately \$336,000 to approximately \$476,000. The target customers for residential units within the Development active pre-retirees, seasonal buyers and move-up buyers, and to a lesser extent first-time homebuyers. See "–Residential Product Offerings" herein for more information.

Land Acquisition and Finance Plan

The Future Phases Landowner acquired the land within the District on December 30, 2020, for approximately \$23,892,000, which was paid for with equity. The Developer thereafter acquired the land within Phase 1 from the Future Phases Landowner on March 9, 2022 for a purchase price of approximately \$10,760,000. The Developer's land within Phase 1 is subject to a mortgage securing a purchase money promissory note in favor of the Future Phases Landowner in the amount of \$8,760,000, which bears interest at a rate of 1.74%, and has a final maturity date that is the earlier of (i) the date on which the Developer sells the last portion of the Phase 1 property or (ii) nine years from the date of the note (i.e., March 8, 2031).

The Developer anticipates the total land development costs associated with Phases 1A, 1B-1, N1, 1B-2, the Town Center, and the Multifamily/Commercial Area to be approximately \$62 million. As of

September 2023, the Developer has spent approximately \$6 million towards hard and soft costs associated with the 2023 Project. Set forth below is further detail associated with the costs for each phase.

- Phase 1A. Master infrastructure improvements associated with Phase 1A cost approximately \$4 million. The mitigation node and one of the two drainage outfalls are substantially complete.
- Phase 1B-1 and the Town Center. Master infrastructure costs for Phase 1B-1 and the Town Center, together with parcel-specific infrastructure improvements for Phase 1B-1, are anticipated to cost approximately \$42 million. Parcel-specific infrastructure improvements associated with the Town Center are expected to be privately funded by the purchasers of such parcel.
- Phase N1 and the Multifamily/Commercial Area. Master infrastructure costs for Phase N1 and the Multifamily/Commercial Area, together with parcel-specific infrastructure improvements for Phase N1, are anticipated to cost approximately \$5 million. Parcel-specific infrastructure improvements associated with the Multifamily/Commercial Area are expected to be privately funded by the purchaser of such parcel.
- Phase 1B-2. Master and parcel-specific infrastructure improvements associated with Phase 1B-2 are anticipated to cost approximately \$11 million.

The proceeds of the Series 2023A-1 Bonds to be deposited in the Series 2023A-1 Acquisition and Construction Account will be \$[20,770,942.49], and such proceeds will be used by the District towards the funding and/or acquisition of a portion of the 2023 Project. The proceeds of the Series 2023A-2 Bonds to be deposited in the Series 2023A-2 Acquisition and Construction Account will be in an amount not exceeding \$[28,233,390.55], and such proceeds will be used by the District towards the funding and/or acquisition of a portion of the 2023 Project. See "DESCRIPTION OF THE SERIES 2023 BONDS – Series 2023A-2 Draw-Down Bond" herein. The Developer will enter into a completion agreement that will obligate the Developer to complete any portions of the 2023 Project not funded with proceeds of the Series 2023 Bonds. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

Development Plan and Status

Residential Uses

Phase 1B-1. Phase 1B-1 is planned to contain 242 single-family detached homes consisting of (i) 66 homes on 42' wide lots, (ii) 32 homes on 45' wide lots, (iii) 77 homes on 50' wide lots, (iv) 46 homes on 60' wide lots and (v) 21 homes on 80' wide lots. Land development for Phase 1B-1 commenced in the third calendar quarter of 2023 and is expected to be completed by the fourth calendar quarter of 2024, at which point lots will be delivered to third-party homebuilders. A final plat for Phase 1B-1 is expected to be recorded by the third calendar quarter of 2024.

Phase N1. Phase N1 is planned to contain 158 attached product types consisting of (i) 68 townhomes and (ii) 90 twin villa units. Land development for Phase N1 is expected to commence in the fourth calendar quarter of 2024 and to be completed by the first calendar quarter of 2025, at which point lots will be delivered to third-party homebuilders. A final plat for Phase N1 is expected to be recorded by the first calendar quarter of 2025.

Phase 1B-2. Phase 1B-2 is planned to contain 265 single-family detached homes consisting of (i) 94 homes on 45' wide lots, (ii) 54 homes on 50' wide lots, (iii) 90 homes on 60' wide lots and (iv) 27 homes

on 80' wide lots. Land development for Phase 1B-2 is expected to commence in the second calendar quarter of 2025 and to be completed by the first calendar quarter of 2026, at which point lots will be delivered to third-party homebuilders. A final plat for Phase 1B-2 is expected to be recorded by the first calendar quarter of 2026.

Homebuilders are expected to commence vertical construction and marketing of residential units shortly after the takedown of developed lots from the Developer. Home closings are expected to commence in the fourth calendar quarter of 2025.

The Developer anticipates that approximately 175 units within Phases 1B-1, N1 and 1B-2 will be sold and closed with homebuyers per annum until buildout, which is expected by the fourth calendar quarter of 2028. This anticipated absorption is based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance such absorption rate will occur or be realized in the time frame anticipated.

Commercial Uses

Town Center. Land development for the Town Center commenced in the third calendar quarter of 2023 and is expected to be completed by the fourth calendar quarter of 2028. The land within the Town Center is expected to be sold to two separate commercial third-party developers, who will build the retail, office and multifamily units planned therein.

Multifamily/Commercial Area. Land development for the Multifamily/Commercial Area [commenced] in the [third calendar quarter of 2023] and is expected to be completed by the fourth calendar quarter of 2024. The Multifamily/Commercial Area may be sold to a third party or retained by the Developer to build commercial, retail, office or multifamily units therein.

Residential Product Offerings

The target customers for units within the Development are active pre-retirees, seasonal buyers and move-up buyers, and to a lesser extent first-time homebuyers. Below is a summary of the expected types of units and price points for the for-sale residential units in the Development.

Product Type	Square Footage	Beds/Baths	Starting Price Point
Townhome 20'	1,400 – 1,900	2 to 3 Bedrooms, 2 to 2 ½ Baths	\$336,000 – \$406,000
Townhome 25'	1,800 – 2,400	2 to 3 Bedrooms, 2 to 2 1/2 Baths	\$420,000 – \$476,000
Twin Villa 35'	1,500 – 1,800	2 to 3 Bedrooms, 2 to 2 1/2 Baths	\$392,000 – \$441,000
Single-Family 42'	1,400 – 2,200	2 to 4 Bedrooms, 2 to 2 1/2 Baths	\$455,000 – \$485,000
Single-Family 45'	1,600 – 2,200	2 to 4 Bedrooms, 2 to 2 1/2 Baths	\$485,000 – \$515,000
Single-Family 50'	1,900 – 2,600	3 to 5 Bedrooms, 2 to 3 Baths	\$515,000 – \$545,000
Single-Family 60'	2,300 – 3,100	3 to 5 Bedrooms, 2 to 4 Baths	\$575,000 – \$610,000
Single-Family 80'	2,900 – 3,500+	3 to 5 Bedrooms, 3 to 5 Baths	\$950,000 – \$1,500,000+

The Builder Contracts and the Builders

The Developer has entered into builder contracts to sell all 238 developed and platted lots within Phase 1B-1 as follows: (i) Weekley Homes (as defined herein, "Weekley") for 53 lots upon development

completion (the "Weekley Contract"), (ii) Issa Homes (as defined herein "Issa") for 21 lots upon development completion (the "Issa Contract"), (iii) Cardel Homes (as defined herein "Cardel") for 59 lots upon development completion (the "Cardel Contract"), and (iv) Pulte Homes (as defined herein, "Pulte") for 105 lots upon development completion (the "Pulte Contract," and collectively, the "Builder Contracts").

The Developer expects that closings under the Builder Contracts will commence in the fourth calendar quarter of 2024. Notwithstanding the foregoing, there is a risk that the Builders may not close on any lots under the Builder Contracts or may fail to construct homes on such lots. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein. The remaining phases within the 2023A-1 Assessment Area are expected to be sold over time.

Summaries of the existing Builder Contracts are set forth below.

Weekley Contract

The Developer has entered into a Lot Purchase and Builder Participation Agreement dated as of May 16, 2023, as amended (the "Weekley Contract") with Weekley Homes, LLC, a Delaware limited liability company ("Weekley"), for the purchase of fifty-three (53) lots, consisting of thirty-two (32) 45' lots and twenty-one (21) 60' lots, within Phase 1B-1 of the Development. The Weekley Contract provides a base purchase price of \$90,000 per 45' lot and \$120,000 per 60' lot, subject to a monthly escalator after the initial closing, as well as additional consideration to be paid to the Developer upon closing of each home with homebuyers pursuant to a formula set forth in the Weekley Contract. The Weekley Contract provides for the purchase of two model lots prior to substantial completion, followed by an initial closing of fifteen (15) lots thirty (30) days after substantial completion of such lots, with subsequent closings of at least fifteen (15) lots on or before the 15th day of the last month of each calendar quarter, beginning with the calendar quarter after the calendar quarter in which the initial closing occurred. Weekley has made a deposit of \$[_____], which is nonrefundable to Weekley except upon a default by the Developer.

Weekley is a privately held homebuilder with its principal offices in Houston, Texas. According to its website, the Weekley family of companies has built over 115,000 homes since 1976 and is currently building homes in 13 states and 19 cities.

Issa Contract

The Developer has entered into a Lot Purchase and Builder Participation Agreement dated as of May 18, 2023, as amended (the "Issa Contract") with Issa Homes, Inc., a Florida corporation ("Issa"), for the purchase of twenty-one (21) 80' lots within Phase 1B-1 of the Development. The Issa Contract provides a base purchase price of \$200,000 per 80' lot, subject to a monthly escalator after the initial closing, as well as additional consideration to be paid to the Developer upon closing of each home with homebuyers pursuant to a formula set forth in the Issa Contract. The Issa Contract provides for the purchase of one model lot prior to substantial completion, followed by an initial closing of one (1) spec home thirty (30) days after substantial completion of such lot, with subsequent closings of at least two (2) lots on or before the 15th day of the last month of each calendar quarter, beginning with the calendar quarter after the calendar quarter in which the initial closing occurred. Issa has made a deposit of \$[_____], which is nonrefundable to Issa except upon a default by the Developer.

Issa is a private custom homebuilder based in Celebration, Florida. According to its website, Issa is currently building in Lake Nona, Celebration and Golden Oak, and its founders have delivered over 1,600 luxury homes since 1972.

Cardel Contract

The Developer has entered into a Lot Purchase and Builder Participation Agreement dated as of August 16, 2023 (the "Cardel Contract") with Cardel Homes, LLC, a Delaware limited liability company ("Cardel"), for the purchase of fifty-nine (59) lots, consisting of thirty-eight (38) 50' lots and twenty-one (21) 60' lots, within Phase 1B-1 of the Development. The Cardel Contract provides a base purchase price of \$105,000 per 50' lot and \$120,000 per 60' lot, subject to a monthly escalator after the initial closing, as well as additional consideration to be paid to the Developer upon closing of each home with homebuyers pursuant to a formula set forth in the Cardel Contract. The Cardel Contract provides for the purchase of two model lots prior to substantial completion, followed by an initial closing of fifteen (15) lots thirty (30) days after substantial completion of such lots, with subsequent closings of at least fifteen (15) lots on or before the 15th day of the last month of each calendar quarter, beginning with the calendar quarter after the calendar quarter in which the initial closing occurred. Cardel has made a deposit of \$[_____], which is nonrefundable to Cardel except upon a default by the Developer.

According to its website, Cardel is a new homebuilder with over 50 years' experience specializing in new home construction, currently building in communities across Florida, Colorado, Ontario and Alberta.

Pulte Contract

The Developer has entered into a Lot Purchase and Builder Participation Agreement dated as of June 13, 2023 (the "Pulte Contract") with Pulte Home Company, LLC, a Michigan limited liability company ("Pulte"), for the purchase of one hundred five (105) lots, consisting of sixty-six (66) 42' lots, twenty-five (25) front-loaded 50' lots and fourteen (14) alley-loaded lots, within Phase 1B-1 of the Development. The Pulte Contract provides a base purchase price of \$90,000 per 42' lot and \$105,000 per 50' lot, subject to a monthly escalator after the initial closing, as well as additional consideration to be paid to the Developer upon closing of each home with homebuyers pursuant to a formula set forth in the Pulte Contract. The Pulte Contract provides for the purchase of three model lots prior to substantial completion, followed by an initial closing of fifteen (15) lots thirty (30) days after substantial completion of such lots, with subsequent closings of at least fifteen (15) lots on or before the 15th day of the last month of each calendar quarter, beginning with the calendar quarter after the calendar quarter in which the initial closing occurred. Pulte has made a deposit of \$[_____], which is nonrefundable to Pulte except upon a default by the Developer.

Pulte is the successor by conversion to Pulte Home Corporation, a Michigan corporation formed on January 24, 1985 and is wholly owned by PulteGroup, Inc., a Michigan corporation ("PulteGroup"). PulteGroup stock trades on the New York Stock Exchange under the symbol PHM. PulteGroup is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The file number for PulteGroup is No. 1-9804. Such reports, proxy statements, and other information are available at the SEC's internet website at <http://www.sec.gov>. All documents subsequently filed by PulteGroup pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

Development Approvals

[The land within the District, including, without limitation, the land therein subject to the Series 2023 Special Assessments, is zoned to allow for the contemplated residential and commercial uses described herein. All permits have been received by jurisdictional agencies to allow for the development contemplated herein or are reasonably expected to be received in the ordinary course.] See "APPENDIX C: ENGINEER'S REPORT" hereto for more information regarding permits and "BONDOWNERS' RISK

– Regulatory and Environmental Risks" herein for more information regarding potential regulatory and permitting risks.

Environmental

A Phase I & II Environmental Site Assessment dated September 23, 2019 was prepared with respect to the approximately 400 acres of District lands located west of 75th Street West (corresponding to Development Phase 1) (the "2019 Phase 1 ESA"). The 2019 Phase 1 ESA identified seven recognized environmental conditions ("RECs") in connection with the subject property, including the presence of drums and pesticide storage containers, aboveground storage tanks, a pesticide mixing area and the property's historic use for farming operations. The 2019 Phase 1 ESA reported on further soil and groundwater sampling performed, which found no exceedances of the Florida Department of Environmental Protection (FDEP) Soil Cleanup Target Levels (SCTLs) in the collected soil samples, but did find concentrations of arsenic and dieldrin that exceeded the FDEP's Groundwater Cleanup Target Levels (GCTLs) in one location, and therefore recommended further testing to determine the extent of groundwater impacts in this location. A further Limited Environmental Site Assessment dated November 4, 2019 was prepared to conduct further groundwater testing via two monitoring wells at the indicated site, which testing found no detectable arsenic levels, and dieldrin levels that were below the applicable GCTL. As a result, no further testing was recommended. Additional Phase I Environmental Assessments dated July 7, 2022 and February 25, 2022 were prepared with respect to the subject property west of 75th Street West, which each found no evidence of RECs.

In addition, a Phase I Environmental Site Assessment dated December 1, 2020, was prepared with respect to the Future Phases Area (the "Future Phases ESA"). The Future Phases ESA identified three RECS, including the presence of various aboveground tanks with potential for spillage, as well as the subject property's historic use for farming operations. A Phase II Environmental Site Assessment dated February 10, 2021 was prepared thereafter, which found concentrations of arsenic in the soil above the FDEP's SCTLs and recommended further testing to evaluate the soil and groundwater impacts thereof. [Groundwater monitoring commenced in 2022 and is ongoing.]

See "BONDOWNERS' RISK – Regulatory and Environmental Risks" herein for more information regarding potential environmental risks.

Amenities

The Development is planned to include an approximately 3-acre amenity site located at the northeast corner of a 19-acre lake. The amenity will include a clubhouse with gathering spaces, a fitness center and resort-style swimming pool. Additional recreational amenities are expected to include a children's playground, sports court and event lawn. Construction of the amenities is expected to commence in the first calendar quarter of 2025 and be completed by the second calendar quarter of 2026, at a total approximate cost of \$7.5 million. The amenities are being funded by the Developer and are expected to be owned by the homeowners' association.

Utilities

Potable water and wastewater treatment for the Development are expected to be provided by the County. Electric power is expected to be provided by Florida Power & Light Company. All utility services are available to the property.

Taxes, Fees and Assessments

The Series 2023A-1 Special Assessments will initially be levied primarily on the approximately [250.39] gross acres constituting the 2023A-1 Assessment Area, less the Future Phases Area. As platting of residential lots and commercial land therein occurs, the Series 2023A-1 Special Assessments will be assigned to platted lots and tracts therein on a first-platted, first-assigned basis in accordance with the Assessment Methodology. In addition, a portion of the Series 2023A-1 Special Assessments in the initial principal amount of \$5,000,000 will initially be assigned to the 778.9 gross acres constituting the Future Phases Area. As the precise location of the various land use types planned for the Future Phases Area is unknown, such Series 2023A-1 Special Assessments will initially be levied on all land within the Future Phases Area on an equal pro-rata gross acre basis. As land within the Future Phases Area is platted, the Series 2023A-1 Special Assessments will be allocated to each platted parcel on a first platted, first assigned basis based on the planned land use for that parcel based on ERUs as reflected in the Assessment Methodology. In the event unplatted land within the Future Phases Area is sold (the "Transferred Property") to the Developer or any other third-party, Series 2023A-1 Special Assessments will be assigned to such Transferred Property at the time of sale based on the maximum total numbers of ERUs assigned to that Transferred Property based on its assigned development rights, in accordance with the Assessment Methodology.

The Series 2023A-2 Bonds will be secured by the Series 2023A-2 Special Assessments, which will initially be levied on the approximately [250.39] gross acres within the 2023A-2 Assessment Area and, as platting occurs, will be assigned to the platted lots or tracts therein on a first-platted, first-assigned basis in accordance with the Assessment Methodology.

Assuming that all of the planned uses within the 2023A-1 Assessment Area and the 2023A-2 Assessment Area are developed and platted, then the Series 2023 Special Assessments are expected to be allocated on a per unit basis below and as set forth in the Assessment Methodology. See "THE DEVELOPMENT – Development Plan and Status" herein and "APPENDIX D: ASSESSMENT METHODOLOGY" attached hereto.

[Remainder of page intentionally left blank.]

Product Type	No. Units	Unit Type	Annual 2023A-1 Assessments Per Unit*	2023A-1 Par Per Unit	Annual 2023A-2 Assessments Per Unit**/**	2023A-2 Par Per Unit**
Residential Uses (Phases 1B-1, N1, and 1B-2)						
<i>Phase N1</i>						
Townhomes	68	Units	\$1,000	\$13,353	\$2,495	\$31,720
Twin Villa	90	Units	\$1,100	\$14,688	\$2,478	\$31,511
<i>Phase 1B-1</i>						
Single-Family 42'	66	Units	\$1,260	\$16,825	\$2,399	\$30,502
Single-Family 45'	32	Units	\$1,350	\$18,026	\$2,570	\$32,680
Single-Family 50'	77	Units	\$1,500	\$20,029	\$2,856	\$36,312
Single-Family 60'	46	Units	\$1,800	\$24,035	\$3,427	\$43,574
Single-Family 80'	21	Units	\$2,400	\$32,047	\$4,569	\$58,098
<i>Phase 1B-2</i>						
Single-Family 45'	94	Units	\$1,575	\$21,031	\$2,334	\$29,676
Single-Family 50'	54	Units	\$1,750	\$23,368	\$2,593	\$32,973
Single-Family 60'	90	Units	\$2,100	\$28,041	\$3,112	\$39,568
Single-Family 80'	27	Units	\$2,800	\$27,388	\$4,149	\$52,757
Total:	665					
Commercial Uses						
Apartments	18.83	Acres	\$6,068	\$81,034	\$9,136	\$116,159
Mixed Use	[50.92]	Acres	\$6,068	\$81,034	\$9,136	\$116,159
Future Phases						
Future Phases Area	778.9	Acres	\$481	\$6,419	\$0	\$0

* Series 2023 Special Assessments collected via the Uniform Method will be grossed up to include early payment discounts and County collection fees, currently estimated at 7%.

** The Developer anticipates expects, but is not obligated, to prepay the Series 2023A-2 Special Assessments prior to lot or parcel closings with third-party builders. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Additional Obligations" and "–Redemption Provisions – Extraordinary Mandatory Redemption," as well as "BONDOWNERS' RISKS – Prepayment and Redemption Risk," herein for more information.

The District anticipates levying assessments to cover its operation and maintenance costs that are initially expected to range from approximately \$[____] to \$[____] per unit annually, which amounts are subject to change. In addition, residents will be required to pay homeowners' association fees, which are currently estimated to be \$220 per month per unit in the aggregate. [Commercial POA?] The District Land has been and is expected to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2022 was approximately 15.1306 mills, which millage rate is subject to change in future tax years. These taxes would be payable in addition to the Series 2023 Special Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Manatee County, Florida may each levy ad valorem taxes and/or special assessments upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year. See "BONDOWNERS' RISKS – Other Taxes and Assessments" herein.

Education

The public schools for children residing in the Development are expected to be Sea Breeze Elementary, WD Sugg Middle School and Bayshore High School, which are located approximately 1 mile, 1.7 miles and 2.5 miles from the Development, respectively, and which were each rated C by the Florida Department of Education in 2022. A public school choice program is available at State College of Florida Collegiate School, which is rated A by the Florida Department of Education and is located approximately 3 miles from the Development. The Manatee County School Board may change school boundaries from time to time and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development. In addition, there are several private schools in close proximity to the Development, including IMG Academy, Saint Stephens Christian School and Bradenton Christian School, which are located approximately 1 mile, 5 miles and 2.7 miles from the Development, respectively.

Competition

The following communities have been identified by the Developer as being competitive with the Development, because of their proximity to the Development, price ranges and product types. Those communities include Aqua, Lakewood Ranch and Wellen Park.

Aqua. Developed by Medallion Homes, Aqua is a gated community located adjacent to Lake Flores along El Conquistador Parkway. The 529-acre community has approvals for 2,385 multi-family units, 510 single-family homes and 78,000 square feet of commercial use. Actively selling is the first phase of single-family homes and townhomes. There are four, zero-lot line single-family home designs, with prices ranging from \$759,100 to just over \$1 million in 2 – 4-bedroom-home designs, ranging from 2,126 to 3,923 square feet. The townhomes offer two floorplan designs, with 2 – 3 bedrooms, ranging from 2,941 to 3,130 square feet and priced from \$914,100 to \$1,024,100.

Lakewood Ranch. A multi-generational 33,000-acre community spanning both Manatee and Sarasota Counties east of Interstate 75, Lakewood Ranch has been on RCLCO's top-selling master-planned community list since 2011, ranking second for the past seven years. In 2022, the community achieved 1,846 sales, and the 2023 mid-year report shows Lakewood Ranch achieving 1,227 sales through June. Lakewood Ranch was established in 1994 and is home to more than 64,000 residents living in over 25 neighborhoods. Currently, twenty neighborhoods are actively selling new homes, with one exclusively for those aged 55+. The community offers a variety of home types including condos, townhomes, twin villas and single-family homes, priced from the \$400s to over \$3 million. Lakewood Ranch offers a wide variety of amenities and lifestyle opportunities, including schools, higher education campuses, multiple commercial centers, and professional businesses focused on biotech, finance, retail, healthcare and technology.

Wellen Park (formerly West Villages). A 15,000-acre master-planned community, Wellen Park is being developed by Mattamy Homes in North Port, located in Sarasota County. Development has been focused on the first 8,000 acres, which includes the West Villages District, Playmore District and Downtown Wellen. At buildout, the community is projected to have 22,000 homes and 60,000 residents. The community offers a mix of residential, commercial and recreational amenities throughout its plan. Wellen Park was the 10th top-selling master-planned community by RCLCO last year, with 722 sales, and currently sits at #13 for the first half of 2023 with 430 sales. Wellen Park offers townhomes, villas, condos and single-family homes by various builders priced from the high \$300,000s to \$1 million+.

The information under this heading does not purport to list all of the existing or planned communities in the area of the Development, but rather provide a list of those that the Developer feels pose primary competition to the Development.

Developer Agreements

The Developer will enter into a completion agreement that will obligate the Developer to complete any portions of the 2023 Project not funded with proceeds of the Series 2023 Bonds.

In addition, the Developer and the Future Phases Landowner will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment"), pursuant to which the Developer and the Future Phases Landowner will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Developer or the Future Phases Landowner, development rights relating to the 2023 Project. That said, any mortgagees may have certain development rights and other rights assigned to it under the terms of their mortgage relating to the Development, which may be superior to such rights that might otherwise be assigned to the District under the terms of the Collateral Assignment. Notwithstanding such Collateral Assignment, in the event the District forecloses on the lands subject to the Series 2023 Special Assessments as a result of the Developer's, Future Phases Landowner's, or subsequent landowners' failure to pay such assessments, there is a risk that the District, or its designee, if any, will not have all of the permits and entitlements necessary to complete the 2023 Project or the development of the Assessment Areas.

Finally, the Developer will also enter into a True-Up Agreement in connection with its obligations to pay true-up payments in the event that debt levels remaining on unplatted lands in the Assessment Areas owned by the Developer increase above the maximum debt levels set forth in the Assessment Methodology. See "APPENDIX D: ASSESSMENT METHODOLOGY" herein for additional information regarding the "true-up mechanism." The Future Phases Landowner will not enter into a True-Up Agreement.

Such obligations of the Developer and the Future Phases Landowner are unsecured obligations[, and the Developer and the Future Phases Landowner are each special-purpose entities whose assets consist primarily of their respective interests in the Development. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" and "THE DEVELOPER AND THE FUTURE PHASES LANDOWNER" herein for more information regarding the Developer and the Future Phases Landowner.

THE DEVELOPER AND THE FUTURE PHASES LANDOWNER

The Developer

Cortez75W Investors, LLC, a Delaware limited liability company (the "Developer"), is the landowner and developer of the lands within Phase 1 of the Development. The Developer was formed on October 18, 2021, and its sole member and manager is Lake Flores JV, LLC a Delaware limited liability company ("Lake Flores JV"), whose sole member and manager is LAMB Lake Flores, LLC, a Delaware limited liability company ("LAMB"). [Discuss corporate structure]

The Future Phases Landowner

LF Manatee, LLC, a Florida limited liability company (the "Future Phases Landowner"), is the landowner of the Future Phases Area. The Future Phases Landowner was formed on December 3, 2020, and its [sole member is ____]. Whiting Preston serves as its manager. [Discuss corporate structure]

The Development Manager

The Developer has retained the services of a development manager, Lake Flores Land Company, LLC, a Florida limited liability company (the "Development Manager"). The Development Manager is a Manatee County-based community developer, whose principals have more than 40 years of experience working on many of the largest planned communities in Florida, including numerous projects in both Manatee and Sarasota Counties. Biographies of the principals of the Development Manager are set forth below:

Gary Walker, Partner and CFO. Gary Walker is a partner and CFO of Lake Flores Land Company, LLC. He is a skilled financial executive with more than thirty years of diverse accounting, finance, operational and entrepreneurial experience, developing financial, business, and operational strategies. Mr. Walker is a Certified Public Accountant in the state of Florida, a member of the American Institute of Certified Public Accountants, and the Florida Institute of Certified Public Accountants.

Jim Motta, Partner. Jim Motta is a Partner in Lake Flores Land Company, LLC. He has extensive experience in community development, home building, resort development and management, and real estate brokerage operations. Throughout his 40+ year real estate career, he has developed the full complement of residential, resort, hotel, commercial and mixed-use projects across the nation. He is a licensed Florida real estate broker, and an active member of the Urban Land Institute (ULI).

M. Edward Hill, Partner. Ed Hill is a Partner of Lake Flores Land Company, LLC. His extensive real estate background includes managing assets for landowners, community developers, financial institutions, and capital investors. Mr. Hill's governmental relations, strategic planning, development, and operations management experience has made him an accomplished real estate executive. He has a longstanding relationship with the Development, helping create the community vision, develop the master land plan and obtain local, state, and federal agency approvals. He is a licensed Florida real estate broker and an active member of the Urban Land Institute (ULI).

NEITHER THE DEVELOPER, THE FUTURE PHASES LANDOWNER, NOR ANY OF THE OTHER ENTITIES LISTED ABOVE ARE GUARANTEEING PAYMENT OF THE SERIES 2023 BONDS OR THE SERIES 2023 SPECIAL ASSESSMENTS. NONE OF THE ENTITIES LISTED HEREIN, OTHER THAN THE DEVELOPER AND HORTON, HAS ENTERED INTO ANY AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2023 BONDS.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements that the District must continue to meet after the issuance of the Series 2023 Bonds in order that the interest on the Series 2023 Bonds be and remain excludable from gross income for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Series 2023 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2023 Bonds. The District has covenanted in the Indenture to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2023 Bonds.

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings, and court decisions, the interest on the Series 2023

Bonds is excludable from gross income of the holders thereof for federal income tax purposes; and, further, interest on the Series 2023 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2023 Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the Series 2023 Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income, or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their own tax advisors as to the status of interest on the Series 2023 Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2023 Bonds will be based on and will assume the accuracy of certain representations and certifications of the District and the Developer, and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2023 Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2023 Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2023 Bonds, or the ownership or disposition of the Series 2023 Bonds. Prospective purchasers of Series 2023 Bonds should be aware that the ownership of Series 2023 Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2023 Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2023 Bonds, (iii) the inclusion of the interest on the Series 2023 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2023 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Series 2023 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Series 2023 Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates and (vii) receipt of certain investment income, including interest on the Series 2023 Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance of the Series 2023 Bonds. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount

Certain of the Series 2023 Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (*i.e.*, for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2023 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale, or other disposition of that Discount Bond.

Owners of Discount Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID properly accruable in any period with respect to the Discount Bonds and as to other federal tax consequences, and the treatment of OID for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced, or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2023 Bonds, or adversely affect the market price or marketability of the Series 2023 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the adjusted financial statement income of applicable corporations as defined in Section 59(k) of the Code (which is primarily designed to impose a minimum tax on certain large corporations). For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Series 2023 Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2023 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2023 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2023 Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2023 Bonds and proceeds from the sale of Series 2023 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2023 Bonds. This withholding generally applies if the owner of Series 2023 Bonds (i) fails to furnish the payor such owner's social security number

or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2023 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

AGREEMENT BY THE STATE

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the Series 2023 Bonds, that it will not limit or alter the rights of the District to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

LEGALITY FOR INVESTMENT

The Act provides that the Series 2023 Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitute securities which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required for voluntary statutory deposits.

SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the Series 2023 Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules promulgated thereunder. The limitation of the initial private placement with a single investor does not denote restrictions on transfers in any secondary market for the Series 2023 Bonds. Investment in the Series 2023 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or the Placement Agent to give any information or make any representations, other than those contained in this Private Placement Memorandum. Requests for additional information should be directed to the Placement Agent at: FMSbonds, Inc., 20660 W. Dixie Hwy., N. Miami Beach, Florida 33180.

The Series 2023 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof. The initial purchaser of the Series 2023 Bonds must execute and deliver to the District and the Placement Agent on the date of delivery of the Series 2023 Bonds an investor letter in substantially the form set forth in APPENDIX G.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the Series 2023 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Series 2023 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds will be qualified, as to the enforceability of the remedies provided in the various

legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors enacted before or after such delivery.

FINANCIAL INFORMATION

This District will covenant in the Disclosure Agreement (as defined herein), the proposed form of which is set forth in APPENDIX E hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX E, commencing with the audit for the District fiscal year [ending] September 30, 20[23]. Attached hereto as APPENDIX F is a copy of the District's unaudited monthly financial statements for the period ended [_____], 2023. The District does not have audited financial statements because the District has only recently been established. The Series 2023 Bonds are not general obligation bonds of the District and are payable solely from the Series 2023A-1 Pledged Revenues and the Series 2023A-2 Pledged Revenues, as applicable.

Beginning October 1, 2015, or by the end of the first full fiscal year after its creation, each community development district in Florida must have a separate website with certain information as set forth in Section 189.069, F.S., including, without limitation, the district's proposed and final budgets and audit. Additional information regarding the District's website is available from the District Manager at the address set forth under "THE DISTRICT – The District Manager and Other Consultants."

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Rule 69W-400.003, Rules of Government Securities under Section 517.051(1), Florida Statutes, promulgated by the Florida Department of Financial Services, Office of Financial Regulation, Division of Securities and Finance ("Rule 69W-400.003"), requires the District to disclose each default as to the payment of principal and interest with respect to obligations issued or guaranteed by the District after December 31, 1975. Rule 69W-400.003 further provides, however, that if the District, in good faith, believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The District is not and has not since December 31, 1975 been in default as to principal and interest on its bonds or other debt obligations. The District has not previously issued any bonds or other debt obligations. Accordingly, the District is not and has never been in default as to principal or interest on its bonds or other debt obligations.

LITIGATION

The District

There is no litigation of any nature now pending or, to the knowledge of the District threatened against the District, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2023 Bonds, or in any way contesting or affecting (i) the validity of the Series 2023 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2023 Bonds, (iii) the existence or powers of the District, or (iv) the validity of the Series 2023 Special Assessment Proceedings.

The Developer and the Future Phases Landowner

Each of the Developer and the Future Phases Landowner has represented to the District that there is no litigation of any nature now pending or, to the knowledge of such entity, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of such entity to complete the development of the lands within the Development as described herein, materially and adversely affect its ability to pay the Series 2023 Special Assessments imposed against the land within the District owned by

such entity or materially and adversely affect its ability to perform its various obligations described in this Private Placement Memorandum.

NO RATING

No application for a rating of the Series 2023 Bonds has been made to any rating agency, nor is there any reason to believe that the District would have been successful in obtaining an investment grade rating for the Series 2023 Bonds had application been made.

CONTINUING DISCLOSURE

Based on exemptions provided under Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), the issuance of the Series 2023 Bonds is not subject to the Rule. However, the District and the Developer will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement") in the proposed form of APPENDIX E, for the benefit of the Series 2023 Bondholders (including owners of beneficial interests in such Series 2023 Bonds), to provide certain financial information and operating data relating to the District and the Development by certain dates prescribed in the Disclosure Agreement (the "Reports") with the MSRB through the MSRB's EMMA system. The specific nature of the information to be contained in the Reports is set forth in "APPENDIX E: FORM OF CONTINUING DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District or the Developer to comply with their respective obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an Event of Default under the Indenture, but such event of default under the Disclosure Agreement would allow the Series 2023 Bondholders (including owners of beneficial interests in such Series 2023 Bonds) to bring an action for specific performance.

The District has not previously issued any bonds and has not previously entered into any continuing disclosure obligations pursuant to the Rule. The District anticipates satisfying all future disclosure obligations required pursuant to its Disclosure Agreement and the Rule. The District will appoint Wrathell, Hunt & Associates, LLC, as the dissemination agent in the Disclosure Agreement.

[The Developer has not previously entered into any continuing disclosure obligations pursuant to the Rule. The Developer anticipates satisfying all disclosure obligations required pursuant to the Disclosure Agreement and the Rule.]

PRIVATE PLACEMENT

FMSbonds, Inc. (the "Placement Agent") has been appointed Placement Agent for the Series 2023 Bonds pursuant to a Bond Placement Agreement. The District will pay the Placement Agent an anticipated aggregate fee of \$[_____] for its placement services in connection with privately placing the Series 2023 Bonds with a single "accredited investor" at the prices set forth on the inside cover page of this Private Placement Memorandum[, with a portion (\$[_____] to be paid on the date of issuance of the Series 2023 Bonds and an anticipated additional amount (\$[_____] to be paid in connection with Subsequent Advances].

EXPERTS

ZNS Engineering, L.C., as the District's Engineer, has prepared the Engineer's Report included herein as APPENDIX C, which report should be read in its entirety. Wrathell, Hunt & Associates, LLC, as the Methodology Consultant, has prepared the Assessment Methodology included herein as APPENDIX D, which reports should be read in its entirety. As a condition to closing on the Series 2023 Bonds, both the

District Engineer and the Methodology Consultant will consent to the inclusion of their respective reports in this Private Placement Memorandum.

CONTINGENT FEES

The District has retained Bond Counsel, District Counsel, the District Engineer, the District Manager, the Methodology Consultant, the Placement Agent (who has retained Placement Agent's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution, and delivery of the Series 2023 Bonds. Except for the payment of fees to District Counsel, District Engineer, and the District Manager, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2023 Bonds.

VALIDATION

On June 7, 2022, the Circuit Court for the Twelfth Judicial Circuit of the State, in and for Manatee County, Florida validated the issuance by the District of Series 2023 Bonds, to be issued, in one or more series, not-to-exceed \$373,690,000 in aggregate principal amount and the existence and legal authority of the District. The appeal period from such final judgment has expired with no appeal being filed. The Series 2023 Bonds are included within the validated amount.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the Series 2023 Bonds are subject to the approval of Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel. Certain legal matters will be passed upon for the Placement Agent by its counsel, GrayRobinson, P.A. Tampa, Florida. Certain legal matters will be passed upon for the District by Kutak Rock LLP, Tallahassee, Florida, District Counsel. Certain legal matters will be passed upon for the Developer by its counsel, Holland & Knight LLP, Tampa Florida, and for the Future Phase Landowner by its counsel, Blalock Walters, P.A., Bradenton, Florida. Holland & Knight LLP also represents the Trustee.

Bond Counsel's opinion included herein is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Series 2023 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Private Placement Memorandum is submitted in connection with the sale of the Series 2023 Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Private

Placement Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2023 Bonds.

AUTHORIZATION AND APPROVAL

The execution and delivery of this Private Placement Memorandum has been duly authorized by the Board of Supervisors of the Lake Flores Community Development District.

**LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairman, Board of Supervisors

APPENDIX A

**FORMS OF MASTER INDENTURE, FIRST SUPPLEMENTAL INDENTURE
AND SECOND SUPPLEMENTAL INDENTURE**

APPENDIX B

FORM OF BOND COUNSEL OPINION

APPENDIX C
ENGINEER'S REPORT

APPENDIX D
ASSESSMENT METHODOLOGY

APPENDIX E
FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F
DISTRICT'S FINANCIAL STATEMENTS

APPENDIX G

FORM OF INVESTOR LETTER

September [___], 2023

Board of Supervisors of Lake Flores
Community Development District ("District")
c/o Wrathell, Hunt & Associates, LLC
2300 Glades Rd., Ste. # 410W
Boca Raton, Florida 33431

Greenberg Traurig, P.A.
West Palm Beach, Florida

U.S. Bank Trust Company, National Association, as Trustee
Ft. Lauderdale, Florida

Re: Lake Flores Community Development District \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and Not to Exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Series 2023 Bonds")

Ladies and Gentlemen:

The undersigned, authorized representative of PHCC LLC, d/b/a Preston Hollow Community Capital, as initial purchaser (the "Purchaser") of the above referenced bonds (the "Series 2023 Bonds"), does hereby represent and agree, as follows:

1. The Purchaser has authority to purchase the Series 2023 Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Series 2023 Bonds.

2. The Series 2023 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and the Indenture (as defined below) governing the Series 2023 Bonds have not been qualified under the Trust Indenture Act of 1939, as amended.

3. The Purchaser is an institutional "accredited investor" within the meaning of Chapter 517, Florida Statutes, as amended, and Regulation D under the Securities Act and a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act, which has sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax exempt and taxable obligations, to be able to evaluate the risks and merits of the investment represented by the Series 2023 Bonds, and which can bear the economic risk of its investment in the Series 2023 Bonds. The Purchaser understands that it may be required to bear the risks of this investment in the Series 2023 Bonds for an indefinite time, as there may be no market for the Series 2023 Bonds.

4. [The Series 2023 Bonds are being acquired by the Purchaser for its own account for investment purposes and not with a present view to or for distribution or resale of the Series 2023 Bonds or any part thereof, and the Purchaser does not intend at this time to dispose of all or any part of the Series

2023 Bonds. The Purchaser does not have any agreement or understanding, directly or indirectly, with any person to distribute any of the Series 2023 Bonds.]

5. The Purchaser understands that the Series 2023 Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Series 2023 Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) are not presently rated.

6. The Purchaser acknowledges that it has made its own inquiry and analysis with respect to the Series 2023 Bonds and security therefor, that it has received the documents executed or adopted by the District in connection with the Series 2023 Bonds and other documents it has requested, including but not limited to the Private Placement Memorandum dated September [___], 2023 and all appendices thereto, which a reasonable investor would consider important in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the District and the Series 2023 Bonds and the security therefor so that, as a reasonable investor based upon the information provided, the Purchaser has been able to make its decision to purchase the Series 2023 Bonds.

7. Although the Purchaser does not intend at this time to dispose of all or any part of the Series 2023 Bonds, the Purchaser acknowledges that it has the right to sell and transfer the Series 2023 Bonds, in accordance with terms and conditions of the Indenture (as hereinafter defined). The Purchaser acknowledges that it is solely responsible for compliance, and covenants and agrees with the District that it will comply with the Indenture and all applicable federal or state securities laws then in effect with respect to any subsequent sale, transfer or other disposition of the Series 2023 Bonds (without involving the District in any manner).

8. The Purchaser acknowledges that the Series 2023 Bonds are limited obligations of the District, payable solely from the applicable Series 2023 Pledged Revenues described in the applicable Indenture and neither the property, the full faith and credit, nor the taxing power of the District, the Manatee County, Florida (the "County"), the State of Florida (the "State"), or any other political subdivision thereof, is pledged as security for the payment of the Series 2023 Bonds, except that the District is obligated under the Indenture to levy and to evidence and certify, or cause to be certified, for collection, Series 2023 Special Assessments to secure and pay the corresponding Series 2023 Bonds. The Series 2023 Bonds do not constitute an indebtedness of the District, the County, the State, or any other political subdivision thereof within the meaning of any constitutional or statutory provision or limitation.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Master Trust Indenture, dated as of September 1, 2023, as supplemented, with respect to the Series 2023A-1 Bonds, by a First Supplemental Trust Indenture dated as of September 1, 2023, and, with respect to the Series 2023A-2 Bonds, by a Second Supplemental Trust Indenture dated as of September 1, 2023 (collectively, the "Indenture"), each by and between the District and the Trustee.

PHCC LLC, d/b/a Preston Hollow Community Capital

By: _____
Its: _____

LAKE FLORES

COMMUNITY DEVELOPMENT DISTRICT

3C

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of [____], 2023 is executed and delivered by the Lake Flores Community Development District (the "Issuer" or the "District"), Cortez 75W Investors, LLC, a Delaware limited liability company (the "Developer"), and Wrathell, Hunt & Associates, LLC, a Florida limited liability company, as dissemination agent (the "Dissemination Agent") in connection with the Issuer's \$[____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "Series 2023A-1 Bonds") and its Not to Exceed \$[____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "Series 2023A-2 Bonds" together with the Series 2023A-1 Bonds, the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of September 1, 2023 (the "Master Indenture"), as supplemented with respect to the Series 2023A-1 Bonds by a First Supplemental Trust Indenture dated as of September 1, 2023 (the "First Supplemental Indenture" and, together with the Master Indenture, the "A-1 Indenture") and with respect to the Series 2023A-2 Bonds by a Second Supplemental Trust Indenture dated as of September 1, 2023 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "A-2 Indenture") (the A-1 Indenture and the A-2 Indenture collectively referred to herein as the "Indenture"), each entered into by and between the Issuer and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Fort Lauderdale, Florida, as trustee (the "Trustee"). The Issuer, the Developer and the Dissemination Agent covenant and agree as follows:

1. **Purpose of this Disclosure Agreement.** While the Bonds are not subject to the requirements of the Rule (as defined herein), this Disclosure Agreement is being executed and delivered by the Issuer, the Developer and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds. The Issuer has no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the Issuer or other Obligated Person (as defined herein) to provide additional information, the Issuer and each Obligated Person agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the Issuer, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the Issuer, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. **Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Indenture. The following capitalized terms as used in this Disclosure Agreement shall have the following meanings:

"Annual Filing Date" means the date set forth in Section 3(a) hereof by which the Annual Report is to be filed with each Repository.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Assessment Area" shall mean that portion of the District lands subject to the Assessments, being more specifically referred to in the Private Placement Memorandum, with respect to the Series 2023A-1 Bonds, as the Series 2023A-1 Assessment Area, and with respect to the Series 2023A-2 Bonds, as the Series 2023A-2 Assessment Area.

"Assessments" shall mean, (i) with respect to the Series 2023A-1 Bonds, the non-ad valorem Series 2023A-1 Special Assessments pledged to the payment of the Series 2023A-1 Bonds pursuant to the A-1 Indenture and (ii) with respect to the Series 2023A-2 Bonds, the non-ad valorem Series 2023A-2 Special Assessments pledged to the payment of the Series 2023A-2 Bonds pursuant to the A-2 Indenture.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Audited Financial Statements Filing Date" means the date set forth in Section 3(a) hereof by which the Audited Financial Statements are to be filed with each Repository if the same are not included as part of the Annual Report.

"Beneficial Owner" shall mean any person which, (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Year" means the annual period beginning on the second day of November of each year and ending on the first day of November of the following year.

"Business Day" means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; and (ii) as to each entity comprising an Obligated Person (other than the Issuer), the individuals executing this Disclosure Agreement on behalf of such entity or such person(s) as such entity shall

designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Wrathell, Hunt & Associates, LLC has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Wrathell, Hunt & Associates, LLC, and its successors and assigns.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures located at <http://emma.msrb.org/>.

"EMMA Compliant Format" shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Future Phases Landowner" shall mean LF Manatee, LLC, a Florida limited liability company, and its successors and assigns in interest to land within the Future Phases Area, as defined in the Private Placement Memorandum.

"Landowners" shall mean, collectively, the Developer and the Future Phases Landowner.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Developer for so long as such Developer or its affiliates, successors or assigns (excluding residential homebuyers who are end users) are the owners of District Lands responsible for payment of at least 20% of the Assessments.

"Placement Agent" shall mean FMSbonds, Inc.

"Private Placement Memorandum" shall mean that Private Placement Memorandum dated [_____], 2023, prepared in connection with the issuance of the Bonds.

"Quarterly Filing Date" shall mean for the quarter ending: (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be [May 1, 2024].

"Quarterly Report" shall mean any Quarterly Report provided by any Obligated Person (other than the Issuer) pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal. As used herein, "Repository" shall include the State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same has and may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

3. **Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than March 31st following the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending [September 30, 2023]. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15th) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email)

to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xvii) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1st) Business Day following the Annual Filing Date for the Annual Report or the Audited Financial Statements by 12:00 noon on the first (1st) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xvii) shall have occurred and the Dissemination Agent shall immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer stating that the Annual Report or Audited Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.

(e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

4. **Content of Annual Reports.**

(a) Each Annual Report for each Series of Bonds shall be in the form set in Schedule A attached hereto and shall contain the following Annual Financial Information with respect to the Issuer:

(i) All fund balances in all Funds, Accounts and subaccounts for the Bonds and the total amount of Bonds Outstanding, in each case as of December 31st following the end of the most recent prior Fiscal Year.

(ii) The method by which Assessments are being levied (whether on-roll or off-roll) and the amounts being levied by each method in the Assessment Area for the current Fiscal Year, and a copy of the assessment roll (on roll and off roll) for the Assessments certified for collection in the Assessment Area for the current Fiscal Year.

(iii) The method by which Assessments were levied (whether on-roll or off-roll) and the amounts levied by each method in the Assessment Area for the most recent prior Fiscal Year.

(iv) The amount of Assessments collected in the Assessment Area from the property owners during the most recent prior Fiscal Year.

(v) If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the Assessments due in any year, a list of delinquent property owners.

(vi) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.

(vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the Issuer.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, and in each case shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered later than March 31st after the close of the Issuer's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(b) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

5. **Quarterly Reports.**

(a) Each Obligated Person (other than the Issuer), or the Developer on behalf of any other Obligated Person that fails to execute an Assignment (as hereinafter defined), shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than five (5) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event no later than the applicable Quarterly Filing Date, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information to the extent available with respect to each Assessment Area:

(i) The number and type of lots planned.

Lot Ownership Information

(ii) The number of lots owned by the Landowners.

(iii) The number of lots owned by homebuilders. (Note: if the Developer and the homebuilder are the same entity, then only report the info in (ii).)

(iv) The number of lots owned by homebuyers.

Lot Status Information

(v) The number of lots developed.

(vi) The number of lots platted.

Home Sales Status Information

(vii) The number of homes sold (but not closed) with homebuyers, during quarter.

(viii) The number of homes sold (and closed) with homebuyers, during quarter.

(ix) The total number of homes sold and closed with homebuyers (cumulative).

Material Changes/Transfers

(x) Material changes to any of the following: (1) builder contracts, if applicable, (2) the number of lots planned to be developed, (3) permits/approvals, and (4) existing mortgage debt of the Obligated Person or the incurrence of new mortgage debt by the Obligated Person since the date hereof.

(xi) Any sale, assignment or transfer of ownership of lands by the Obligated Person to a third party which will in turn become an Obligated Person hereunder.

(c) If an Obligated Person sells, assigns or otherwise transfers ownership of real property in the Assessment Area (a "Transferor Obligated Person") to a third party (a "Transferee"), which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Transferor Obligated Person hereby agrees to use its best efforts to contractually obligate such Transferee to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such Transferee is an Obligated Person hereunder, to the same extent as if such Transferee were a party to this Disclosure Agreement (an "Assignment"). The Transferor Obligated Person shall notify the District and the Dissemination Agent in writing of any Transfer within five (5) Business Days of the occurrence thereof. Nothing herein shall be construed to relieve the Developer from its obligations hereunder except to the extent a written Assignment from a Transferee is obtained and delivered to the Dissemination Agent and then only to the extent of such Assignment.

6. **Reporting of Listed Events.**

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Series 2023A-1 Reserve Account or Series 2023A-2 Reserve Account, as applicable, reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;*
- (v) Substitution of credit or liquidity providers, or their failure to perform;*
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

* Not applicable to the Bonds at their date of issuance.

(xi) Rating changes;*

(xii) Bankruptcy, insolvency, receivership or similar event of the Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person);

(xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material;

(xv) Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties;

(xvii) Failure to provide (A) any Annual Report or Audited Financial Statements as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws; and

(xviii) Any amendment to the accounting principles to be followed in preparing financial statements as required pursuant to Section 4(a)(ix) hereof.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Events described in Section 6(a)(xvii) and (xviii), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence

pursuant to subsection (d) below. Such notice by the Issuer to the Dissemination Agent shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Dissemination Agent to disseminate the information (provided that such date is in compliance within the filing dates provided within this Section 6(b)).

(c) Notwithstanding anything contained in Section 6(b) above, each Obligated Person other than the Issuer shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii), (xv), (xvi), or (xvii) that has occurred with respect to such Obligated Person in compliance with the notification and filing requirements provided in Section 6(b).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.

7. **Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

8. **Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. The initial Dissemination Agent shall be Wrathell, Hunt & Associates, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Wrathell, Hunt & Associates, LLC. Wrathell, Hunt & Associates, LLC, may terminate its role as Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the District and each Obligated Person. The District may terminate the agreement hereunder with the Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the Dissemination Agent and each Obligated Person.

9. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination

set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of the Placement Agent or the Beneficial Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the Issuer hereunder and no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Disclosure Representative, any Obligated Person, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

12. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Developer and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, each Obligated Person and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

13. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Trustee, the Placement Agent and the Owners of the Bonds (the Dissemination Agent, the Trustee, the Placement Agent and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

14. **Tax Roll and Budget.** Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such

party with a certified copy of its most recent tax roll provided to the Manatee County Tax Collector and the Issuer's most recent adopted budget.

15. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Manatee County, Florida.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and each of which shall be considered an original and all of which shall constitute but one and the same instrument. A scanned copy of the signatures delivered in a PDF format may be relied upon as if the original had been received.

17. **Trustee Cooperation.** The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports readily available to and in the possession of the Trustee that the Dissemination Agent requests in writing.

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Developer or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT, AS ISSUER**

[SEAL]

By: _____
_____, Chairperson
Board of Supervisors

ATTEST:

By: _____
_____, Secretary

**CORTEZ 75W INVESTORS, LLC, AS
DEVELOPER**

By: _____
_____, Manager

**WRATHELL, HUNT & ASSOCIATES, LLC,
and its successors and assigns, AS
DISSEMINATION AGENT**

By: _____
Name: _____
Title: _____

**CONSENTED TO AND AGREED TO BY:
DISTRICT MANAGER**

**WRATHELL, HUNT & ASSOCIATES,
LLC, AS DISTRICT MANAGER**

By: _____
Name: _____
Title: _____

Acknowledged and agreed to for purposes of
Sections 11, 13 and 17 only:

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, AS TRUSTEE**

By: _____
Name: _____
Title: _____

EXHIBIT A

**FORM OF NOTICE TO REPOSITORIES OF FAILURE
TO FILE [ANNUAL REPORT]
[AUDITED FINANCIAL STATEMENTS][QUARTERLY REPORT]**

Name of Issuer: Lake Flores Community Development District

Name of Bond Issue: \$[_____] Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) &
Not to Exceed \$[_____] Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area)

Obligated Person(s): Lake Flores Community Development District;
_____.

Original Date of Issuance: [_____] , 2023

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated [_____] , 2023, by and between the Issuer, the Developer and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by _____, 20_____.

Dated: _____

_____, as Dissemination Agent

By: _____
Name: _____
Title: _____

cc: Issuer
Trustee

SCHEDULE A

FORM OF DISTRICT'S ANNUAL REPORT (Due 3/31)

1. Fund Balances

Combined Trust Estate Assets	<u>Quarter Ended – 12/31</u>
Acquisition and Construction Fund	
Revenue Fund	
Reserve Fund	
Prepayment Fund	
Other	
Total Bonds Outstanding	
TOTAL	

2. Assessment Certification and Collection Information

1. For the Current District Fiscal Year – Manner in which Assessments are collected (On Roll vs. Off Roll)

	<u>\$ Certified</u>
On Roll	\$ _____
Off Roll	\$ _____
TOTAL	\$ _____

2. Attach to Report the following:

- A. On Roll – Copy of certified assessment roll for the District's current Fiscal Year
- B. Off Roll – List of folios and ownership for all off roll Assessments, together with par and annual Assessment assigned to each folio

3. For the immediately ended Bond Year, provide the levy and collection information

<u>Total Levy</u>	<u>\$ Levied</u>	<u>\$ Collected</u>	<u>% Collected</u>	<u>% Delinquent</u>
On Roll	\$ _____	\$ _____	___%	___%
Off Roll	\$ _____	\$ _____	___%	___%
TOTAL				

4. If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amount of the Assessments due in any year, a list of delinquent property owners

5. If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year

6. The amount of principal and interest to be paid on the Bonds in the current Fiscal Year

LAKE FLORES

COMMUNITY DEVELOPMENT DISTRICT

3D

MASTER TRUST INDENTURE

between

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

As Trustee

Dated as of September 1, 2023

relating to

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT

SPECIAL ASSESSMENT BONDS

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THIS MASTER TRUST INDENTURE, dated as of September 1, 2023 (the “Master Indenture”), by and between LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT (together with its permitted successors and assigns, the “Issuer”), a local unit of special-purpose government organized and existing under the banking laws of the State of Florida, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States and having a designated corporate trust office in Fort Lauderdale, Florida (said national banking association and any bank or trust company becoming successor trustee under this Master Indenture and all Supplemental Indentures (as hereinafter defined) being hereinafter referred to as the “Trustee”);

WITNESSETH:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), created pursuant to Ordinance No. 22-04, enacted by the Board of County Commissioners of Manatee County, Florida, on January 11, 2022 and becoming effective on January 13, 2022, as amended by a corrected ordinance enacted on April 12, 2022 and becoming effective on April 13, 2022 for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of the major infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, the premises governed by the Issuer (as further described in Exhibit A hereto, the “District” or “District Lands”) currently consist of approximately 1,178.36 acres of land located entirely within the unincorporated area of Manatee County, Florida (the “County”); and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure pursuant to the Act for the special benefit of the District Lands (as further described in Exhibit B hereto, the “Project”); and

WHEREAS, the Issuer proposes to finance the cost of acquisition and construction of the Project by the issuance of one or more series of Bonds pursuant to this Master Indenture;

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH, that to provide for the issuance of Bonds (as hereinafter defined) under this Master Indenture, as supplemented from time to time by one or more Supplemental Indentures (as hereinafter defined), the security and payment of the principal, redemption or purchase price thereof (as the case may be) and interest thereon, any reimbursement due to a Credit Facility Issuer (hereinafter defined), if any, for any drawing on its Credit Facility (hereinafter defined), as required under the terms of the corresponding Credit Facility Agreement (hereinafter defined), the rights of the Owners of the Bonds of a Series (as hereinafter defined) and the performance and observance of all of the covenants contained herein and in said Bonds and in any Credit Facility Agreement for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds of a Series by the Owners thereof, from time to time, the issuance by any Credit Facility Issuer of its Credit Facility, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer hereby assigns, transfers, sets over and pledges to the Trustee and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues (hereinafter defined) as security for the payment of the principal,

redemption or purchase price of (as the case may be) and interest on Bonds of a Series issued hereunder and any reimbursement due to any Credit Facility Issuer for any drawing on its Credit Facility issued with respect to any such Bonds, as required under the terms of the corresponding Credit Facility Agreement, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

ARTICLE I DEFINITIONS

In this Master Indenture and any indenture supplemental hereto (except as otherwise expressly provided or unless the context otherwise requires) terms defined in the recitals hereto shall have the same meaning throughout this Master Indenture and all Supplemental Indentures, and in addition, the following terms shall have the meanings specified below:

“Account” shall mean any account established pursuant to this Master Indenture and all Supplemental Indentures.

“Acquisition Agreement” shall mean one or more improvement acquisition agreements between the Issuer and the Developer, pursuant to which the Developer agrees to provide, design, construct and sell to the Issuer, and the Issuer agrees to purchase from the Developer, all or a portion of a Project.

“Acquisition Fund” shall mean the Fund so designated which is established pursuant to Section 5.01 hereof.

“Act” shall mean the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended from time to time, and any successor statute thereto.

“Ancillary Agreements” shall mean completion agreements, true-up agreements, Acquisition Agreements, collateral assignment agreements and any other agreements in support of one or more Series of Bonds, each by and between the Issuer and the applicable developer and/or landowner.

“Annual Budget” shall mean the Issuer’s budget of current operating and maintenance expenses for the Project for a Fiscal Year, as the same may be amended from time to time, adopted in accordance with the provisions hereof.

“Arbitrage Certificate” shall mean the certificate of the Issuer delivered at the time of issuance of a Series of Bonds setting forth the expectations of the Issuer with respect to the use of the proceeds of such Series and also containing certain covenants of the Issuer in order to achieve compliance with the Code relating to the tax-status of the Bonds.

“Assessment Areas” shall mean distinct areas within the District Lands identified by the Developer that will be developed by the Developer in multiple phases. The Issuer reserves the right to impose separate Special Assessments on each separate Assessment Area.

“Authorized Denomination” shall mean, unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, with respect to each Series of Bonds, a denomination of \$5,000 and integral multiples of \$5,000 in excess thereof.

“Authorized Newspaper” shall mean a newspaper printed in English and customarily published at least once a day at least five (5) days a week and generally circulated in New York, New York, or such other cities as the Issuer from time to time may determine by written notice provided to the Trustee. When successive publications in an Authorized Newspaper are required, they may be made in the same or different Authorized Newspapers.

“Beneficial Owner” shall mean the actual owner of Bonds while the Bonds are registered in the name of Cede & Co., as the nominee of DTC. The Trustee is authorized to recognize the Beneficial Owners of a Series of Bonds for purposes of approvals, consents or other actions taken hereunder or under a Supplemental Indenture if beneficial ownership is proven to the satisfaction of the Trustee.

“Board” shall mean the Board of Supervisors of the Issuer.

“Bond Counsel” shall mean Counsel of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and their political subdivisions.

“Bond Redemption Fund” shall mean the Fund so designated which is established pursuant to Section 6.06 hereof.

“Bond Register” shall have the meaning specified in Section 2.04 of this Master Indenture.

“Bondholder,” “Holder of Bonds,” “Holder,” “Bondowner,” “Registered Owner” or “Owner” or any similar term shall mean any Person or Persons who shall be the registered owner of any Outstanding Bond or Bonds, as evidenced on the Bond Register of the Issuer kept by the Registrar.

“Bonds” shall mean the Lake Flores Community Development District Special Assessment Bonds, issued in one or more Series pursuant to the provisions of this Master Indenture and bonds subsequently issued to refund all or a portion of such aforementioned Bonds. If the Issuer determines to issue bond anticipation notes to be secured in whole or in part by a lien on the net proceeds of Bonds to be issued under this Master Indenture, the term “Bonds” shall apply to such short-term notes but only to the extent the Supplemental Indenture relating to such bond anticipation notes so provides.

“Business Day” shall mean any day other than a Saturday or Sunday or legal holiday or a day on which the office of the Issuer, or corporate office of the Trustee, the Registrar or any Paying Agent is closed, or a day on which the New York Stock Exchange is closed.

“Certified Public Accountant” shall mean a Person, who shall be Independent, appointed by the Board, actively engaged in the business of public accounting and duly certified as a certified public accountant under the laws of the State.

“Certified Resolution” or “Certified Resolution of the Issuer” shall mean a copy of one or more resolutions certified by the Secretary or an Assistant Secretary of the Issuer, under its seal, to have been duly adopted by the Board and to be in full force and effect as of the date of such certification.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the applicable United States Treasury Department regulations promulgated thereunder.

“Completion Date” shall have the meaning given to such term in Section 5.01 of this Master Indenture.

“Consultant” shall mean a Person, who shall be Independent, appointed by the Board, qualified to pass upon questions relating to municipal entities and having a favorable reputation for skill and experience in the financial affairs of municipal entities.

“Consultant’s Certificate” shall mean a certificate or a report prepared in accordance with then applicable professional standards duly executed by a Consultant.

“Consulting Engineer” shall mean the Independent engineer or engineering firm or corporation at the time employed by the Issuer under the provisions of Section 9.21 of this Master Indenture to perform and carry out duties imposed on the Consulting Engineer by this Master Indenture and any Supplemental Indentures. The Independent engineer or engineering firm or corporation at the time serving as the engineer to the Issuer may serve as Consulting Engineer under this Master Indenture and any Supplemental Indentures.

“Continuing Disclosure Agreement” shall mean a Continuing Disclosure Agreement, by and among the Issuer, the dissemination agent named therein and the Developer, and any other obligated party under the Rule, in connection with the issuance of one or more Series of Bonds hereunder, pursuant to the requirements of the Rule.

“Cost” or “Costs,” in connection with the Project or any portion thereof, shall mean all expenses which are properly chargeable thereto under Generally Accepted Accounting Principles or which are incidental to the planning, financing, acquisition, construction, reconstruction, equipping and installation thereof, including, without limiting the generality of the foregoing:

- (a) expenses of determining the feasibility or practicability of acquisition, construction, or reconstruction of the Project;
- (b) cost of surveys, estimates, plans, and specifications;
- (c) cost of improvements;
- (d) engineering, architectural, fiscal, legal, accounting and other professional and advisory expenses and charges;
- (e) cost of all labor, materials, machinery, and equipment (including, without limitation, (i) amounts payable to contractors, builders and materialmen and costs incident to the award of contracts and (ii) the cost of labor, facilities and services furnished by the Issuer and its

employees, materials and supplies purchased by the Issuer and permits and licenses obtained by the Issuer);

- (f) cost of all lands, properties, rights, easements, and franchises acquired;
- (g) financing charges;
- (h) creation of initial reserve and debt service funds;
- (i) working capital;
- (j) interest charges incurred or estimated to be incurred on money borrowed prior to and during construction and acquisition and for such reasonable period of time after completion of construction or acquisition as the Board may determine and as approved by Bond Counsel;
- (k) the cost of issuance of Bonds, including, without limitation, advertisements and printing;
- (l) the cost of any election held pursuant to the Act and all other expenses of issuance of bonds;
- (m) the discount, if any, on the sale or exchange of Bonds;
- (n) amounts required to repay temporary or bond anticipation loans made to finance any costs permitted under the Act;
- (o) costs of prior improvements performed by the Issuer in anticipation of the Project;
- (p) costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services, or any other Person, for a default or breach under the corresponding contract, or in connection with any other dispute;
- (q) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (r) payments, contributions, dedications, and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any District purpose;
- (s) administrative expenses;
- (t) taxes, assessments and similar governmental charges during construction or reconstruction of the Project;
- (u) expenses of Project management and supervision;

(v) costs of effecting compliance with any and all governmental permits relating to the Project;

(w) such other expenses as may be necessary or incidental to the acquisition, construction, or reconstruction of the Project or to the financing thereof; and

(x) any other “cost” or expense as provided by the Act.

In connection with the refunding or redeeming of any Bonds, “Cost” includes, without limiting the generality of the foregoing, the items listed in (d), (k), (l) and (m) above, and other expenses related to the redemption of the Bonds to be redeemed and the Redemption Price of such Bonds (and the accrued interest payable on redemption to the extent not otherwise provided for). Whenever Costs are required to be itemized, such itemization shall, to the extent practicable, correspond with the items listed above. Whenever Costs are to be paid hereunder, such payment may be made by way of reimbursement to the Issuer or any other Person who has paid the same in addition to direct payment of Costs.

“Counsel” shall mean an attorney-at-law or law firm (who may be counsel for the Issuer) not unsatisfactory to the Trustee.

“County” shall mean Manatee County, Florida.

“Credit Facility” shall mean any credit enhancement mechanism such as an irrevocable letter of credit, a surety bond, a policy of municipal bond insurance, a corporate or other guaranty, a purchase agreement, a credit agreement or deficiency agreement or other similar facility applicable to the Bonds, as established pursuant to a Supplemental Indenture, pursuant to which the entity providing such facility agrees to provide funds to make payment of the principal of and interest on the Bonds. Notwithstanding anything to the contrary contained in this Master Indenture, the Bonds may be issued without a Credit Facility; the decision to provide a Credit Facility in respect of any Bonds shall be within the absolute discretion of the Board.

“Credit Facility Agreement” shall mean any agreement pursuant to which a Credit Facility Issuer issues a Credit Facility.

“Credit Facility Issuer” shall mean the issuer or guarantor of any Credit Facility.

“Debt Service Fund” shall mean the Fund so designated which is established pursuant to Section 6.04 hereof.

“Debt Service Requirements,” with reference to a specified period, shall mean:

(a) interest payable on the Bonds during such period, subject to reduction for amounts held as capitalized interest in the Funds and Accounts established under this Master Indenture and any Supplemental Indentures; and

(b) amounts required to be paid into any mandatory sinking fund account with respect to the Bonds during such period; and

(c) amounts required to pay the principal of the Bonds maturing during such period and not to be redeemed prior to or at maturity through any sinking fund account.

For any Bonds that bear interest at a variable rate, the interest payable for a specified period shall be determined as if such Bonds bear interest at the maximum rate provided for in the applicable Supplemental Indenture and if no maximum rate is provided for in the Supplemental Indenture, the maximum rate shall be 10.00% per annum.

“Debt Service Reserve Fund” shall mean the Fund so designated which is established pursuant to Section 6.05 hereof.

“Debt Service Reserve Requirement” shall mean, for each Series of Bonds, unless a different requirement shall be specified in a Supplemental Indenture, an amount equal to the lesser of (i) the maximum annual Debt Service Requirements for the Outstanding Bonds of such Series, (ii) 125% of the average annual Debt Service Requirements for the Outstanding Bonds of such Series, and (iii) 10% of the original proceeds (within the meaning of the Code) of the Bonds of such Series.

“Defeasance Securities” shall mean, to the extent permitted by law, (a) cash, or (b) non-callable Government Obligations.

“Developer” shall mean the entities identified to the Issuer, as the master developers of all or a portion of the District Lands and any affiliates or any other entities which succeed to all or any part of the interests and assumes any or all of the responsibilities of such entities, as the master developer of all or a portion of the District Lands.

“Developer Funding Agreement” shall mean, if applicable, one or more developer capital funding agreements between the Issuer and the Developer, pursuant to which the Developer agrees to advance moneys, from time to time, to the Issuer for deposit into the appropriate Account of the Acquisition and Construction Fund, so that there are sufficient moneys on deposit therein (taking into account proceeds from the applicable Series of Bonds) to complete the Project. Any obligation on the part of the Issuer to repay such advances made by the Developer shall be subordinate to the payment of the Bonds.

“District Lands” or “District” shall mean the premises governed by the Issuer, consisting of approximately 1,178.36 acres of land located entirely within the incorporated area of the City, as more fully described in Exhibit A hereto.

“District Manager” shall mean the then District Manager or acting District Manager of the Issuer.

“Event of Default” shall mean any of the events described in Section 10.01 hereof.

“Fiscal Year” shall mean the period of twelve (12) months beginning October 1 of each calendar year and ending on September 30 of the following calendar year, and also shall mean the period from actual execution hereof to and including the next succeeding September 30; or such other consecutive twelve-month period as may hereafter be established pursuant to a Certified

Resolution as the fiscal year of the Issuer for budgeting and accounting purposes as authorized by law.

“Fitch” shall mean Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

“Fund” shall mean any fund established pursuant to this Master Indenture.

“Generally Accepted Accounting Principles” shall mean those accounting principles applicable in the preparation of financial statements of municipalities.

“Government Obligations” shall mean direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Indenture” shall mean, with respect to any Series of Bonds, this Master Indenture as supplemented by the Supplemental Indenture pursuant to which such Series of Bonds is issued.

“Independent” shall mean a Person who is not a member of the Issuer’s Board, an officer or employee of the Issuer or Developer, or which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the Issuer’s Board, or an officer or employee of the Issuer; provided, however, that the fact that such Person is retained regularly by or regularly transacts business with the Issuer or Developer shall not make such Person an employee within the meaning of this definition.

“Interest Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

“Interest Payment Date” shall mean, unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, each May 1 and November 1 commencing on the date specified in the Certified Resolution of the Issuer or in the Supplemental Indenture pursuant to which a Series of Bonds is issued.

“Interest Period” shall mean the period from and including any Interest Payment Date to and excluding the next succeeding Interest Payment Date; provided, however, that upon final payment of any Bond at maturity or upon redemption or mandatory purchase, the Interest Period shall extend to, but not include, the date of such final payment, which shall always be a Business Day.

“Investment Securities” shall mean and include any of the following securities:

- (i) Government Obligations;
- (ii) obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such association);

Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation, or other similar governmental sponsored entities.

(iii) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation by Moody's and S & P; and

(iv) municipal securities issued by any state or commonwealth of the United States or political subdivision thereof or constituted authority thereof including, but not limited to, municipal corporations, school districts and other special districts, the interest on which is exempt from federal income taxation under Section 103 of the Code and rated A- or higher by Moody's, Fitch or S&P at the time of purchase;

(v) both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by both Moody's and S&P, and (B) shares of money market mutual funds that invest only in Government Obligations and obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;

(vi) the Local Government Surplus Funds Trust Fund as described in Florida Statutes, Section 218.405 or the corresponding provisions of subsequent laws provided that such fund, at the time of purchase, is rated at least "AA" by S&P (without regard to gradation) or at least "Aa" by Moody's (without regard to gradation);

(vii) negotiable or non-negotiable certificates of deposit, savings accounts, deposit accounts, money market deposits or banking arrangements issued by or with any financial institution subject to state or federal regulation provided that the full principal amount is insured by the Federal Deposit Insurance Corporation ("FDIC") (including the FDIC's Savings Association Insurance Fund), including the Trustee or its affiliates, which have a rating on their short-term certificates of deposit on the date of purchase in one of the three highest short-term Rating Categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency and which mature not more than 360 days after the date of purchase; and

(viii) other investments permitted by Florida law and directed by the Issuer.

Under all circumstances, the Trustee shall be entitled to conclusively rely upon as accurate that any investment directed by the Issuer is permitted under the Indenture and a legal investment for funds of the Issuer.

“Issuer” shall mean the Lake Flores Community Development District.

“Major Non-Recurring Expense” shall mean the cost of major replacement or reconstruction of the Project, or any part thereof, the cost of major repairs, renewals or replacements, the provision of a reserve for the payment of insurance premiums not due on an annual or more frequent basis, and the cost of studies, surveys, estimates and investigations in connection with any of the foregoing.

“Majority Holders” shall mean the beneficial owners of more than fifty percent (50%) of the principal amount of the applicable Series of Outstanding Bonds.

“Master Indenture” shall mean, this Master Trust Indenture dated as of September 1, 2023 by and between the Issuer and the Trustee, as amended and or supplemented in accordance with the provisions of Article XIII hereof.

“Moody’s” shall mean Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

“Officers’ Certificate” or “Officer’s Certificate” shall mean a certificate, duly executed by a Responsible Officer and delivered to the Trustee.

“Outstanding,” in connection with a Series of Bonds, shall mean, as of the time in question, all Bonds of such Series authenticated and delivered under the Indenture, except:

(a) all Bonds theretofore cancelled or required to be cancelled under Section 2.07 hereof;

(b) Bonds for the payment, redemption or purchase of which moneys and/or Defeasance Securities, the principal of and interest on which, when due, will provide sufficient moneys to fully pay such Bonds in accordance with Article XIV hereof, shall have been or shall concurrently be deposited with the Trustee; provided that, if such Bonds are being redeemed, the required notice of redemption shall have been given or provision shall have been made therefor, and that if such Bonds are being purchased, there shall be a firm commitment for the purchase and sale thereof; and

(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II hereof.

In determining whether the Holders of a requisite aggregate principal amount of Bonds Outstanding of a Series have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds of such Series which are known

by the Trustee to be held by or on behalf of the Issuer shall be disregarded for the purpose of any such determination, unless all of the Bonds of such Series are held by or on behalf of the Issuer; provided, however, this provision does not affect the right of the Trustee to deal in Bonds as set forth in Section 11.09 hereof.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Paying Agent” shall mean initially, U.S. Bank Trust Company, National Association and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

“Person” shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, governmental body, political subdivision, municipality, municipal authority or any other group or organization of individuals.

“Pledged Revenues” shall mean, unless otherwise provided by Supplemental Indenture with respect to a Series of Bonds, with respect to each Series of Bonds Outstanding, (a) all revenues received by the Issuer from Special Assessments levied and collected on all or a portion of the District Lands with respect to the Project or portion thereof financed by such Series of Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Special Assessments or from the issuance and sale of tax certificates with respect to such Special Assessments, and (b) all moneys on deposit in the Funds, Accounts and subaccounts established under the Indenture allocated to such Series of Bonds; provided, however, that Pledged Revenues shall not include (i) any moneys transferred to the Rebate Fund, or investment earnings thereon and (ii) “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (i) and (ii) of this proviso).

“Prepayment” shall mean the payment by any owner of property of the amount of Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date. A landowner may make a Prepayment in kind pursuant to the provisions of Section 9.08 hereof.

“Project” shall mean with respect to any Series of Bonds, the design, acquisition, construction equipping and/or improvement of certain public infrastructure consisting of, but not limited to, sanitary sewer systems, water distribution systems, storm water management facilities; roadway improvements; acquisition of certain interests in lands; undergrounding differential costs and related incidental costs, all as more specifically described in the Supplemental Indenture relating to such Series of Bonds; provided that the Project shall specially benefit all of the District Lands on which Special Assessments to secure such Series of Bonds have been levied.

“Project Documents” shall mean all permits, drawings, plans and specifications, contracts and other instruments and rights relating to a Project and a development assigned by the Developer to the Issuer pursuant to a collateral assignment.

“Property Appraiser” shall mean the property appraiser of the County.

“Property Appraiser and Tax Collector Agreement” shall mean the Property Appraiser and Tax Collector Agreement described in Section 9.04 hereof.

“Rating Agency” shall mean Fitch, Moody’s and/or S&P, as applicable.

“Rebate Fund” shall mean the Fund so designated, which is established pursuant to Section 6.11 of this Master Indenture.

“Record Date” shall mean, as the case may be, the applicable Regular or Special Record Date.

“Redemption Price” shall mean the principal amount of any Bond of a Series plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

“Registrar” shall mean initially U.S. Bank Trust Company, National Association, which entity shall have the responsibilities set forth in Section 2.04 of this Master Indenture, and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

“Regular Record Date” shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

“Regulatory Body” shall mean and include (a) the United States of America and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America, (b) the State, any political subdivision thereof and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the State, (c) the County and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the County, and (d) any other public body, whether federal, state or local or otherwise having regulatory jurisdiction and authority over the Issuer.

“Responsible Officer” shall mean any member of the Board or any other officer of the Issuer, including the Secretary or other person designated by Certified Resolution of the Issuer, a copy of which shall be on file with the Trustee, to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter.

“Revenue Fund” shall mean the Fund so designated which is established pursuant to Section 6.03 hereof.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“S&P” shall mean S&P Global Ratings, a division of S&P Global Inc., and its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Series” shall mean all of the Bonds authenticated and delivered at one time on original issuance and pursuant to any Certified Resolution of the Issuer authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof and the applicable Supplemental Indenture, regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the Issuer upon original issuance. Two or more Series or sub-Series of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture. As may be provided by subsequent proceedings of the Issuer, one or more Series of Bonds or sub-Series Bonds, whether issued at the same time or not, may be separately secured by Special Assessments imposed pursuant to separate assessment proceedings. Such Bonds or sub-Series of Bonds which are secured by separate Special Assessments will not be issued as parity bonds even if issued at the same time.

“Sinking Fund Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

“Special Assessments” shall mean (a) the net proceeds derived from the levy and collection of “special assessments,” as provided for in Sections 190.011(14) and 190.022 of the Act against District Lands that are subject to assessment as a result of a particular Project or any portion thereof or against one or more identified Assessment Areas, and (b) the net proceeds derived from the levy and collection of “benefit special assessments,” as provided for in Section 190.021(2) of the Act, against the lands within the District that are subject to assessment as a result of a particular Project or any portion thereof, and in the case of both “special assessments” and “benefit special assessments,” including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. “Special Assessments” shall not include “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the Issuer under Section 190.021(3) of the Act.

“Special Record Date” shall mean such date as shall be fixed for the payment of defaulted interest on the Bonds in accordance with Section 2.01 hereof.

“State” shall mean the State of Florida.

“Supplemental Indenture” and “indenture supplemental hereto” shall mean any indenture amending or supplementing this Master Indenture which may be entered into in accordance with the provisions of this Master Indenture.

“Tax Collector” shall mean the tax collector of the County.

The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the form of Bond), refer to the entire Master Indenture.

Every “request,” “requisition,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[END OF ARTICLE I]

ARTICLE II THE BONDS

SECTION 2.01. Amounts and Terms of Bonds; Details of Bonds. The Issuer is hereby authorized to issue in one or more Series pursuant to the terms and conditions of this Master Indenture, its obligations to be known as “Lake Flores Community Development District Special Assessment Bonds, Series [to be designated]” (the “Bonds”). The total principal amount of Bonds that may be issued and Outstanding under this Master Indenture shall not be limited, but shall be subject to any conditions set forth in a Supplemental Indenture and Florida law. The Bonds shall be issued in Authorized Denominations and within each Series shall be numbered consecutively from R-1 and upwards in each Series and in substantially the form attached hereto as Exhibit C, with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or as otherwise provided in a Supplemental Indenture. All Bonds shall be issued only upon satisfaction of the conditions set forth in Article III hereof; and the Trustee shall, at the Issuer’s request, authenticate such Bonds and deliver them as specified in such request. If the Issuer should change its name, no amendment shall be required to be made to this Master Indenture, any Supplemental Indenture or Bonds issued thereunder.

Each Bond shall be dated, shall have such Interest Payment Dates, shall bear interest from such date or dates and at such rate or rates until the maturity thereof, payable on such Interest Payment Dates, and shall be stated to mature (subject to the right of prior redemption), all as provided in, or pursuant to, a Supplemental Indenture.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Unless otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, the principal of all Bonds shall be payable at the corporate trust office of the Paying Agent upon the presentation and surrender of such Bonds as the same shall become due and payable.

Except to the extent otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, interest on any Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register. The Bonds shall bear interest from the Interest Payment Date next preceding the date on which they are authenticated unless authenticated on an Interest Payment Date in which event they shall bear interest from such Interest Payment Date, or unless authenticated before the first Interest Payment Date in which event they shall bear interest from their date; provided, however, that if a Bond is authenticated between a Record Date and the next succeeding Interest Payment Date, such Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Bond interest thereon is in default, such Bond shall bear interest from the date to which interest has been paid. Any interest on any Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called “Defaulted Interest”) shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special

Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register. The foregoing notwithstanding, but subject to the procedures set forth in Section 2.11 hereof, any Owner of Bonds of a Series in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by such Bonds on the day before the default occurred.

The Trustee is hereby constituted and appointed as Paying Agent for the Bonds.

SECTION 2.02. Execution. The Bonds shall be executed by the manual or facsimile signature of the Chairperson or Vice Chairperson of the Issuer, and the corporate seal of the Issuer shall appear thereon (which may be in facsimile) and shall be attested by the manual or facsimile signature of its Secretary or Assistant Secretary. Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee, notwithstanding that one or both of the officers of the Issuer whose signatures appear on such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds.

SECTION 2.03. Authentication. No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created.

SECTION 2.04. Registration and Registrar. The Trustee is hereby constituted and appointed as the Registrar for the Bonds. The Registrar shall act as registrar and transfer agent for the Bonds. The Issuer shall cause to be kept at an office of the Registrar a register (herein sometimes referred to as the "Bond Register" or "Register") in which, subject to the provisions set forth in Section 2.08 below and such other regulations as the Issuer and Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and for the registration of transfers and exchanges of such Bonds. The Trustee shall notify the Issuer in writing of the specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept. The Bond Registrar shall initially be kept at the Trustee's corporate trust office in Fort Lauderdale, Florida

SECTION 2.05. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond shall become mutilated, the Issuer shall execute and the Trustee shall thereupon authenticate and deliver a new Bond of like Series, tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of such mutilated Bond for cancellation, and the

Issuer and the Trustee may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver a new Bond of like Series, tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee, pay to the Owner the principal amount of and accrued interest on such Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.05 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Master Indenture and applicable Supplemental Indenture equally and proportionately with any and all other Bonds of such same Series duly issued hereunder and under such Supplemental Indenture.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

SECTION 2.06. Temporary Bonds. Pending preparation of definitive Bonds, or by agreement with the original purchasers of all Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds of substantially the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds. So long as Cede & Co., or any other nominee of DTC is the registered Owner of the Bonds, the definitive Bonds shall be in typewritten form.

SECTION 2.07. Cancellation and Destruction of Surrendered Bonds. All Bonds surrendered for payment or redemption and all Bonds surrendered for exchange shall, at the time of such payment, redemption or exchange, be promptly transferred by the Registrar, Paying Agent to, and cancelled and destroyed by, the Trustee in accordance with its retention policy then in effect.

SECTION 2.08. Registration, Transfer and Exchange. As provided in Section 2.04 hereof, the Issuer shall cause a Bond Register in respect of the Bonds to be kept at the designated office of the Registrar.

Upon surrender for requisition of transfer of any Bond at the designated office of the Registrar, and upon compliance with the conditions for the transfer of Bonds set forth in this Section 2.08, the Issuer shall execute and the Trustee (or Registrar as described in Section 2.03 and Section 2.04 hereof) shall authenticate and deliver, in the name of the designated transferees, one or more new Bonds of a like aggregate principal amount and of the same Series and maturity.

At the option of the Bondholder, Bonds may be exchanged for other Bonds of a like aggregate principal amount and of the same Series and maturity, upon surrender of the Bonds to be exchanged at any such office or agency. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Trustee (or Registrar as described in Section 2.03 and Section 2.04 hereof) shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds issued upon any transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Master Indenture and applicable Supplemental Indenture as the Bonds of such Series surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing.

Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

SECTION 2.09. Persons Deemed Owners. The Issuer, the Trustee, any Paying Agent, or the Registrar shall deem and treat the person in whose name any Bond is registered as the absolute Owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, any Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal or Redemption Price of and interest on such Bond, and for all other purposes, and the Issuer, the Trustee, any Paying Agent, and the Registrar shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

SECTION 2.10. Limitation on Incurrence of Certain Indebtedness. The Issuer will not issue Bonds of any Series, except upon the conditions and in the manner provided or as otherwise permitted in the Indenture, provided that the Issuer may enter into agreements with issuers of Credit Facilities which involve liens on Pledged Revenues on a parity with that of the Bonds or portion thereof which is supported by such Credit Facilities.

SECTION 2.11. Qualification for The Depository Trust Company. To the extent provided in a Supplemental Indenture or authorized and directed by a resolution of the Issuer authorizing the issuance of a Series of Bonds, the Trustee shall be authorized to enter into agreements with The Depository Trust Company, New York, New York (“DTC”) and other

depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Trustee) by overnight delivery, courier service, telegram, telecopy or other similar means of communication.

So long as there shall be maintained a book-entry-only system with respect to a Series of Bonds, the following provisions shall apply:

Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, each Series of Bonds shall initially be registered in the name of Cede & Co. as nominee for DTC, which will act initially as securities depository for the Bonds and so long as the Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, such Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants (“Direct Participants”) and other institutions that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The Direct Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds (“Beneficial Owners”).

Principal and interest on the Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC without the need for presentment of such Bonds. Disbursal of such amounts to Direct Participants shall be the responsibility of DTC. Payments by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

The Bonds registered in the name of Cede & Co. shall initially be issued in the form of one fully registered Bond for each maturity of each Series registered in the name of Cede & Co. and shall be held in such form until maturity. Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Bonds, through Direct Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE BONDS, ANY NOTICES TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICES TO DIRECT PARTICIPANTS AND DIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO INDIRECT PARTICIPANTS, AND DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO BENEFICIAL OWNERS.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository and in that event all references herein to DTC or Cede & Co. shall be deemed to be for reference to its respective successors. If the Issuer does not replace DTC, the Trustee

will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer elects to discontinue the book-entry only system in conformity with the requirements of DTC, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Bonds may be exchanged for an equal aggregate principal amount of Bonds in other Authorized Denominations and of the same maturity and Series upon surrender thereof at the corporate trust office of the Trustee.

[END OF ARTICLE II]

ARTICLE III ISSUE OF BONDS

SECTION 3.01. Issue of Bonds. Subject to the provisions of Section 2.01 hereof, the Issuer may issue one or more Series of Bonds hereunder and under Supplemental Indentures from time to time for the purpose of financing the Cost of acquisition or construction of the Project or to refund all or a portion of a Series of Bonds (and to pay the costs of the issuance of such Bonds and to pay the amounts required to be deposited with respect to such Bonds in the Funds and Accounts established under the Indenture). In connection with the issuance of a Series of Bonds the Trustee shall, at the request of the Issuer, authenticate the Bonds and deliver or cause them to be authenticated and delivered, as specified in the request, but only upon receipt of:

(1) a Certified Resolution of the Issuer (a) approving a Supplemental Indenture under which the Series of Bonds are to be issued; (b) providing the terms of the Bonds and directing the payments to be made into the Funds and Accounts in respect thereof as provided in Article VI hereof; (c) authorizing the execution and delivery of the Series of Bonds to be issued; and (d) if the purpose is to effectuate a refunding, authorizing the redemption, if any, of the Bonds to be refunded and the defeasance thereof, and the execution and delivery of an escrow agreement, if applicable, and other matters contained in Section XIV hereof;

(2) a written opinion or opinions of Counsel to the Issuer, which shall also be addressed to the Trustee (to extent provided therein) to the effect that (a) all conditions prescribed herein as precedent to the issuance of the Bonds have been fulfilled; (b) the Bonds have been validly authorized and executed by the Issuer and when authenticated and delivered pursuant to the request of the Issuer will be valid obligations of the Issuer entitled to the benefit of the trust created hereby and will be enforceable in accordance with their terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity; (c) any consents of any Regulatory Bodies required in connection with the issuance of the Bonds or in connection with the acquisition of the improvements included in the Project have been obtained or can be reasonably expected to be obtained on or prior to the date such consents are required for the Project, which may be based on representations from the District's Engineer, and without any independent investigation; (d) the Issuer has good right and lawful authority under the Act to undertake the Project; (e) that the Special Assessment proceedings have been taken in accordance with Florida law and that the Issuer has taken all action necessary to levy and impose the Special Assessments; (f) that the Special Assessments are legal, valid, and binding liens upon the property against which the Special Assessments are made, coequal with the lien of all state, county, district and municipal ad valorem taxes and superior in priority to all other liens, titles and claims against said property then existing or thereafter created, until paid; (g) this Master Indenture and the applicable Supplemental Indenture have been duly and validly authorized, approved, and executed by the Issuer; (h) the issuance of the Series of Bonds has been duly authorized and approved by the Board; and (i) this Master Indenture and the applicable Supplemental Indenture (assuming due authorization, execution and delivery by the Trustee) constitute a binding obligation of the Issuer, enforceable against the Issuer in

accordance with its terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity (clauses (c) (d) and (e) shall not apply in the case of the issuance of a refunding Series of Bonds).

(3) a Consulting Engineer's certificate addressed to the Issuer and the Trustee setting forth the estimated cost of the Project, and in the case of an acquisition by the Issuer of all or a portion of the Project that has been completed, stating, in the signer's opinion, (a) that the portion of the Project improvements to be acquired from the proceeds of such Bonds have been completed in accordance with the plans and specifications therefor; (b) the Project improvements are constructed in a sound workmanlike manner and in accordance with industry standards; (c) the purchase price to be paid by the Issuer for the Project improvements is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual Cost of construction of such improvements; and (d) the plans and specifications for the Project improvements have been approved by all Regulatory Bodies required to approve them (specifying such Regulatory Bodies) or such approval can reasonably be expected to be obtained; provided, however, that in lieu of the information required in clause (a), there may be delivered to the Trustee satisfactory evidence of the acceptance of operational and maintenance responsibility of each component of the Project by one or more governmental entities (the foregoing shall not be applicable in the case of the issuance of a refunding Series of Bonds). The Consulting Engineer's certificate may incorporate its engineering report by reference to satisfy all or some of the above requirements;

(4) a copy of the Supplemental Indenture for such Bonds, certified by the Secretary or Assistant Secretary of the Issuer as being a true and correct copy thereof;

(5) the proceeds of the sale of such Bonds together with any required equity deposit by the Developer;

(6) any Credit Facility authorized by the Issuer in respect to such Bonds;

(7) one or more Certified Resolutions of the Issuer relating to the levy of Special Assessments in respect of the Project, and evidencing that the Issuer has undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect Special Assessments upon the District Lands in an amount sufficient to pay the Debt Service Requirement on the Bonds to be issued;

(8) an executed opinion of Bond Counsel;

(9) a written direction of the Issuer to the Trustee to authenticate and deliver such Bonds;

(10) a copy of a Final Judgment of validation and a Certificate of No Appeal with respect to the Bonds that are subject to validation or an opinion of Counsel to the Issuer that the Bonds are not subject to validation;

(11) a collateral assignment from the Developer to the Issuer of the Project Documents;

(12) in the case of the issuance of a refunding Series of Bonds, an Officer's Certificate of the Issuer stating (a) the Bonds to be refunded; (b) any other amounts available for such purpose; (c) that the proceeds of the issue plus the other amounts, if any, stated to be available for the purpose will be sufficient to refund the Bonds to be refunded in accordance with the refunding plan and in compliance with Article XIV of this Master Indenture, including, without limitation, to pay the Costs of issuance of such Bonds, and (d) that notice of redemption, if applicable, of the Bonds to be refunded has been duly given or that provision has been made therefor, as applicable;

(13) in the case of the issuance of a refunding Series of Bonds, a written opinion of Bond Counsel to the effect that the issuance of such Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds issued pursuant to the Indenture (to the extent that upon original issuance thereof such Bonds were issued as Bonds the interest on which is excludable from gross income for federal income tax purposes); and

(14) such other documents, certifications and opinions as shall be required by the Supplemental Indenture, by the Participating Underwriter or the initial purchaser of a Series of Bonds or by the Issuer or the Trustee upon advice of Counsel.

At the option of the Issuer, any or all of the matters required to be stated in the Certified Resolution described in (1) above may instead be stated in a Supplemental Indenture, duly approved by a Certified Resolution of the Issuer. Execution of a Series of the Bonds by the Issuer and payment to the Trustee of the net proceeds of the Bonds shall be conclusive evidence of satisfaction of the conditions precedent set forth in this Article, as to the Issuer and the Participating Underwriter.

[END OF ARTICLE III]

ARTICLE IV
ACQUISITION OF PROJECT

SECTION 4.01. Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete any Project or portion thereof for which any Series of Bonds is being issued in accordance with the plans and specifications therefor, as such plans and specifications may be amended from time to time, and subject to the specific requirements of the Supplemental Indenture for such Series of Bonds.

SECTION 4.02. Compliance Requirements. The Issuer will comply with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable in fact to any acquisition or construction hereby undertaken and shall obtain all necessary approvals under federal, state and local laws, acts, rules and regulations necessary for the acquisition, completion and operation of any Project or portion thereof for which any Series of Bonds is being issued and shall complete any Project or portion thereof in conformity with such approvals, laws, rules and regulations. Prior to the completion of the Project, in the event that the Developer shall fail to pay, when due, any Special Assessments levied against lands within the District owned by the Developer or any affiliated entity, the Issuer shall immediately take all actions within its control and to the extent it has legally available funds for such purpose, immediately take all actions within its power necessary to complete the Project including taking control of the Project Documents.

[END OF ARTICLE IV]

ARTICLE V
ACQUISITION AND CONSTRUCTION FUND

SECTION 5.01. Acquisition and Construction Fund. The Trustee shall establish an Acquisition and Construction Fund into which shall be deposited the proceeds from each Series of Bonds issued under the Indenture (unless otherwise specified herein or in the applicable Supplemental Indenture for a Series of Bonds) and from which Costs may be paid as set forth herein and in the applicable Supplemental Indenture. Unless otherwise specified in the applicable Supplemental Indenture, a separate Series Account shall be established in the Acquisition and Construction Fund with respect to each Series of Bonds issued hereunder and the proceeds of each Series of Bonds (other than Bonds issued to refund all or a portion of the Bonds) shall be deposited into the corresponding Series Account in the Acquisition and Construction Fund. The amounts in any Series Account of the Acquisition and Construction Fund, until applied as hereinafter provided, shall be held for the security of the Series of Bonds hereunder in respect of which such Series Account was established. Separate subaccounts within any Series Account of the Acquisition and Construction Fund shall be maintained by the Trustee in respect of each Series of Bonds upon request of the Issuer whenever, in the opinion of the Issuer, it is appropriate to have a separate accounting in respect of the Costs of any designated portion of the Project including, but not limited to, a costs of issuance subaccount. Payments shall be made from the appropriate Series Account of the Acquisition and Construction Fund to pay any unpaid costs of issuance of the Series of Bonds in question, including without limitation, legal, engineering, and consultants' fees and to pay amounts to be reimbursed to the Issuer for Costs advanced, and thereafter to pay Costs of planning, financing, acquisition, construction, reconstruction, equipping and installation of the Project or portion thereof.

(a) *Deposits*. In addition to the deposit of amounts received by the Trustee on the date of issuance of each Series of Bonds, the Issuer shall pay or cause to be paid to the Trustee, for deposit into the Series Account of the Acquisition and Construction Fund, as promptly as practicable, the following amounts:

(i) Payments made to the Issuer from the sale, lease or other disposition of the Project or any portion thereof;

(ii) The balance of insurance proceeds with respect to the loss or destruction of the Project or any portion thereof;

(iii) Deposits made by the Developer pursuant to the terms and provisions of a Developer Funding Agreement; and

(iv) Amounts received from a governmental entity pursuant to an interlocal agreement or other similar agreement between the Issuer and such governmental entity providing for the payment by such governmental entity of a portion of the Costs of a Series Project.

Amounts in the applicable Series Account of the Acquisition and Construction Fund shall be applied to pay the Cost of the Project or a portion thereof, as applicable, pertaining to the Series of Bonds in question; provided, however, that if any amounts remain in the Series Account of the

Acquisition and Construction Fund after the Completion Date (as defined in paragraph (c) below) of the Project or portion thereof pertaining to the Series of Bonds in question, and if such amounts are not reserved for payment of any remaining part of the Cost of the Project, such amounts shall be transferred to the applicable Series Account of the Bond Redemption Fund, as described in paragraph (c) below.

(b) *Disbursements.* Unless provided otherwise in a Supplemental Indenture, all payments from the Acquisition and Construction Fund shall be paid in accordance with the provisions of this subsection. Moneys in the appropriate Series Account of the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in this subsection (b). Before any such payment shall be made, the Issuer shall file with the Trustee a fully executed requisition in the form of Exhibit D attached hereto, signed by a Responsible Officer and, except for payments of cost of issuance, a certificate of the Consulting Engineer signed by a consulting engineer also in the form of Exhibit D attached hereto and as may be modified by terms of the related Supplemental Indenture. Upon receipt of each such requisition and accompanying certificate, the Trustee shall promptly withdraw from the appropriate Series Account of the Acquisition and Construction Fund and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. The Trustee shall have no duty to investigate the accuracy or validity of the items delivered pursuant to this Section. All requisitions and certificates received by the Trustee pursuant to this Section 5.01 shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the Issuer, the Consulting Engineer, the Owner of any Bonds, and the agents and representatives thereof. The Trustee shall have no duty to verify that the disbursement of funds pursuant to a requisition is for a purpose for which payment may be made hereunder and the Trustee may conclusively rely that a properly signed requisition is, on its face, sufficient to disburse funds from the Acquisition and Construction Fund.

(c) *Completion of Project.* On the date of completion of the Project or if sufficient moneys are retained in the appropriate Series Account of the Acquisition and Construction Fund, to complete the Cost of the Project, in either case, as evidenced by the delivery of a Certificate of the Consulting Engineer to the Trustee and adoption of a resolution by the Board accepting the Project as provided by Section 170.09, Florida Statutes, as amended (the "Completion Date"), the balance in the appropriate Series Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Project shall be transferred by the Trustee to, and deposited in, the applicable Series Account of the Bond Redemption Fund and applied as provided in Section 6.06 hereof and in the applicable Supplemental Indenture.

[END OF ARTICLE V]

ARTICLE VI
SPECIAL ASSESSMENTS;
APPLICATION THEREOF TO FUNDS AND ACCOUNTS

SECTION 6.01. Special Assessments; Lien of Indenture on Pledged Revenues. The Issuer hereby covenants that it shall levy Special Assessments, and, unless provided otherwise with respect to a Series of Bonds, evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer, pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, to the extent and in the amount necessary to pay the Debt Service Requirement on Bonds issued and Outstanding hereunder.

The Issuer shall pay to the Trustee for deposit in the Series Account of the Revenue Fund established under Section 6.03 hereof all Special Assessments received by the Issuer from the levy thereof on the District Lands subject to assessments for the payment of the related Series of Bonds; provided, however, that amounts received as Prepayments of Special Assessments shall be deposited directly into the applicable Series Account within the Bond Redemption Fund established hereunder or in any account thereof established pursuant to the applicable Supplemental Indenture. The Issuer shall notify the Trustee at the time of deposit of any amounts received as Prepayments of Special Assessments and shall identify the related Series of Bonds. If necessary, the Issuer shall direct the landowner making such prepayment to specify what Series of Bonds such prepayments relate.

There are hereby pledged for the payment of the principal or Redemption Price of and interest on all Bonds of each Series issued and Outstanding under the Indenture and all reimbursements due to any Credit Facility Issuer for any drawing with respect to such Series of Bonds on its Credit Facility, including, without limitation, interest thereon, as required under the terms of the applicable Credit Facility Agreement, the Pledged Revenues; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Pledged Revenues securing such Series of Bonds, the Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and Bonds issued on a parity therewith and shall not secure any other Bonds or Series of Bonds. The Pledged Revenues shall immediately be subject to the lien and pledge of the Indenture without any physical delivery hereof or further act; provided, however, that the lien and pledge of the Indenture shall not apply to any moneys transferred by the Trustee to the Rebate Fund. The foregoing notwithstanding, to the extent provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, such Series of Bonds may be made payable from and secured by less than all of the Pledged Revenues, and any one or more of the provisions of this Master Indenture may be made inapplicable to such Series of Bonds, all as more specifically provided in the corresponding Supplemental Indenture; provided, however, that any such provisions shall apply only to the particular Series of Bonds authorized by such Supplemental Indenture and shall not affect in any manner whatsoever any Outstanding Series of Bonds.

SECTION 6.02. Funds and Accounts Relating to the Bonds. The Funds and Accounts specified in this Article VI shall be established under this Master Indenture and each Supplemental Indenture pursuant to which a Series of Bonds is issued for the benefit of the specific Series of

Bonds and any Series issued on a parity therewith and, unless expressly otherwise provided in said Supplemental Indenture, shall not apply to Bonds Outstanding hereunder issued under any other indenture supplemental hereto or if separately secured by separate Special Assessments. Unless provided otherwise by Supplemental Indenture, all moneys, including, without limitation, proceeds of a Series of Bonds, on deposit to the credit of the Funds and Accounts established hereunder and under a Supplemental Indenture (except for moneys transferred to the Rebate Fund) shall be pledged to the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series of Bonds issued hereunder and under such Supplemental Indenture, and any Series issued on a parity therewith.

SECTION 6.03. Revenue Fund. The Trustee is hereby authorized and directed to establish a Revenue Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder, into which the Trustee shall immediately deposit any and all Special Assessments received from the levy thereof on the District Lands or any portion thereof (other than Prepayments) and any amounts received as the result of any foreclosure, sale of tax certificates or other remedial action for nonpayment of Special Assessments for the payment of the related Series of Bonds and other payments required hereunder or under the applicable Supplemental Indenture (unless such Special Assessments and/or other payments are specifically designated by the Issuer pursuant to a Supplemental Indenture for deposit into the Rebate Fund or any other Fund or Account established hereunder or under a Supplemental Indenture) and each Series Account therein shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall transfer from amounts on deposit in the Series Account in the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority unless other times and/or other priorities are established in a Supplemental Indenture with respect to a Series of Bonds:

FIRST, upon receipt but no later than the Business Day preceding the first May 1 for which there is an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account of the Debt Service Fund to be applied to the payment of interest on the Bonds of a Series due on the next succeeding May 1, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the related Series of Bonds becoming due on the next succeeding May 1, less any amount on deposit in such Interest Account not previously credited;

SECOND, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 or November 1, as designated in the applicable Supplemental Indenture thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Principal Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series maturing on the next succeeding principal payment date, less any amount on deposit in the applicable Series Principal Account not previously credited;

THIRD, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 or November 1, as so designated

in the applicable Supplemental Indenture thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series subject to mandatory sinking fund redemption on the next succeeding mandatory sinking fund redemption date, less any amount on deposit in the applicable Series Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day preceding the first November 1 for which there remains an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding November 1, and no later than the Business Day next preceding each November 1 thereafter while Bonds of such Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the Bonds of such Series becoming due on the next succeeding November 1, less any amount on deposit in the applicable Series Interest Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Account of the Debt Service Reserve Fund, if any, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement;

SIXTH, subject to the foregoing paragraph, the balance of any moneys remaining in a Series Account of the Revenue Fund after making the foregoing deposits shall, subject to application by one or more Supplemental Indentures shall remain therein, unless pursuant to any Arbitrage Certificate it is necessary to make a deposit in the Rebate Fund, in which case, the Issuer shall direct the Trustee to make such deposit thereto.

The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the direction of the Issuer, withdraw any moneys held for the credit of the Revenue Fund on November 2 of each year which are not otherwise required to be deposited pursuant to this Section and deposit such moneys as directed to the credit of the applicable Series Account of the Bond Redemption Fund in accordance with the provisions hereof. Notwithstanding the foregoing, if pursuant to any Arbitrage Certificate it is necessary to make a deposit in the Rebate Fund, the Issuer shall direct the Trustee to make such deposit thereto. Prepayments pledged to a particular Series of Bonds shall be deposited directly into the applicable Series prepayment subaccount of the Bond Redemption Fund as provided herein.

SECTION 6.04. Debt Service Fund. The Trustee is hereby authorized and directed to establish a Debt Service Fund which shall consist of amounts deposited therein by the Trustee and any other amounts the Issuer may pay to the Trustee for deposit therein with respect to the related Series of Bonds. The Debt Service Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall establish within the Debt Service Fund pursuant to a Supplemental Indenture, a Series Principal Account, a Series Interest Account and, if applicable, a Series Sinking Fund Account for

each Series of Bonds and a Series Capitalized Interest Account, which accounts shall be separate and apart from all other Funds and Accounts established under the Indenture and from all other moneys of the Trustee.

The Trustee at all times shall make available to any Paying Agent the funds in the Series Principal Account and the Series Interest Account of the Debt Service Fund to pay the principal of the applicable Series of Bonds as they mature upon surrender thereof and the interest on the applicable Series of Bonds as it becomes payable, respectively. When a Series of Bonds is redeemed, the amount, if any, in the Series Interest Account in the Debt Service Fund representing interest thereon shall be applied to the payment of accrued interest in connection with such redemption.

The Trustee shall apply moneys in the Series Sinking Fund Account in the Debt Service Fund for purchase or redemption of the applicable Series of Bonds in amounts and maturities set forth in the Supplemental Indenture. Whenever Bonds of a Series are to be purchased out of such Series Sinking Fund Account, if the Issuer shall notify the Trustee that the Issuer wishes to arrange for such purchase, the Trustee shall comply with the Issuer's arrangements provided they conform to the Indenture.

Except to the extent otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, purchases and redemptions out of the Series Sinking Fund Account shall be made as follows:

(a) The Trustee shall apply the amounts required to be transferred to the Series Sinking Fund Account (less any moneys applied to the purchase of Bonds of the applicable Series pursuant to the next sentence hereof) on the mandatory sinking fund redemption date in each of the years set forth in the Supplemental Indenture to the redemption of Bonds of the related Series in the amounts, manner and maturities and on the dates set forth in the Supplemental Indenture, at a Redemption Price of 100% of the principal amount thereof. At the written direction of the Issuer, the Trustee shall apply moneys from time to time available in the Series Sinking Fund Account to the purchase of Bonds of the applicable Series which mature in the aforesaid years, at prices not higher than the principal amount thereof, in lieu of redemption as aforesaid, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given. In the event of purchases at less than the principal amount thereof, the difference between the amount in the Series Sinking Fund Account representing the principal amount of the Bonds so purchased and the purchase price thereof (exclusive of accrued interest) shall be transferred to the related Series Interest Account of the Debt Service Fund.

(b) Accrued interest on purchased Bonds of a Series shall be paid from the related Series Interest Account of the Debt Service Fund.

(c) In lieu of paying the Debt Service Requirements necessary to allow any mandatory redemption of Bonds of a Series from the related Series Sinking Fund Account, the Issuer may present to the Trustee Bonds of such Series purchased by the Issuer pursuant to subparagraph (a) above and furnished for such purposes; provided, however, that no Bonds of such Series so purchased shall be credited towards the Debt Service Requirements in respect of the mandatory redemption of Bonds of such Series for which notice of redemption has been given

pursuant to Section 8.02 of this Master Indenture. Any Bond so purchased shall be presented to the Trustee for cancellation. In such event, the Debt Service Requirements with respect to the Bonds of a Series for the period in which the purchased Bonds are presented to the Trustee shall, for all purposes hereunder, be reduced by an amount equal to the aggregate principal amount of any such Bonds so presented.

SECTION 6.05. Debt Service Reserve Fund. The Trustee is hereby authorized and directed to establish a Debt Service Reserve Fund and, if applicable, pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder. The Debt Service Reserve Fund and each Series Account therein shall be held by the Trustee for use as provided herein and other than as provided in Section 11.04 herein, solely for the benefit of each related Series of Bonds or sub-Series, as determined by the applicable Supplemental Indenture; provided, however, that notwithstanding anything to the contrary contained in this Master Indenture, the Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Fund is not applicable and no account therein shall secure such Series of Bonds. The Debt Service Reserve Fund and each Series Account therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, on the date of issuance and delivery of a Series of Bonds an amount of Bond proceeds or equity equal to the Debt Service Reserve Requirement in respect of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds, shall be deposited in the related Series Account of the Debt Service Reserve Fund. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, and as long as there exists no default under the Indenture and the amount in the Series Account of the Debt Service Reserve Fund is not reduced below the then applicable Debt Service Reserve Requirement with respect to such Series of Bonds, earnings on investments in the Series Account of the Debt Service Reserve Fund shall, prior to the Completion Date of a Project, be transferred to the applicable Acquisition and Construction Account of the Acquisition and Construction Fund, and after the Completion Date, shall be, at the written direction of the Issuer, transferred to the related Series Account of the Revenue Fund. Otherwise, earnings on investments in each Series Account of the Debt Service Reserve Fund shall be retained therein until applied as set forth herein. If made applicable in a Supplemental Indenture, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement as a result of an optional prepayment by the owner of a lot or parcel of land of Special Assessments against such lot or parcel or a mandatory true-up payment, which Special Assessments are pledged for the payment and security of such Series of Bonds, the excess amount shall, as directed by the terms of the applicable Series Supplement, be transferred from the Series Account or subaccount of the Debt Service Reserve Fund to the applicable Series Account of the Bond Redemption Fund established for such Series of Bonds and shall constitute a credit against such optional prepayment or true-up payment. If made applicable in the Supplemental Indenture with respect to a Series of Bonds, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement for any other reason, the excess amount shall, as directed by the terms of the applicable Series Supplement, either be transferred from the Series

Account of the Debt Service Reserve Fund to the applicable Series Account or subaccount of the Bond Redemption Fund.

Whenever for any reason on an Interest Payment Date, principal payment date or mandatory redemption date with respect to a related Series of Bonds secured by a Series Account of the Debt Service Reserve Fund the amount in the related Series Interest Account, the related Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on such Series of Bonds therefrom on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the related Series Account of the Debt Service Reserve Fund into the related Series Interest Account, the related Series Principal Account and the related Series Sinking Fund Account, as the case may be, with priority to the related Series Interest Account and then, proportionately according to the respective deficiencies therein, to the related Series Principal Account and the related Series Sinking Fund Account, to be applied to pay the Series of Bonds secured by the Series Account of the Debt Service Reserve Fund.

SECTION 6.06. Bond Redemption Fund. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, the Trustee is hereby authorized and directed to establish a Bond Redemption Fund and pursuant to a Supplemental Indenture a Series Account and one or more subaccounts within the Bond Redemption Fund for each Series of Bonds issued hereunder into which shall be deposited, moneys in the amounts and at the times provided in Sections 5.01, 6.01, 6.03, 6.05, 9.08 and 9.14(c) of this Master Indenture. The Series Account and any subaccount within the Bond Redemption Fund shall constitute an irrevocable trust fund to be applied solely as set forth in the applicable Supplemental Indenture and shall be held by the Trustee separate and apart from all other Funds, Accounts and any subaccounts held under such Indenture and from all other moneys of the Trustee. All earnings on investments held in the Series Account within the Bond Redemption Fund shall be retained therein and applied as set forth below.

Moneys in the Series Account within the Bond Redemption Fund (including all earnings on investments held in the Series Account within the Bond Redemption Fund) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, (except for amounts resulting from Prepayments of Special Assessments, which shall be applied as provided in the next paragraph) make such deposits into the Rebate Fund created and established under this Master Indenture as the Issuer may direct in accordance with an arbitrage rebate agreement, such moneys thereupon to be used solely for the purposes specified in said arbitrage rebate agreement. Any moneys so transferred from the Series Account within the Bond Redemption Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the related Indenture;

SECOND, to be used to call for redemption pursuant to clause (b) of Section 8.01 hereof an amount of Bonds of the applicable Series equal to the amount of money transferred to the Series Account or subaccount within the Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the direction of a Responsible Officer, to call for redemption on each Interest Payment Date or other date on which Bonds of the applicable Series are subject to optional redemption pursuant to Section 8.01(a) hereof such amount of Bonds of the applicable Series taking into account any redemption premium, as may be practicable; provided, however, that not less than Five Thousand Dollars (\$5,000) principal amount of Bonds of the applicable Series shall be called for redemption at one time.

Any such redemption shall be made in accordance with the provisions of Article VIII of this Master Indenture and the applicable provisions of the related Supplemental Indenture. The Issuer shall pay all expenses in connection with such redemption.

SECTION 6.07. Drawings on Credit Facility. With respect to Bonds in respect of which there has been issued a Credit Facility, the Trustee shall draw on the Credit Facility, in accordance with the provisions for drawing under such Credit Facility, and within the requisite time period, all as set forth in the Credit Facility Agreement or the Supplemental Indenture.

SECTION 6.08. Procedure When Funds Are Sufficient to Pay All Bonds of a Series. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if at any time the moneys held by the Trustee in the Funds (other than the moneys in the Rebate Fund) and Accounts hereunder and under a Supplemental Indenture and available therefor are sufficient to pay the principal or Redemption Price of, as the case may be, and interest on all Bonds of a Series then Outstanding under such Indenture to maturity or prior redemption, together with any amounts due the Issuer and the Trustee, Paying Agent, Registrar, Credit Facility Issuer, if any, the Trustee, at the direction of the Issuer, shall apply the amounts in the Series Funds and Series Accounts to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further Pledged Revenues with respect to such Series of Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

SECTION 6.09. Certain Moneys to Be Held for Series Bondowners Only. Each Series of Bonds issued pursuant to this Master Indenture and the related Supplemental Indenture shall be secured by Pledged Revenues, as set forth herein, and otherwise may be secured by such additional Funds and Accounts and other security (including, but not limited to, Credit Facilities) established by the pertinent Supplemental Indenture. Moneys and investments in the various Funds and Accounts created under a Supplemental Indenture expressly and solely for the benefit of the Series of Bonds issued under such Supplemental Indenture shall be held in trust by the Trustee for the benefit of the Holders of, and Credit Facility Issuer with respect to, Bonds of that Series only.

SECTION 6.10. Unclaimed Moneys. In the event any Bond shall not be presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Trustee in default with respect to any covenant in this Master Indenture, any Supplemental Indenture or the Bonds contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, may,

at the expense of and if directed by the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

SECTION 6.11. Rebate Fund. The Trustee is hereby authorized and directed to establish a Rebate Fund. Unless provided otherwise in a Supplemental Indenture, at the written direction of the Issuer the Trustee shall transfer monies from the applicable Series Account in the Revenue Fund and deposit the same to the Rebate Fund, and shall make payments therefrom at the times and in the amounts required to comply with the covenants in the applicable Arbitrage Certificate. If so directed by the Issuer in writing, the Trustee shall create one or more Series Accounts within the Rebate Fund relating to one or more particular Series of Bonds.

(a) All amounts held in the Rebate Fund shall be governed by this Section and the applicable Arbitrage Certificate. The Trustee shall be entitled to rely on the rebate calculations obtained from the rebate analyst retained by the Issuer pursuant to any Arbitrage Certificate and the Trustee shall not be responsible for any loss or damage resulting from any good faith action taken or omitted to be taken by the Issuer in reliance upon such calculations.

(b) Pursuant to the applicable Arbitrage Certificate, the Trustee shall remit all rebate installments and a final rebate payment to the United States. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section and the applicable Arbitrage Certificate, other than at the direction of the Issuer and from moneys held in the Rebate Fund or from other moneys provided to it by the Issuer. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any arbitrage rebate shall be withdrawn and paid to the Issuer.

(c) Notwithstanding any other provision of this Indenture, including in particular Article XIV hereof, the obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Arbitrage Certificate shall survive the defeasance or payment in full of the Bonds.

(d) The Trustee shall not be deemed to have constructive knowledge of the Code or regulations, rulings and judicial decisions concerning the Code.

[END OF ARTICLE VI]

ARTICLE VII
SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

SECTION 7.01. Deposits and Security Therefor. Unless otherwise as provided in the Supplemental Indenture with respect to a Series of Bonds, all moneys received by the Trustee under a Supplemental Indenture for deposit in any Fund or Account established under this Master Indenture or such Supplemental Indenture shall be considered trust funds, shall not be subject to lien or attachment, except for the lien created by this Master Indenture and the related Supplemental Indenture, and shall be deposited with the Trustee, until or unless invested or deposited as provided in Section 7.02 hereof. Except for investments of the type specified in (iii) of the definition of Investment Securities, all deposits of moneys received by the Trustee under this Master Indenture or such Supplemental Indenture (whether original deposits under this Section 7.01 or deposits or redeposits in time accounts under Section 7.02) shall, to the extent not insured, and to the extent permitted by law, be fully secured as to both principal and interest earned, by Investment Securities of the types set forth in the definition of Investment Securities and the provisions thereof. If at any time the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC Savings Association Insurance Fund). All deposits in any other depository in excess of the amount covered by insurance (whether under this Section 7.01 or Section 7.02 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest earned, in the same manner as required herein for deposits with the Trustee. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

SECTION 7.02. Investment or Deposit of Funds. Except to the extent otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in the Series Accounts in the Debt Service Fund, any Series Account of the Debt Service Reserve Fund, and any Series Account within the Bond Redemption Fund created under any Supplemental Indenture only in Government Obligations and the other securities described in the definition of Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth herein. All securities securing investments under this Section shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to Section 6.05 of this Master Indenture and unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, any interest and other income so received shall be deposited in the related Series Account of the Revenue Fund. Upon request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which

the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

Absent specific instructions as aforesaid, the Trustee shall not be obligated to invest funds and the Trustee shall not be liable or responsible for any loss or failure to achieve the highest return, or entitled to any gain, resulting from any investment or sale upon the investment instructions of the Issuer or otherwise. The Trustee may make any investments permitted by the provisions of this section through its own bond department or investment department.

SECTION 7.03. Valuation of Funds. The Trustee shall value the assets in each of the Funds and Accounts established hereunder or under any Supplemental Indenture forty-five (45) days prior to each Interest Payment Date, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the Issuer a report of the status of each Fund and Account as of the valuation date. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof, subject to Section 7.02 hereof. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder or under any Supplemental Indenture, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the redemption price thereof, to the extent that any such obligation is then redeemable at the option of the holder. For the purpose of determining the amount on deposit to the credit of the Debt Service Reserve Fund, obligations in which money in such Fund shall have been invested shall be valued at par, if purchased at par, or at amortized cost, if purchased at other than par, plus, in each case, accrued interest. Amortized cost, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (i) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (ii) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price.

[END OF ARTICLE VII]

ARTICLE VIII
REDEMPTION AND PURCHASE OF BONDS

SECTION 8.01. Redemption Dates and Prices. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, the Bonds of a Series may be made subject to optional, mandatory and extraordinary redemption and purchase, either in whole or in part, by the Issuer, prior to maturity in the amounts, at the times and in the manner provided in this Article VIII and in the related Supplemental Indenture.

(a) *Optional Redemption.* Bonds of a Series shall be subject to optional redemption at the direction of the Issuer, at the times and upon payment of the purchase price as provided in the related Supplemental Indenture.

(b) *Extraordinary Mandatory Redemption in Whole or in Part.* Bonds of a Series may, as provided in a Supplemental Indenture, be subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the related Series Account within the Bond Redemption Fund following the payment of Special Assessments on any portion of the District Lands in accordance with the provisions of Section 9.08 hereof; (ii) when sufficient moneys are on deposit in the related Series Funds and Accounts (other than moneys in the Rebate Fund and any other excluded Fund or Account as provided in a Supplemental Indenture with respect to a Series of Bonds) to pay and redeem all Outstanding Bonds of a Series and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the related Indenture; (iii) from moneys in excess of the Debt Service Reserve Requirement for a Series of Bonds in the applicable Series Account of the Debt Service Reserve Fund transferred to the Series Account within the Bond Redemption Fund pursuant to Section 6.05 hereof; (iv) from excess moneys transferred from the Series Account of the Revenue Fund to the Series Account within the Bond Redemption Fund in accordance with Section 6.03 of this Master Indenture; (v) from moneys, if any, on deposit in the Series Account within the Bond Redemption Fund pursuant to Section 9.14(c) hereof following condemnation or the sale of any portion of the District Lands benefited by a Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to 9.14(c) to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or (vi) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with Section 5.01(c) or (d) hereof.

(c) *Mandatory Sinking Fund Redemption.* Bonds of a Series may be subject to mandatory sinking fund redemption at a Redemption Price of 100% of the principal amount thereof plus accrued interest to the redemption date, in the years and amounts set forth in a Supplemental Indenture.

In connection with such mandatory sinking fund redemption of Bonds, amounts shall be transferred from the applicable Series Account of the Revenue Fund to the Series Sinking Fund Account of the Debt Service Fund, all as more particularly described in Section 6.03 hereof.

The principal amounts of scheduled sinking fund installments shall be reduced as specified by the Issuer or as provided in Section 8.04 hereof by any principal amounts of the Bonds redeemed pursuant to Section 8.01(a) and (b) hereof or purchased pursuant to Section 6.04 hereof.

Upon any redemption of Bonds other than in accordance with scheduled sinking fund installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised sinking fund installments recalculated so as to amortize the Outstanding principal amount of Bonds of such Series in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds of such Series. The sinking fund installments as so recalculated shall not result in an increase in the aggregate of the sinking fund installments for all Bonds of such Series in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a sinking fund installment is due, the foregoing recalculation shall not be made to sinking fund installments due in the year in which such redemption or purchase occurs, but shall be made to sinking fund installments for the immediately succeeding and subsequent years.

SECTION 8.02. Notice of Redemption and of Purchase. Except where otherwise required by a Supplemental Indenture, when required to redeem or purchase Bonds of a Series under any provision of the related Indenture or directed to do so by the Issuer, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with this Section 8.02. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;
- (e) that on the redemption or purchase date the Redemption Price or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; and

(f) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee.

If at the time of mailing of notice of redemption or purchase, the Issuer shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed randomly from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

The notices required to be given by this Section 8.02 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Bonds. If the Trustee determines that the giving of notice by mail is not feasible, the Trustee may use any other industry acceptable means of giving notice including, but not limited to, facsimile or email provided the Trustee can establish such other means of giving notice was in fact given.

SECTION 8.03. Payment of Redemption Price. If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all Bonds called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Bonds of a Series so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the related Indenture and shall not be deemed to be Outstanding under the provisions of the related Indenture.

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or Paying Agent to or upon the order of the Owners of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price of the Bonds to be redeemed, the expenses of giving notice and any other expenses of redemption, shall be paid out of the Fund from which redemption is to be made or by the Issuer, or as specified in a Supplemental Indenture.

SECTION 8.04. Partial Redemption of Bonds. Except to the extent otherwise provided in a Supplemental Indenture, if less than all of a Series of Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of the Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any

partial redemption of Bonds of a Series pursuant to Section 8.01(a), such redemption shall be effectuated by redeeming Bonds of such Series of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of Section 8.01 hereof. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(b), such redemption shall be effectuated by redeeming Bonds of such Series pro rata among the maturities, treating each date on which a sinking fund installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds of such Series to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds of such Series outstanding immediately prior to the redemption date. The Issuer or the District Manager, on behalf of the Issuer, shall be responsible for calculating such revised sinking fund installments and provide the Trustee with the revised sinking fund installments.

[END OF ARTICLE VIII]

**ARTICLE IX
COVENANTS OF THE ISSUER**

SECTION 9.01. Power to Issue Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Bonds, to adopt and execute this Master Indenture and to pledge the Pledged Revenues for the benefit of the Bonds of a Series and any Credit Facility Issuer, except to the extent otherwise provided in a Supplemental Indenture. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Bonds of a Series and any Credit Facility Issuer with respect to such Series. The Bonds and the provisions of this Master Indenture and any Supplemental Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by this Master Indenture and any Supplemental Indenture and all the rights of the Bondholders and any Credit Facility Issuer under this Master Indenture and any Supplemental Indenture against all claims and demands of all other Persons whomsoever.

SECTION 9.02. Payment of Principal and Interest on Bonds. The payment of the principal or Redemption Price of and interest on all of the Bonds of a Series issued under the related Indenture shall be secured forthwith equally and ratably by a first lien on and pledge of the Pledged Revenues, except to the extent otherwise provided in a Supplemental Indenture; and Pledged Revenues in an amount sufficient to pay the principal or Redemption Price of and interest on the Bonds of a Series authorized by the related Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Bonds of a Series authorized under the related Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the Pledged Revenues.

THE BONDS AUTHORIZED UNDER THIS MASTER INDENTURE AND THE RELATED SUPPLEMENTAL INDENTURE AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, INCLUDING, WITHOUT LIMITATION, THE PROJECT OR ANY PORTION THEREOF IN RESPECT OF WHICH ANY SUCH BONDS ARE BEING ISSUED, OR ANY PART THEREOF, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES AS SET FORTH IN THIS MASTER INDENTURE AND ANY SUPPLEMENTAL INDENTURE. NOTHING IN THE BONDS AUTHORIZED UNDER THIS MASTER INDENTURE AND ANY SUPPLEMENTAL INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

SECTION 9.03. Special Assessments; Re-Assessments.

(a) The Issuer shall levy Special Assessments, and, unless the Issuer collects the Special Assessments directly under the conditions set forth herein, evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, and Section 9.04 hereof, to the extent and in an amount sufficient to pay Debt Service Requirements on all Outstanding Bonds.

(b) If any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Issuer shall have omitted to make such Special Assessment when it might have done so, the Issuer shall either (i) take all necessary steps to cause a new Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (ii) in its sole discretion, make up the amount of such Special Assessment from any legally available moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such second Special Assessment shall be annulled, the Issuer shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

SECTION 9.04. Method of Collection. Special Assessments shall be collected by the Issuer in accordance with the provisions of the Act and Chapter 197, Florida Statutes, or any successor statutes thereto, as applicable, in accordance with the terms of this Section. Except as stated in the next succeeding sentence, the Issuer shall use the uniform method for the levy, collection and enforcement of Special Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes thereto (the "Uniform Method"), and to do all things necessary to continue to use the Uniform Method or a comparable alternative method afforded by Section 197.3631, Florida Statutes. Notwithstanding the foregoing, the Issuer shall not collect Special Assessments pursuant to the Uniform Method levied against District Lands while owned by the Developer prior to platting of such lands, unless the Trustee at the direction of the beneficial owners of a majority of Bonds Outstanding directs otherwise or the timing does not permit the use of the Uniform Method. The Issuer shall enter into or maintain in effect one or more written agreements with the Property Appraiser and the Tax Collector, either individually or jointly (together, the "Property Appraiser and Tax Collector Agreement") in order to effectuate the provisions of this Section. The Issuer shall ensure that any such Property Appraiser and Tax Collector Agreement remains in effect for at least as long as the final maturity of Bonds Outstanding under this Indenture. To the extent that the Issuer is legally prevented from collecting Special Assessments pursuant to the Uniform Method, is not required to collect Special Assessments pursuant to the Uniform Method in accordance with the provisions of this Section 9.04 or the District Manager determines that using the Uniform Method is not in the best interest of the Bondholders, the Issuer shall then and only under those circumstances pursuant to the applicable rules and procedures of the County, collect and enforce Special Assessments pursuant to any available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto.

SECTION 9.05. Delinquent Special Assessments; Sale of Tax Certificates and Issuance of Tax Deeds; Foreclosure of Special Assessment Liens.

(a) Subject to the provisions of Section 9.04 hereof, if the owner of any lot or parcel of land assessed for a particular Project shall be delinquent in the payment of any Special Assessment, then such Special Assessment shall be enforced pursuant to the provisions of Chapter 197, Florida Statutes, or any successor statute thereto, including but not limited to the sale of tax certificates and tax deeds as regards such delinquent Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, and any provisions of the Act with respect to such sale are inapplicable by operation of law, then upon the delinquency of any Special Assessment the Issuer shall, to the extent permitted by law, utilize any other method of enforcement as provided by Section 9.04 hereof, including, without limitation, declaring the entire unpaid balance of such Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law. The Issuer covenants not to use the provisions of Chapter 173, Florida Statutes, unless no other provision under applicable law can be used to foreclose the Special Assessments.

(b) If the Special Assessments levied and collected under the Uniform Method described in Section 9.04 are delinquent, then the applicable procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes and related statutes. Alternatively, if the Uniform Method is not utilized, and if any property shall be offered for sale for the nonpayment of any Special Assessment, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the Issuer, to the extent the Issuer has available funds, for an amount equal to the balance due on the Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), and the Issuer shall thereupon receive in its corporate name or in the name of special purpose entity nominee of the Issuer, the title to the property for the benefit of the Registered Owners.

(c) Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as herein provided, the Issuer shall cause written notice thereof to be mailed to the Registered Owners of the Series of Bonds secured by such delinquent Special Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to such Registered Owners.

(d) Notwithstanding any of the foregoing to the contrary, for as long as there is an "Obligated Person," as defined under the Rule, then in addition to the Issuer, the decision to file a foreclosure action shall be made by the Majority Holders of the Outstanding Bonds so secured by the delinquent Special Assessments and such decision shall be communicated to the Issuer and Trustee in writing.

SECTION 9.06. Management of Property Acquired by the Trustee or Issuer. The Issuer, either through its own actions or actions caused to be done through the Trustee, shall have the power and shall use its best efforts to lease or sell such property and deposit all of the net proceeds

of any such lease or sale into the related Series Account of the Revenue Fund. The Issuer, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for sale of property acquired by it as Trustee for the Registered Owners within thirty (30) days after the receipt of the request therefor signed by the Registered Owners of at least twenty-five percent (25%) of the aggregate principal amount of all Outstanding Bonds of the Series payable from Special Assessments assessed on such property. If directed by the Owners of a majority of the Outstanding Bonds of a Series or if the Trustee or the Issuer shall so elect, the Issuer and the Trustee may place title of property received upon foreclosure or deed in lieu of foreclosure into a special purpose entity controlled by the Trustee or such other entity acceptable to the beneficial holders of a majority of the Outstanding Bonds of a Series so effected by such foreclosure, for the benefit of the Registered Owners.

SECTION 9.07. Books and Records with Respect to Special Assessments. In addition to the books and records required to be kept by the Issuer pursuant to the provisions of Section 9.17 hereof, the Issuer shall keep books and records for the collection of the Special Assessments on the District Lands, which such books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. The District Manager or the District Manager's designee, at the end of each Fiscal Year, shall prepare a written report setting forth the collections received, the number and amount of delinquencies, the proceedings taken to enforce collections and cure delinquencies and an estimate of time for the conclusion of such legal proceedings.

SECTION 9.08. Removal of Special Assessment Liens. Except as otherwise provided in a Supplemental Indenture with respect to a related Series of Bonds, the following procedures shall apply in connection with the removal of Special Assessment liens:

(a) At any time subsequent to thirty (30) days after the Project has been completed within the meaning of Section 5.01(e) hereof and the Board has adopted a resolution accepting the Project as provided by Section 170.09, Florida Statutes, as amended, any owner of property subject to the Special Assessments may, at its option, and under certain circumstances described in the assessment resolutions in connection with prepayments derived from application of the "True-Up" mechanism therein, require the Issuer to release and extinguish the lien, in whole or in part, upon its property by virtue of the levy of the Special Assessments by paying to the Issuer the entire amount or a portion, as the case may be, of the Special Assessment, plus accrued interest, attributable to the property subject to Special Assessment owned by such owner to the earlier of the next Interest Payment Date occurring at least forty-five (45) days after the Trustee receives such Prepayment. If any such prepayment of Special Assessments shall occur within thirty (30) days after the Project has been completed and the Board has adopted a resolution accepting the Project as provided in Section 170.09, Florida Statutes, as amended, no accrued interest shall be required to be paid, unless such right has been waived. The Issuer shall promptly notify the Trustee in writing of any Prepayment made under such circumstances. Accrued interest on any Bonds that would be redeemed as a result of such Prepayment made within thirty (30) days after the Board has adopted a resolution accepting the Project shall be derived from moneys on deposit in the Interest Account or capitalized interest account and if no moneys remain, from moneys on deposit in the Debt Service Reserve Account.

(b) Upon receipt of a Prepayment as described in (a) above, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is

necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by an authorized officer of the Issuer, to the effect that the Special Assessment has been paid in full or in part and that such Special Assessment lien is thereby released and extinguished if paid in full or such Special Assessment lien shall be reduced if the landowner only made a partial Prepayment. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the applicable Account or subaccount of the Bond Redemption Fund to be applied to the redemption of Bonds in accordance with Section 8.01(b)(i) hereof. In connection with such Prepayment, the Trustee shall calculate the credit authorized pursuant to Section 6.05 hereof, and transfer such credit to the prepayment subaccount of the Bond Redemption Fund to be used together with such prepayment for the redemption of Bonds in accordance with Section 8.01(b)(i) hereof.

(c) Notwithstanding the foregoing, and consistent with the proceedings of the Issuer relating to the imposition and levy of the Special Assessments, the owner of property (including the Developer) may at any time require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments by paying to the Issuer the entire amount of the Special Assessment, plus accrued interest to the next succeeding Interest Payment Date (or the second succeeding Interest Payment Date if such prepayment is made within forty (40) calendar days before an Interest Payment Date), attributable to the property subject to Special Assessment owned by such owner. In lieu of such Prepayment with cash, an owner of property within the District may surrender to the District for cancellation to completely extinguish the lien on such property or reduce the lien equally on every portion of such property, a principal amount of Outstanding Bonds of a Series that is secured by Special Assessments levied against such property.

(d) Upon receipt of a prepayment as described in (a), (b) or (c) above, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by an authorized officer of the Issuer, to the effect that the Special Assessment has been paid and that such Special Assessment lien is thereby released and extinguished. Except as otherwise provided by a Supplemental Indenture, upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the applicable Account or subaccount of the Bond Redemption Fund to be applied to the redemption of Bonds in accordance with Section 8.01(b)(i) hereof.

SECTION 9.09. Deposit of Special Assessments. The Issuer covenants to cause any Special Assessments collected or otherwise received by it to be deposited with the Trustee within five (5) Business Days after receipt thereof for deposit into the related Series Account of the Revenue Fund (except that amounts received as prepayments of Special Assessments shall be designated by the Issuer as such upon delivery to the Trustee and shall be deposited directly into the related Series Account within the Bond Redemption Fund).

SECTION 9.10. Construction to be on District Lands. Except for certain off site mitigation, roadway and possibly landscaping improvements which are or may be outside the District Lands and are required in order for the District Lands to be developed, the Issuer covenants that no part of the Project will be constructed on, over or under lands other than (i) lands good and marketable title to which is owned by the Issuer or other appropriate entity in fee simple, (ii) lands

on, over or under which the Issuer or other appropriate entity shall have acquired perpetual easements for the purposes of the Project, or (iii) lands, including public streets and highways, the right to the use and occupancy of which for such purposes shall be vested in the Issuer or other appropriate entity by law or by valid franchises, licenses, easements or rights of way or other legally effective permissions or approval.

SECTION 9.11. Operation, Use and Maintenance of Project. The Issuer shall establish and enforce reasonable rules and regulations governing the use of the Project owned by the Issuer, and the operation thereof, such rules and regulations to be adopted in accordance with the Act, and the Issuer shall operate, use and maintain the Project owned by the Issuer in accordance with the Act and all other applicable federal and State laws, rules and regulations; the Issuer shall maintain and operate the Project owned by the Issuer in an efficient and economical manner, shall at all times maintain the same in good repair and in sound operating condition and shall make all necessary repairs, renewals and replacements.

SECTION 9.12. Observance of and Compliance with Valid Requirements. The Issuer shall pay all municipal or governmental charges lawfully levied or assessed upon any Project or any part thereof or upon any revenues when the same shall become due, and the Issuer shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to each Project. The Issuer shall not, except as otherwise permitted in Section 9.24 of this Article, create or suffer to be created any lien or charge upon any Project or upon Pledged Revenues, except the lien and charge of the Bonds on the Pledged Revenues.

SECTION 9.13. Payment of Operating or Maintenance Costs by State or Others. The Issuer may permit the United States of America, the State, or any of their agencies, departments or political subdivisions or any other Person to pay all or any part of the cost of maintaining, repairing and operating the Project out of funds other than Pledged Revenues.

SECTION 9.14. Public Liability and Property Damage Insurance; Maintenance of Insurance; Use of Insurance and Condemnation Proceeds.

(a) Except as otherwise provided in subsection (d) of this Section, the Issuer will carry or cause to be carried, in respect of each Project, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth hereinbelow.

(b) At all times, to the extent commercially available, the Issuer shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the District Manager determines will afford adequate protection against loss caused by damage to or destruction of any component of any Project owned by the Issuer. Limits for such coverage will be subject to the Consulting Engineer's recommendations. The Issuer shall also, at all times, maintain a practical comprehensive general liability insurance program with respect to any Project for such coverage, with such reasonable terms, conditions, provisions and costs as the District Manager determines will afford adequate protection against bodily injury and property damage.

All insurance policies of the Issuer relating to any Project shall be carried with companies authorized to do business in the State, with a Best rating of no less than “A” as to management and Class “V” as to financial strength; provided, however, that if, in the opinion of the District Manager, adequate insurance protection under reasonable terms, conditions, provisions and cost cannot be purchased from an insurance company with the above-designated ratings, then the District Manager, on behalf of the Issuer, may secure such insurance protection as the Issuer determines to be in its best interests and otherwise consistent with this Master Indenture and any Supplemental Indenture; provided further, however, that the Issuer may act as a self-insurer in accordance with the requirements of subsection (d) hereof. All policies providing the insurance coverages required by this Section shall designate the Issuer as the loss-payee and shall be made payable to the Issuer.

(c) All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of any Project or any part thereof are hereby pledged by the Issuer as security for the related Series of Bonds and shall be deposited at the option of the Issuer, but subject to the limitations hereinafter described, either (i) into a separate fund to be established by the Trustee for such purpose which may be an account within the Acquisition and Construction Fund as directed by the Issuer, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the related Series Account within the Bond Redemption Fund for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Article VIII hereof. The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the separate fund described above in clause (i) of this paragraph (and such proceeds and awards shall be deposited directly into the related Series Account within the Bond Redemption Fund pursuant to clause (ii) of this paragraph) unless there shall have been filed with the Issuer within a reasonable time after the damage, destruction or condemnation (A) a certificate from the Consulting Engineer that the proceeds of the insurance or condemnation awards deposited into such separate fund, together with other funds available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to its damage, destruction or condemnation (taking into consideration any changes, alterations and modifications that the Issuer may desire), (B) an opinion from the Consulting Engineer that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and (C) an opinion of the Consulting Engineer that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will be in compliance with its obligations hereunder. If the certificate described in clause (A) of this paragraph is not rendered because such proceeds or awards are insufficient for such purposes, the Issuer may deposit any other legally available funds in such separate fund in an amount required to enable the Consulting Engineer to render its certificate. If the insurance proceeds or condemnation awards deposited in such separate fund are more than sufficient to repair the damaged property or to replace the destroyed or taken property, the balance thereof remaining shall be deposited to the credit of the related Series Account in the Revenue Fund.

(d) The Issuer shall be entitled to provide all or a portion of the insurance coverage required by subsections (a) and (b) of this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this subsection (d) are satisfied. “Qualified Self Insurance” means insurance maintained through a program of self-insurance or insurance

maintained with a company or association in which the Issuer has a material interest or of which the Issuer has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the Issuer shall obtain a certificate of compliance executed by the District Manager or a licensed insurance agent selected by the District Manager to the effect that (A) the proposed Qualified Self Insurance plan will provide the coverage required by subsections (a) and (b) of this Section, and (B) the proposed Qualified Self Insurance plan provides for the creation of actuarially sound reserves.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of self-insurance, and shall be reviewed annually by the District Manager or registered actuary who shall deliver to the Issuer a report on the adequacy of the reserves established thereunder in light of claims made. If the District Manager or registered actuary determines that such reserves are inadequate in light of the claims made, he shall make recommendations as to the amount of reserves that should be established and maintained, and the Issuer shall comply with such recommendations unless it can establish to the satisfaction of the District Manager or an insurance consultant retained by the Issuer that such recommendations are unreasonable in light of the nature of the claims or the history of recovery against the Issuer for similar claims.

(e) Copies of all recommendations and approvals made by the Consulting Engineer under the provisions of this Section shall be filed with the District Manager.

The Trustee shall have no duty to determine compliance by the Issuer with the requirements of this Section.

SECTION 9.15. Collection of Insurance Proceeds. Copies of all insurance policies referred to in Section 9.14 of this Article shall be available at the offices of the Issuer at all reasonable times to the inspection of the Holders of the Bonds and their agents and representatives duly authorized in writing. The Issuer covenants that it will take such action as may be necessary to demand, collect and sue for any insurance money which may become due and payable under any policy of insurance required under this Master Indenture or any Supplemental Indenture, whether such policy is payable to the Issuer or to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receive any insurance money which may become due and payable under any policies payable to it.

SECTION 9.16. Use of Revenues for Authorized Purposes Only. None of the Pledged Revenues shall be used for any purpose other than as provided in this Master Indenture and the related Supplemental Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of this Master Indenture and the related Supplemental Indenture.

SECTION 9.17. Books and Records. The Issuer shall keep proper books of record and account in accordance with Generally Accepted Accounting Principles (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions

relating to any Project, and which, together with all other books and records of the Issuer, including, without limitation, insurance policies, relating to any Project, shall at all times be subject during regular business hours to the inspection of the Trustee.

SECTION 9.18. Observance of Accounting Standards. The Issuer covenants that all the accounts and records of the Issuer relating to the Project will be kept according to Generally Accepted Accounting Principles consistently applied and consistent with the provisions of this Master Indenture and any Supplemental Indenture.

SECTION 9.19. Employment of Certified Public Accountant. The Issuer shall employ or cause to be employed as required a Certified Public Accountant to perform accounting and auditing functions and duties required by the Act and this Master Indenture and any Supplemental Indenture.

SECTION 9.20. Establishment of Fiscal Year, Annual Budget. The Issuer has established a Fiscal Year beginning October 1 of each year and ending September 30 of the following year. The reports and budget of the Issuer shall relate to such Fiscal Year unless and until, in accordance with applicable law, a different Fiscal Year is established by Certified Resolution of the Issuer and is filed with the Trustee to hold solely as a repository with no duty to review the contents thereof.

On or before the first day of each Fiscal Year the Issuer shall adopt a final Annual Budget with respect to the Project for such Fiscal Year for the payment of anticipated operating and maintenance expenses and shall supply a copy of such budget promptly upon the approval thereof to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose. If for any reason the Issuer shall not have adopted the Annual Budget with respect to the Project on or before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the new Annual Budget, be deemed in force for the ensuing Fiscal Year. The Issuer may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it shall be treated as the official Annual Budget under this Master Indenture and any Supplemental Indenture. Copies of such amended or supplemental Annual Budget shall be mailed by the Issuer to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose.

SECTION 9.21. Employment of Consulting Engineer; Consulting Engineer's Report.

(a) The Issuer shall, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by this Master Indenture and any Supplemental Indenture, employ one or more Independent engineers or engineering firms or corporations having a statewide and favorable reputation for skill and experience in such work.

(b) The Issuer shall cause the Consulting Engineer to make an inspection of any portions of the Project owned by the Issuer at least once in each Fiscal Year and, on or before the first day of July in each Fiscal Year, to submit to the Board a report setting forth (i) its findings as to whether such portions of the Project owned by the Issuer have been maintained in good repair, working order and condition, and (ii) its recommendations as to the proper maintenance, repair

and operation of the Project during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purpose.

Copies of such annual report shall be mailed by the Issuer to any Bondholders who shall have filed their names and addresses with the Secretary of the Board for such purpose.

SECTION 9.22. Audit Reports. The Issuer covenants that, no later than 270 days after the end of each Fiscal Year, it will cause an audit to be made by a Certified Public Accountant covering all receipts and moneys then on deposit with or in the name of the Trustee or the Issuer and any security held therefor and any investments thereof. Copies of such audit reports shall be filed with the District Manager and the Secretary of the Board, and mailed by said Secretary to the Consulting Engineer and to all Bondholders who shall have filed their names and addresses with him for such purpose.

SECTION 9.23. Information Required by the Issuer. The Issuer shall cause to be kept on file at all times copies of the schedules of Special Assessments levied on all District Lands in respect of the Project. The Issuer shall keep accurate financial records and books of account with respect to the Project, and shall have a complete audit of such records and accounts made annually by a Certified Public Accountant, as provided in Section 9.22 hereof.

SECTION 9.24. Covenant Against Sale or Encumbrance; Exceptions. The Issuer covenants that, (a) except for those improvements comprising any Project that are to be conveyed by the Issuer to the County, the State Department of Transportation or another governmental entity and (b) except as in this Section permitted, it will not sell, lease or otherwise dispose of or encumber any Project, or any part thereof. Subject to the provisions of Section 9.31 hereof, the Issuer may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of a Series of Bonds or from Pledged Revenues if the District Manager shall determine, with the approval of the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the related Project, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer shall be deposited to the credit of the related Series Account in the Revenue Fund.

Upon any sale of property relating to the Project, the aggregate of which in any thirty (30) day period exceeds Fifty Thousand Dollars (\$50,000) under the provisions of this Section, the Issuer shall provide written notice to the Trustee of the property so sold and the amount and disposition of the proceeds thereof.

Subject to obtaining an opinion of Bond Counsel that such action is permitted hereunder and will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes, the Issuer may lease or grant easements, franchises or concessions for the use of any part of the Project not incompatible with the maintenance and operation thereof, if the Consulting Engineer shall approve such lease, easement, franchise or concession in writing, and the net proceeds of any such lease, easement, franchise or concession (after the making of provision for payment from said proceeds of all costs incurred in financing, constructing, operating, maintaining or repairing such leases, easements, franchises or concessions) shall be deposited as received to the credit of related Series Account in the Revenue Fund.

SECTION 9.25. Enforcement of Ancillary Agreements. The Issuer covenants that it shall promptly and strictly enforce the provisions of the Ancillary Agreements. Upon the occurrence of an event entitling the Issuer to pursue its remedies under the Ancillary Agreements, the Issuer covenants and agrees it will timely pursue such remedies in accordance with the Ancillary Agreements, and upon an Event of Default hereunder, the Issuer agrees that the Trustee, upon the written direction of the Majority Holders, may enforce the provisions of the Ancillary Agreements in lieu of the Issuer.

SECTION 9.26. No Loss of Lien on Pledged Revenues. The Issuer shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement.

SECTION 9.27. Compliance With Other Contracts and Agreements. The Issuer shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the Issuer enters into in connection with the Project and the issuance of the Bonds.

SECTION 9.28. Issuance of Additional Obligations. The Issuer shall not issue any obligations other than the Bonds payable from Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from Pledged Revenues.

SECTION 9.29. Extension of Time for Payment of Interest Prohibited. The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Bonds and shall not directly or indirectly be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under this Master Indenture and any Supplemental Indenture except after the prior payment in full of the principal of all Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

SECTION 9.30. Further Assurances. The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Master Indenture and any Supplemental Indenture.

SECTION 9.31. Use of Bond Proceeds to Comply with Internal Revenue Code. The Issuer covenants to the Holders of the Bonds that it will not make or direct the making of any investment or other use of the proceeds of any Bonds issued hereunder, the interest on which is intended to be excluded from gross income for federal income tax purposes (“Tax-Exempt Bonds”) which would cause such Bonds to be “arbitrage bonds” as that term is defined in Section 148 (or any successor provision thereto) of the Code or “private activity bonds” as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code sections and related regulations throughout the term of such Tax-

Exempt Bonds. The Issuer hereby further covenants and agrees to comply with the procedures and covenants contained in any Arbitrage Certificate executed in connection with the issuance of each Series of Tax-Exempt Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on each Series of Tax-Exempt Bonds.

SECTION 9.32. Corporate Existence and Maintenance of Properties. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the Issuer shall maintain its corporate existence as a local unit of special purpose government under the Act and shall provide for or otherwise require all Projects, and all parts thereof owned by the Issuer to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

SECTION 9.33. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of each Continuing Disclosure Agreement. Notwithstanding any other provision of this Master Indenture and any Supplemental Indenture, failure of the Issuer or the Developer (if obligated pursuant to the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount in Outstanding Bonds of a Series and receipt of indemnity to its satisfaction, shall) or any Holder of the Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section 9.33. For purposes of this Section, “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

SECTION 9.34. Bankruptcy of Developer or Other Obligated Person Under the Rule. For purposes of this Section 9.34, (a) each Series of Bonds secured by and payable from Special Assessments levied against property owned by any Insolvent Taxpayer (defined below) are collectively referred to herein as the “Affected Bonds” and (b) the Special Assessments levied against any Insolvent Taxpayer’s property and pledged under one or more Supplemental Indentures as security for the Affected Bonds are collectively referred to herein as the “Affected Special Assessments”.

The provisions of this Section 9.34 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to the Affected Special Assessments (an “Insolvent Taxpayer”) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a “Proceeding”). For as long as any Affected Bonds remain Outstanding, in any Proceeding involving the Issuer, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments, the Issuer, to the extent permitted by applicable law, shall be obligated to act in accordance with any direction from the Trustee with regard to all matters directly or indirectly affecting at least three percent (3%) of

the Outstanding aggregate principal amount of the Affected Bonds or for as long as any Affected Bonds remain Outstanding, in any proceeding involving the Issuer, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments or the Trustee. The Issuer agrees that it shall not be a defense to a breach of the foregoing covenant that it has acted upon advice of counsel in not complying with this covenant.

The Issuer acknowledges and agrees that, although the Affected Bonds were issued by the Issuer, the Owners of the Affected Bonds are categorically the party with the ultimate financial stake with respect to the Affected Bonds and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the Issuer, to the extent permitted by applicable law, hereby agrees that it shall follow the direction of the Trustee in making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture; (b) to the extent permitted by applicable law, the Issuer hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; (c) to the extent permitted by applicable law, the Trustee shall have the right, but is not obligated to, (i) vote in any such Proceeding any and all claims of the Issuer, or (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the Issuer, including without limitation, motions seeking relief from the automatic stay, dismissal the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing. If the Trustee chooses to exercise any such rights, the Issuer shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the Issuer in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute any claims, to propose and prosecute a bankruptcy plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code and (d) the Issuer shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the Issuer claim and rights with respect to the Affected Special Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the Issuer agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Affected Special Assessments, (ii) to deliver to the Issuer a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this Section shall preclude the Issuer from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, or claims for moneys or performance under a contract,

and the Issuer shall be free to pursue such claim in such manner as it shall deem appropriate in its sole and absolute discretion, provided such action does not seek or have the effect of reducing the Pledged Revenues. Any actions taken by the Issuer in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Special Assessments relating to the Bonds Outstanding whether such claim is pursued by the Issuer or the Trustee.

[END OF ARTICLE IX]

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

SECTION 10.01. Events of Default and Remedies. Except to the extent otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, events of default and remedies with respect to each Series of Bonds shall be as set forth in this Master Indenture.

SECTION 10.02. Events of Default Defined. Each of the following shall be an “Event of Default” under the Indenture, with respect to a Series of Bonds:

(a) if payment of any installment of interest on any Bond of such Series is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Bond of such Series is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the Issuer, for any reason, fails in, or is rendered incapable of, fulfilling its obligations under the Indenture or under the Act which may be determined solely by the Majority Holders; or

(d) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Bond of such Series issued pursuant to the Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Holders of the Outstanding Bonds of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture; or

(g) if at any time the amount in the Debt Service Reserve Fund or any account therein is less than the Debt Service Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement on the Bonds of any Series and such amount has not been restored within thirty (30) days of such withdrawal; or

(h) more than twenty percent (20%) of the “maintenance special assessments” levied by the Issuer on District lands upon which the Special Assessments are levied to secure one or more Series of Bonds pursuant to Section 190.021(3), Florida Statutes, as amended, and collected directly by the District have become due and payable and have not been paid, when due.

The Trustee shall not be required to rely on any official action, admission or declaration by the Issuer before recognizing that an Event of Default under (c) above has occurred.

SECTION 10.03. Foreclosure of Assessment Lien. Notwithstanding any other provision of this Master Indenture to the contrary, the following provisions shall apply with respect to the Special Assessments securing a Series of Bonds.

If any property shall be offered for sale for the nonpayment of any Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Special Assessments (principal, interest, penalties and costs, plus attorneys’ fees, if any), the property may then be purchased by the Issuer for an amount equal to the balance due on the Special Assessments (principal, interest, penalties and costs, plus attorneys’ fees, if any), from any legally available funds of the Issuer and the Issuer shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the applicable Series of Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Holders, but shall not be obligated, to direct the Issuer with respect to any action taken pursuant to this Section. The Issuer, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Revenue Fund. The Issuer, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as Trustee for the Owners of the applicable Series of Bonds within ninety (90) days after entry of a foreclosure judgment issued by a court of proper jurisdiction (or at such time as soon as possible thereafter) of the request therefor signed by the Trustee or the Majority Holders.

SECTION 10.04. No Acceleration; Redemption. No Series of Bonds issued under this Master Indenture shall be subject to acceleration. Upon the occurrence and continuation of an Event of Default, no optional redemption or extraordinary mandatory redemption of the Bonds pursuant to Article VIII hereof shall occur unless all of the Bonds of the Series where an Event of Default has occurred will be redeemed or 100% of the Holders of such Series of Bonds agree to such redemption.

SECTION 10.05. Legal Proceedings by Trustee. If any Event of Default with respect to a Series of Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Bonds of such Series and receipt of indemnity to its satisfaction:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series, including, without limitation, the right to require the Issuer to carry out any agreements with, or for the benefit of, the Bondholders of the Bonds of such Series and to perform its or their duties under the Act;

(b) bring suit upon the Series of Bonds;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series of Bonds.

Notwithstanding anything contained in this Section 10.05 to the contrary, none of the remedies described herein shall be applicable to any landowner who has paid its Special Assessments on a timely basis.

SECTION 10.06. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

SECTION 10.07. Bondholders May Direct Proceedings; District to Seek Written Direction. The Majority Holders of a Series then subject to remedial proceedings under this Article X shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law and the provisions of the Indenture.

The District hereby agrees that it shall seek to secure the written direction of the Trustee, acting at the direction of the Majority Holders of the applicable Series Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the Series Assessments relating to the Series Bonds Outstanding, or any rights of the Trustee under the Indenture. However, Trustee shall be deemed to have consented, on behalf of the Majority Holders of the applicable Series Bonds Outstanding, to the proposed action if the District does not receive written direction from the Trustee within sixty (60) days following receipt by the Trustee of the written request for direction. The District may be seeking a request for consent broader than in a court proceeding.

SECTION 10.08. Limitations on Actions by Bondholders. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Majority Holders of the applicable Series shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against

costs, expenses and liabilities, and (d) the Trustee shall have failed to comply with such request within a reasonable time.

SECTION 10.09. Trustee May Enforce Rights Without Possession of Bonds. All rights under the Indenture and a Series of Bonds may be enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the Bonds of such Series.

SECTION 10.10. Remedies Not Exclusive. Except as limited under Section 15.01 of this Master Indenture, no remedy contained in the Indenture with respect to a Series of Bonds is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 10.11. Delays and Omissions Not to Impair Rights. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

SECTION 10.12. Application of Moneys in Event of Default. Any moneys received by the Trustee or the Paying Agent, as the case may be, in connection with any proceedings brought under this Article X with respect to a Series of Bonds shall be applied in the following order of priority:

(a) to the payment of the costs of the Trustee and Paying Agent incurred in connection with actions taken under this Article X with respect to such Series of Bonds, including Counsel fees and any disbursements of the Trustee and the Paying Agent and payment of unpaid fees and expenses owed to the Trustee.

(b) then:

FIRST: to payment of all installments of interest then due on the Bonds of such Series in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any preference or priority of one installment of interest over any other installment; and

SECOND: to payment to the persons entitled thereto of the unpaid principal or Redemption Price of any of the Bonds of such Series which shall have become due in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price coming due on such Bonds on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any preference or priority of one such Bond of a Series over another or of any installment of interest over another.

Any surplus remaining after the payments described above shall be paid to the Issuer or to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

For purposes of the application of moneys described above, to the extent payments of principal of and interest on a Series of Bonds shall have been made under a Credit Facility relating thereto, the Credit Facility Issuer shall be entitled to moneys in the related Series Accounts in the Debt Service Fund in accordance with the agreement pursuant to which such Credit Facility has been issued (but subject to subsection (a) hereof and Section 11.04 hereof) and the Certified Resolution of the Issuer authorizing the issuance of such Bonds to which such Credit Facility relates.

SECTION 10.13. Trustee's Right to Receiver; Compliance with Act. The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State.

SECTION 10.14. Trustee and Bondholders Entitled to all Remedies under Act. It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be lawfully granted under the provisions of the Act and other applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article X shall apply to and be binding upon any receiver appointed in accordance with Section 10.12 hereof.

SECTION 10.15. Credit Facility Issuer's Rights Upon Events of Default. Anything in the Indenture to the contrary notwithstanding, if any Event of Default, other than Events of Default described in Section 10.02(a) or (b) hereof, has occurred and is continuing while a Credit Facility securing all or a portion of such Bonds of a Series Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee by the Indenture. Said direction shall be controlling to the extent the direction of Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

[END OF ARTICLE X]

ARTICLE XI
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 11.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article XI, to all of which the parties hereto the Bondholders and any Credit Facility Issuer agree. The Trustee shall act as Trustee under this Master Indenture. Subject to the provisions of Section 11.03 hereof, the Trustee shall have only such duties as are expressly set forth herein, and no duties shall be implied on the part of the Trustee.

The Trustee further agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement to which it is a party for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, to the extent applicable.

SECTION 11.02. No Responsibility for Recitals. The recitals, statements and representations in this Master Indenture or in the Bonds, save only the Trustee's Certificate of Authentication, if any, upon the Bonds, have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

SECTION 11.03. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder; the Trustee shall not be answerable for following the advice of Counsel or other professionals or responsible for the default or misconduct of any attorney or agent selected and supervised by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Master Indenture and any Supplemental Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct hereunder.

SECTION 11.04. Compensation and Indemnity. The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall, to the extent permitted by law, indemnify and hold the Trustee harmless against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct or negligence hereunder. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys held by the Trustee or coming into its hands but exclusive of the Rebate Fund and moneys from a drawing on any Credit Facility, which right of payment shall be prior to the right of the holders of the Bonds. The Trustee shall promptly, but not less than monthly, provide periodic reports of any moneys the Trustee has deducted for amounts owing to it. This Section 11.04 shall survive the termination of this Master Indenture and any Supplemental Indenture and, as to any Trustee, its removal or resignation as Trustee. No provision of this Master Indenture shall require the Trustee to expend or risk its own funds.

SECTION 11.05. No Duty to Renew Insurance. The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the Issuer to require or effect or renew insurance or to report or file claims of loss thereunder.

SECTION 11.06. Notice of Default; Right to Investigate. The Trustee shall give written notice by first-class mail to registered Holders of a Series of Bonds of all defaults known to the Trustee, unless such defaults have been remedied (the term “defaults” for purposes of this Section and Section 11.07 being defined to include the events specified as “Events of Default” in Article X hereof, but not including any notice or periods of grace provided for therein); provided that, except in the case of a default in payment of principal or interest or Redemption Price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment default under this Master Indenture and any Supplemental Indenture or a notification by a Credit Facility Issuer of a default under its Credit Facility, unless notified in writing of such default by the Holders of at least a majority of the aggregate principal amount of the Outstanding Bonds of a Series. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Issuer, an investigation into the affairs of the Issuer.

SECTION 11.07. Obligation to Act on Defaults. The Trustee shall be under no obligation to take any action in respect of any default or otherwise, unless it is requested in writing to do so by the Majority Holders which are or would be, upon the taking of such action, subject to remedial proceedings under Article X of this Master Indenture if in its opinion such action may tend to involve expense or liability, and unless it is also furnished with indemnity satisfactory to it. The Trustee shall have no responsibility for actions taken at the direction of the Majority Holders.

SECTION 11.08. Reliance by Trustee. The Trustee may act on any requisition, resolution, notice, verifiable electronic communication, telegram, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be a Responsible Officer) or to have been prepared and furnished pursuant to any of the provisions of this Master Indenture and any Supplemental Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

SECTION 11.09. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture and any Supplemental Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under this Master Indenture and any Supplemental Indenture, it shall eliminate the conflict or resign as Trustee.

SECTION 11.10. Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of this Master Indenture and any Supplemental Indenture, and except as otherwise provided in Article XIII of this Master Indenture, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

SECTION 11.11. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Master Indenture and all Supplemental Indentures by written resignation filed with the Secretary of the Issuer not less than sixty (60) days before the date when such resignation is to take effect. Notice of such resignation shall be sent by first-class mail to each Bondholder as its name and address appears on the Bond Register and to any Paying Agent, Registrar and Credit Facility Issuer, if any, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within ninety (90) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed. Notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Bonds.

SECTION 11.12. Removal of Trustee. The Trustee may be removed at any time by either (a) the Issuer, if no default exists under this Master Indenture or any Supplemental Indenture, or (b) an instrument or concurrent instruments in writing, executed by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by a Responsible Officer, shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Registrar and Credit Facility Issuer, if any.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Master Indenture or any Supplemental Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Holders of not less than a majority of the aggregate principal amount of the Bonds then Outstanding.

SECTION 11.13. Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor and shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Majority Holders of all Bonds then Outstanding may appoint a successor Trustee.

SECTION 11.14. Qualification of Successor. A successor Trustee shall be a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

SECTION 11.15. Instruments of Succession. Subject to Section 11.16 hereof, any successor Trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed,

or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights under Section 11.04 hereof.

SECTION 11.16. Merger of Trustee. Any corporation, purchaser or entity into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation, purchaser or entity resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or any corporation, purchaser or entity which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Trustee under this Master Indenture and all Supplemental Indentures, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation, purchaser or entity continuing to act as Trustee hereunder shall meet the requirements of Section 11.14 hereof, and if such corporation, purchaser or entity does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article XI. The Trustee may not resign as the Paying Agent or the Registrar without resigning as Trustee.

SECTION 11.17. Extension of Rights and Duties of Trustee to Paying Agent and Registrar. The provisions of Sections 11.02, 11.03, 11.04, 11.08, 11.09, 11.10 and 11.16 hereof are hereby made applicable to the Paying Agent and the Registrar, as appropriate, and any Person serving as Paying Agent and/or Registrar, hereby enters into and agrees to comply with the covenants and agreements of this Master Indenture and all Supplemental Indentures applicable to the Paying Agent and Registrar, respectively.

SECTION 11.18. Resignation of Paying Agent or Registrar. The Paying Agent or Registrar may resign and be discharged of the duties created by this Master Indenture and all Supplemental Indentures by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer, the Trustee, and any rating agency that shall then have in effect a rating on any of the Bonds, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Registrar. If the successor Paying Agent or Registrar shall not have been appointed within a period of ninety (90) days following the giving of notice, then the Paying Agent or Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent or Registrar as provided in Section 11.22 hereof.

SECTION 11.19. Removal of Paying Agent or Registrar. The Paying Agent or Registrar may be removed at any time prior to any Event of Default by the Issuer by filing with the Paying

Agent or Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by the Issuer appointing a successor, or an instrument or instruments in writing designating, and accompanied by an instrument or appointment by the Issuer of, such successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

SECTION 11.20. Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Registrar, as the case may be, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, the Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

SECTION 11.21. Qualifications of Successor Paying Agent or Registrar. Every successor Paying Agent or Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (i) authorized by law to perform all the duties imposed upon it by this Master Indenture and all Supplemental Indentures and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$50,000,000.

SECTION 11.22. Judicial Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the Successor Registrar or Paying Agent to the Issuer, the Trustee, the Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. In the absence of such an appointment, the Trustee shall become the Registrar or Paying Agent, or and shall so notify the Issuer, any rating agency that shall have issued a rating on the Bonds, and all Bondholders.

SECTION 11.23. Acceptance of Duties by Successor Paying Agent or Registrar. Any successor Paying Agent or Registrar shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Registrar herein. Except as provide in Section 11.04 hereof, upon request of such Paying Agent or Registrar, such predecessor Paying Agent or Registrar and the Issuer shall, after payment of its fees and expenses, execute and deliver an instrument transferring to such successor

Paying Agent or Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Registrar except for its rights under Section 11.04 hereof and such predecessor Paying Agent or Registrar shall pay over and deliver to the successor Paying Agent or Registrar all moneys and other assets at the time held by it hereunder.

SECTION 11.24. Successor by Merger or Consolidation. Any corporation, purchaser or entity into which any Paying Agent or Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation, purchaser or entity resulting from any merger or consolidation to which any Paying Agent or Registrar hereunder shall be a party, or any corporation, purchaser or entity which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Paying Agent or Registrar under this Master Indenture and all Supplemental Indentures without the execution or filing of any paper or any further act on the part of the parties thereto, anything in this Master Indenture or any Supplemental Indenture to the contrary notwithstanding.

[END OF ARTICLE XI]

ARTICLE XII
ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

SECTION 12.01. Acts of Bondholders; Evidence of Ownership of Bonds. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instrument may be provided by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered by the Issuer, Trustee, Paying Agent or Registrar in pursuance thereof.

[END OF ARTICLE XII]

ARTICLE XIII
AMENDMENTS AND SUPPLEMENTS

SECTION 13.01. Amendments and Supplements Without Bondholders' Consent. This Master Indenture and any Supplemental Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

(a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(b) for any purpose not inconsistent with the terms of the related Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of the related Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;

(c) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Project to the State, the County, or any department, agency or branch thereof, or any other unit of government of the State, provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders; and

(d) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190 and 197, Florida Statutes, so long as, in the opinion of Counsel to the Issuer, such changes either (i) do not have a material adverse effect on the Holders of the Bonds; or (ii) if such changes do have an adverse effect, that they nevertheless are required to be made as a result of such amendments.

SECTION 13.02. Amendments With Bondholders' Consent. Subject to the provisions of Section 13.01 hereof, this Master Indenture and any Supplemental Indenture may be amended from time to time by a Supplemental Indenture approved by the Majority Holders of all Outstanding Bonds in the case of the Master Indenture, and of the Series of Bonds then Outstanding and secured by such Supplemental Indenture in the case of an amendment of a Supplemental Indenture including, but not limited to, any material amendment to the Special Assessments and related proceedings which secure a Series of Bonds; provided that with respect to (a) the interest payable upon any Bonds, (b) the dates of maturity or redemption provisions of any Bonds, (c) this Article XIII and (d) the security provisions hereunder or under any Supplemental Indenture, which may only be amended by approval of the Owners of all Bonds to be so amended.

SECTION 13.03. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article XIII and in so doing may rely on a written opinion of Counsel that such Supplemental Indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement

have been done. If such amendment relates to a Series of Bonds which are Tax-Exempt Bonds, the Issuer shall, upon request of the Trustee and at the expense of the Issuer, cause there to be delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax status of such Tax-Exempt Bonds. The Trustee shall not be obligated to enter into any Supplemental Indenture or amendment that imposes additional obligations on the Trustee or adversely affects the Trustee's rights and immunities hereunder.

[END OF ARTICLE XIII]

ARTICLE XIV DEFESANCE

SECTION 14.01. Defeasance. When interest on, and principal or Redemption Price (as the case may be) of, the Bonds of a Series or any portion thereof to be defeased have been paid, or there shall have been deposited with the Trustee or such other escrow agent designated in a Certified Resolution of the Issuer (the “Escrow Agent”) moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys, remaining uninvested, will provide sufficient moneys to fully pay (i) such Bonds of a Series or portion thereof to be defeased, and (ii) any other sums payable hereunder by the Issuer, but only to the extent the Issuer has agreed to pay the same on or before the defeasance of the Bonds, the right, title and interest of the Trustee with respect to such Bonds of a Series or portion thereof to be defeased shall thereupon cease, the lien of the Indenture on the Pledged Revenues, and the Funds and Accounts established under the Indenture (other than the Rebate Fund or any Accounts therein, unless all rebate liability has been satisfied as determined by the Issuer) shall be defeased and discharged, and the Trustee, on demand of the Issuer, shall release the Indenture as to such Bonds of a Series or portion thereof to be so defeased and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such Person, body or authority as may be entitled to receive the same all balances remaining in any Series Funds and Accounts (other than the Rebate Fund) upon the defeasance in whole of all of the Bonds of a Series.

SECTION 14.02. Deposit of Funds for Payment of Bonds. If the Issuer deposits with the Escrow Agent moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to pay the principal or Redemption Price of any Bonds of a Series becoming due, either at maturity or by redemption or otherwise, together with all interest accruing thereon to the date of maturity or such prior redemption, and reimburses or causes to be reimbursed or pays or causes to be paid the other amounts required to be reimbursed or paid under Section 14.01 hereof, interest on such Bonds of a Series shall cease to accrue on such date of maturity or prior redemption and all liability of the Issuer with respect to such Bonds of a Series shall likewise cease, except as hereinafter provided; provided, however, that (a) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 8.02 hereof, or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice, and (b) in the event that any Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days following a deposit of moneys with the Escrow Agent, in accordance with this Section, the Issuer shall have given the Escrow Agent, in form satisfactory to the Escrow Agent, irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the Bond Register, a notice stating that a deposit in accordance with this Section has been made with the Escrow Agent and that the Bonds to which such notice relates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price (as the case may be) of, and interest on, said Bonds of a Series. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Escrow Agent shall hold such funds in trust for such Owners. At the time of the deposit referred to above, there shall be delivered to the Escrow Agent a verification from a firm of independent certified public accountants stating that the principal of and interest on the

Defeasance Securities, together with the stated amount of any cash remaining on deposit with the Escrow Agent, will be sufficient without reinvestment to pay the remaining principal of, redemption premium, if any, and interest on such defeased Bonds. The Issuer shall provide the Trustee with an opinion of counsel that such defeased Bonds are no longer Outstanding, and if such Bonds are issued as Tax-Exempt Bonds, that such defeasance does not affect the tax exempt status of the Bonds.

Money so deposited with the Escrow Agent which remains unclaimed three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Escrow Agent in default with respect to any covenant in the Indenture or the Bonds of the Series contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, may, at the expense of and if directed by the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

[END OF ARTICLE XIV]

ARTICLE XV
MISCELLANEOUS PROVISIONS

SECTION 15.01. Limitations on Recourse. No personal recourse shall be had for any claim based on this Master Indenture or any Supplemental Indenture or the Bonds against any member of the Board of the Issuer, officer, employee or agent, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Bonds of each Series are payable solely from the Pledged Revenues, and any other moneys held by the Trustee under the Indenture for such purpose. There shall be no other recourse under the Bonds, the Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

SECTION 15.02. Payment Dates. In any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 15.03. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Bonds.

SECTION 15.04. Illegal Provisions Disregarded. If any term of Master Indenture or any Supplemental Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

SECTION 15.05. Substitute Notice. If for any reason it shall be impossible to make duplication of any notice required hereby in a newspaper or newspapers, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

SECTION 15.06. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Master Indenture or any Supplemental Indenture to be given to or filed with the Issuer or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Master Indenture or any Supplemental Indenture if and when personally delivered and receipted for, or if mailed by first class mail, addressed as follows:

(a) As to the Issuer -

Lake Flores Community Development District
c/o Wrathell Hunt & Associates, LLC
2300 Glades Road, Suite 410W
Boca Raton, FL 33431
Attention: Craig Wrathell

(b) As to the Trustee -

U.S. Bank Trust Company, National Association
10245 Centurion Pkwy, 2nd Floor
Fort Lauderdale, FL 32256
Attn: Amanda Kumar

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under this Master Indenture or any Supplemental Indenture are to be sent.

All documents received by the Trustee under the provisions of this Master Indenture or any Supplemental Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Consultant, any Bondholder and the agents and representatives thereof as evidence in writing.

SECTION 15.07. Controlling Law. This Master Indenture and all Supplemental Indentures shall be governed by and construed in accordance with the laws of the State.

SECTION 15.08. Successors and Assigns. All the covenants, promises and agreements in this Master Indenture and all Supplemental Indentures contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15.09. Headings for Convenience Only. The table of contents and descriptive headings in this Master Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15.10. Counterparts. This Master Indenture and any Supplemental Indentures may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 15.11. Appendices and Exhibits. Any and all appendices or exhibits referred to in and attached to this Master Indenture are hereby incorporated herein and made a part hereof for all purposes.

SECTION 15.12. Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they

occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

SECTION 15.13. Patriot Act of Requirements of Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identified each person who opens an account. For a non-individual person such as business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Lake Flores Community Development District has caused this Master Indenture to be executed by the Chairperson of its Board and its corporate seal to be hereunto affixed, attested by the Secretary of its Board and U.S. Bank Trust Company, National Association has caused this Master Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

**LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT**

[SEAL]

Attest:

By: _____
Name: _____
Title: Chairperson, Board of Supervisors

By: _____
Name: Craig Wrathell
Title: Secretary, Board of Supervisors

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee,
Paying Agent and Registrar**

By: _____
Name: Amanda Kumar
Title: Vice President

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023, by _____, Chairperson of the Board of Supervisors of Lake Flores Community Development District, who acknowledged that he did sign the foregoing instrument as such officer, for and on behalf of Lake Flores Community Development District; that the same is his free act and deed as such officer, and the free act and deed of Lake Flores Community Development District; and that the seal affixed to said instrument is the seal of Lake Flores Community Development District. He is personally known to me or produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

EXHIBIT A

**LEGAL DESCRIPTION OF
LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT**

The present boundaries of Lake Flores Community Development District are as follows:

EXHIBIT B

DESCRIPTION OF A PROJECT

A Project may include, but is not limited to, the following improvements:

Stormwater management and control facilities, including, but not limited to, related earthwork and acquisition or conveyance of certain interests in land;

Water and wastewater systems, including connection charges;

Onsite and offsite roadway improvements, including, but not limited to, impact fees, landscaping and hardscaping and irrigation in public rights of way, entrance features and signalization;

Conservation and mitigation areas;

Reclaimed water facilities;

Undergrounding differential cost of electric utilities; and

Related incidental costs.

EXHIBIT C

[FORM OF BOND]

R-_____

\$_____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
MANATEE COUNTY
LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND,
SERIES 20__**

Interest Rate

Maturity Date

Date of Original Issuance

CUSIP

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Lake Flores Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except while the herein described Bonds are in book-entry only form in which case presentation shall not be required), at the designated corporate trust office of U.S. Bank Trust Company, National Association, initially its corporate trust office located in Fort Lauderdale, Florida, as paying agent (said U.S. Bank Trust Company, National Association and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above with interest thereon at the Interest Rate per annum set forth above, computed on 360-day year of twelve 30-day months, payable on the first day of November of each year. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank Trust Company, National Association, initially its corporate trust office located in Fort Lauderdale, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each Interest Payment Date to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank Trust Company, National Association, as registrar (said U.S. Bank Trust Company, National Association and any successor registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to _____, 20__, in which case from _____, 20__, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on

such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below).

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, MANATEE COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COUNTY, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Lake Flores Community Development District has caused this Bond to be signed by the facsimile signature of the Chairperson of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Secretary of its Board of Supervisors, all as of the date hereof.

LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson, Board of Supervisors

(SEAL)

Attest:

By: _____
Secretary, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

[Back of Bond]

This Bond is one of an authorized issue of Bonds of the Lake Flores Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the “Act”), and Ordinance No. 22-04 enacted by the Board of County Commissioners of Manatee County, Florida on January 11, 2022 and becoming effective on January 13, 2022, as amended by a corrective ordinance enacted on April 12, 2022 and becoming effective on April 13, 2022 designated as “Lake Flores Community Development District Special Assessment Bonds, Series _____” (the “Bonds”), in the aggregate principal amount of _____ Dollars (\$_____) of like date, tenor and effect, except as to number. The Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay a portion of the design, acquisition, construction costs of certain public infrastructure improvements consisting of a drainage system, including, but not limited to, offsite improvements and earth work and acquisition of interests in land; water distribution and wastewater collection facilities including the paying of connection fees; roadway improvements including, but not limited to, the payment of impact fees, offsite improvements, signage and striping and acquisition of interests in land; differential cost of undergrounding electric utilities; landscaping, hardscaping and irrigation in public rights-of-way; and related incidental costs. The Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of _____ 1, 2023 (the “Master Indenture”), as amended and supplemented by a _____ Supplemental Trust Indenture dated as of _____ 1, _____ (the “_____ Supplemental Indenture” and together with the Master Indenture, the “Indenture”), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the corporate trust office of the Trustee in Fort Lauderdale, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds issued under the Indenture, the operation and application of the Debt Service Fund and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of, premium, if any, and the interest on the Bonds, the levy and the evidencing and certifying for collection, of Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the registered owners of a majority in aggregate principal amount of the Bonds outstanding, and as to other rights and remedies of the registered owners of the Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, Manatee County, Florida, the State of Florida or any other political subdivision thereof, or taxation in any form of

any real or personal property of the Issuer, Manatee County, Florida, the State of Florida or any other political subdivision thereof, for the payment of the principal of, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of Special Assessments to secure and pay the Bonds.

The Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Bonds shall be made on the dates specified below. Upon any redemption of Bonds other than in accordance with scheduled sinking fund installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised sinking fund installments recalculated so as to amortize the Outstanding principal amount of Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds. The sinking fund installments as so recalculated shall not result in an increase in the aggregate of the sinking fund installments for all Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a sinking fund installment is due, the foregoing recalculation shall not be made to sinking fund installments due in the year in which such redemption or purchase occurs, but shall be made to sinking fund installments for the immediately succeeding and subsequent years.

Optional Redemption

The Bonds are subject to redemption at the option of the Issuer in whole or in part at any time on or after _____ 1, _____, at the redemption prices (expressed as percentages of principal amount to be redeemed) set forth below, plus accrued interest to the redemption date, upon notice from the Issuer to the Trustee as set forth in the Indenture.

<u>Redemption Period</u> <u>(Both Dates Inclusive)</u>	<u>Redemption Price</u>
_____ 1, _____ to _____ 31, _____	%
_____ 1, _____ to _____ 31, _____	
_____ 1, _____ and thereafter	

Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption on May 1 in the years and in the principal amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Bonds redeemed pursuant to optional or extraordinary

mandatory redemption as set forth above or purchased and cancelled pursuant to the provisions of the Indenture.

<u>Year</u>	Principal Amount of Bonds to be Paid	<u>Year</u>	Principal Amount of Bonds to be Paid
-------------	---	-------------	---

Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any interest payment date (except as otherwise provided in a Supplemental Indenture), at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the Bond Redemption Fund following the payment of Special Assessments on any portion of the District Lands in accordance with the provisions of the Section 9.08 of the Indenture; (ii) when sufficient moneys are on deposit in the related Funds and Accounts (other than the Rebate Fund and any other excluded fund or account as provided in the Supplemental Indenture) to pay and redeem all Outstanding Bonds and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iii) if made applicable in a Supplemental Indenture, from moneys in excess of the Debt Service Reserve Requirement in the Debt Service Reserve Fund transferred to the Bond Redemption Fund pursuant to the Indenture; (iv) from excess moneys transferred from the Revenue Fund to the Bond Redemption Fund in accordance with the Indenture; [(v) from moneys, if any, on deposit in the Bond Redemption Fund following condemnation or the sale of any portion of the District Lands benefited by the Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to the Indenture to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable;] or (vi) either prior to the Completion Date or after the Completion Date, as the case may be, from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with the Indenture.

Notice of Redemption

The Trustee shall cause notice of redemption to be mailed at least thirty (30) but not more than sixty (60) days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption

shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. If the amount of funds so deposited with the Trustee, or otherwise available, is insufficient to pay the redemption price and interest on all Bonds so called for redemption on such date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and interest on any Bonds not paid shall continue to accrue, as provided in the Indenture.

Partial Redemption of Bonds. If less than all the Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of Bonds to be redeemed by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds pursuant to an optional redemption, such redemption shall be effectuated by redeeming Bonds of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of the Indenture. In the case of any partial redemption of Bonds pursuant to an extraordinary mandatory redemption, such redemption shall be effectuated by redeeming Bonds pro rata among the maturities, treating each date on which a sinking fund installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds to be redeemed multiplied times a fraction the numerator of which is the principal amount of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds outstanding immediately prior to the redemption date.

The Issuer shall keep books for the registration of the Bonds at the corporate trust office of the Registrar in Fort Lauderdale, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

STATEMENT OF VALIDATION

This Bond is one of a series of Bond which were validated by judgment of the Circuit Court of the Twelfth Judicial Circuit of Florida, in and for Manatee County, Florida, rendered on the ____ day of _____, 2023.

Chairperson, Board of Supervisors

Secretary

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and
not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____ (Cust) (
Minor)

Under Uniform Transfer to Minors

Act _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

EXHIBIT D
FORM OF REQUISITION

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 200_

The undersigned, a Responsible Officer of the Lake Flores Community Development District (the “Issuer”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the Issuer to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of __September 1, 2023, as supplemented by that certain _____ Supplemental Trust Indenture dated as of _____, ____ (the “Indenture”) (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (1) Requisition Number:
- (2) Name of Payee pursuant to Acquisition Agreement:
- (3) Amount Payable:
- (4) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of Issuance, if applicable):
- (5) Fund or Account and subaccount, if any, from which disbursement to be made:

The undersigned hereby certifies that:

1. obligations in the stated amount set forth above have been incurred by the Issuer,
or
 this requisition is for Costs of Issuance payable from the Acquisition and Construction Fund that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Acquisition and Construction Fund;
3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Project;
4. each disbursement represents a Cost of the Project which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Attached hereto are originals or copies of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested.

LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

CONSULTING ENGINEER'S APPROVAL FOR
NON-COST OF ISSUANCE REQUESTS ONLY

If this requisition is for a disbursement from other than Costs of Issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

LAKE FLORES

COMMUNITY DEVELOPMENT DISTRICT

3 E

FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT

AND

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of September 1, 2023

Authorizing and Securing
\$ _____
LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2023A-1
(2023A-1 ASSESSMENT AREA)

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EXHIBIT A	DESCRIPTION OF THE 2023 PROJECT
EXHIBIT B	FORM OF SERIES 2023A-1 BOND
EXHIBIT C	FORMS OF REQUISITIONS

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (the “First Supplemental Indenture”), dated as of September 1, 2023 between the LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT (together with its successors and assigns, the “Issuer”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the banking laws of the United States and having a corporate trust office in Fort Lauderdale, Florida, as trustee (said banking corporation and any bank or trust company becoming successor trustee under this First Supplemental Indenture being hereinafter referred to as the “Trustee”);

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), by Ordinance No. 22-04 enacted by the Board of County Commissioners of Manatee County, Florida (the “County”), on January 11, 2022, and becoming effective on January 13, 2022, as amended by a corrective ordinance on April 12, 2022, becoming effective on April 13, 2022 (the “Ordinance”); and

WHEREAS, the premises governed by the Issuer, as described more fully in the Ordinance, consisting of approximately 1,178.36 acres of land (herein, the “District Lands” or “District”), are located entirely within the unincorporated area of the County; and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

WHEREAS, the Issuer has determined to undertake, in one or more phases, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the assessable District Lands; and

WHEREAS, to coincide with the different phases of development, the Issuer has determined it necessary to create separate and distinct assessment areas within the District currently known as the “2023A-1 Assessment Area,” the “2023A-2 Assessment Area” and the “Future Phases Area”; and

WHEREAS, it is recognized that the 2023A-2 Assessment Area overlaps with a portion of the 2023A-1 Assessment Area.

WHEREAS, it is intended that the Future Phases Area may be further divided into smaller assessment areas to coincide with Future Phases Area of development; and

WHEREAS, the Issuer has previously adopted Resolution No. 2022-28 on March 4, 2022, authorizing the issuance of not to exceed \$373,690,000 in aggregate principal amount of its special assessment bonds (the “Bonds”) to finance all or a portion of the design, acquisition and construction costs of certain improvements pursuant to the Act for the special benefit of the District Lands or portions thereof and approving the form of and authorizing the execution and delivery of a master trust indenture and supplemental indenture; and

WHEREAS, pursuant to that certain Master Trust Indenture dated as of September 1, 2023 (the “Master Indenture”) and this First Supplemental Indenture, both by and between the Issuer and the Trustee, the Issuer proposes to issue its herein defined Series 2023A-1 Bonds; and

WHEREAS, Cortez 75W Investors, LLC, a Delaware limited liability company (the “Developer”) is the developer of a master-planned mixed use community located within the District and shall construct all of the public infrastructure necessary to serve such master-planned mixed use community initially referred to as “Lake Flores” (herein, the “Development”) to the extent all or any portion is not constructed by the Issuer; and

WHEREAS, the public infrastructure as described on Exhibit A and necessary for a portion of the development of the Development is herein referred to as the “2023 Project,” which will be financed with a portion of the Series 2023A-1 Bonds and a portion of the Series 2023A-2 Bonds (as such terms are defined below); and

WHEREAS, the Issuer has determined to issue a Series of Bonds, designated as the Lake Flores Community Development District Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the “Series 2023A-1 Bonds”), pursuant to the Master Indenture and this First Supplemental Indenture (hereinafter sometimes collectively referred to as the “A-1 Indenture”); and

WHEREAS, in the manner provided herein, the proceeds of the Series 2023A-1 Bonds will be used to provide funds for (i) the Costs of acquiring and/or constructing a portion of the 2023 Project, (ii) funding interest on the Series 2023A-1 Bonds through at least November 1, 20XX; (iii) the funding of the Series 2023A-1 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2023A-1 Bonds; and

WHEREAS, the Series 2023A-1 Bonds will be secured by a pledge of Series 2023A-1 Pledged Revenues (as hereinafter defined) to the extent provided herein; and

WHEREAS, pursuant to the Master Indenture and that certain Second Supplemental Trust Indenture dated as of September 1, 2023 (the “Second Supplemental Indenture”) by and between the Issuer and the Trustee (herein collectively referred to as the “A-2 Indenture”), the Issuer shall issue its Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the “Series 2023A-2 Bonds”) issued on draw-down basis in the principal amount of not exceeding \$_____ for the primary purpose of financing portions of the 2023 Project not otherwise financed with the proceeds of the Series 2023A-1 Bonds or funded by the Developer; and

WHEREAS, the Series 2023A-1 Bonds will be secured by the herein defined Series 2023A-1 Special Assessments which will be levied on certain of the assessable lands securing the Series 2023A-1 Bonds which area securing the Series 2023A-1 Bonds is herein referred to as the “2023A-1 Assessment Area.”

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2023A-1 Bonds, the security and payment of the principal or Redemption Price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2023A-1 Bonds, and for and in consideration of the mutual covenants herein contained

and of the purchase and acceptance of the Series 2023A-1 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to U.S. Bank Trust Company, National Association, as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Series 2023A-1 Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2023A-1 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture with respect to the Series 2023A-1 Bonds.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2023A-1 Bonds issued and to be issued under this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this First Supplemental Indenture) of any one Series 2023A-1 Bond over any other Series 2023A-1 Bond, all as provided in the Indenture.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or Redemption Price of the Series 2023A-1 Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2023A-1 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this First Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this First Supplemental Indenture to be and remain in full force and effect.

ARTICLE I DEFINITIONS

In this First Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition to certain terms defined in the recitals above, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

“A-1 Indenture” shall mean collectively, the Master Indenture and this First Supplemental Indenture.

“A-2 Indenture” shall mean collectively, the Master Indenture and the Second Supplemental Indenture.

“Acquisition Agreement (Capital Improvement Plan)” shall mean that certain Acquisition Agreement relating to the acquisition of the 2023 Project, by and between the Developer and the Issuer.

“Arbitrage Certificate” shall mean that certain Arbitrage Certificate, including arbitrage rebate covenants, of the Issuer, dated the date of delivery of the Series 2023A-1 Bonds, relating to certain restrictions on arbitrage under the Code with respect to the Series 2023A-1 Bonds.

“Assessment Resolutions” shall mean Resolution No. 2022-25, Resolution No. 2022-35 and Resolution No. 2023-07 of the Issuer adopted on March 4, 2022, April 29, 2022, and September 14, 2023, respectively, as amended and supplemented from time to time.

“Authorized Denomination” shall mean, with respect to the Series 2023A-1 Bonds, on the date of issuance, in the denominations of \$100,000 and any integral multiples of \$5,000 in excess thereof.

“Bondholder Representative” shall mean (i) PHCC LLC (d/b/a Preston Hollow Community Capital), as the Initial Purchaser of the Series 2023A-1 Bonds, or its designee, and (ii) thereafter, if the Initial Purchaser, together with its affiliates, collectively owns, directly or indirectly, less than twenty-five percent (25%) of the aggregate Outstanding principal amount of the Series 2023A-1 Bonds, then the Bondholder Representative shall be the Person appointed by the beneficial owners of more than twenty-five percent (25%) of the Outstanding Series 2023A-1 Bonds. Notwithstanding the foregoing, the Initial Purchaser shall remain the Bondholder Representative until a new Bondholder Representative has been appointed and written notice of the same has been communicated to the Initial Purchaser, the Issuer and the Trustee. During any period in which no Bondholder Representative has been appointed, references in this First Supplemental Indenture to the Bondholder Representative shall be deemed to be references to the Majority Holders.

“Bonds” shall mean the Issuer’s Special Assessments Bonds issued pursuant to the Master Indenture.

“Collateral Assignment (A-1)” shall mean that certain instrument executed by the Developer and the Landowner in favor of the Issuer whereby certain of the Project Documents and other material documents necessary to complete a portion of the initial phases of the Development (comprising all of the development planned for the 2023A-1 Assessment Area) are collaterally assigned as security for the Developer’s and the Landowner’s obligations to pay the Series 2023A-1 Special Assessments imposed against lands within the District owned by the Developer, Landowner and other landowners from time to time.

“Consulting Engineer” shall mean ZNS Engineering, L.C. and its successors and assigns.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement for the benefit of the owners of the Series 2023 Bonds, dated the date of delivery of the Series 2023 Bonds, by and among the Issuer, the dissemination agent named therein, the Developer, and joined by the parties named therein, in connection with the issuance of the Series 2023 Bonds.

“District Manager” shall mean Wrathell Hunt & Associates, LLC, and its successors and assigns.

“Future Phases Area” shall mean approximately [778.9] acres of land within the District, a portion of which will be subject to a portion of the Series 2023A-1 Special Assessments in the initial principal amount of \$5,000,000.

“Initial Purchaser” shall mean PHCC LLC (d/b/a Preston Hollow Community Capital) or its designee.

“Interest Payment Date” shall mean May 1 and November 1 of each year, commencing May 1, 2024, and any other date the principal of the Series 2023A-1 Bonds is paid, including any Quarterly Redemption Date.

“Landowner” shall mean LF Manatee, LLC, a Florida limited liability company and the owner of the District Lands representing the Future Phases Area.

“Majority Holders” means the beneficial owners of more than fifty percent (50%) of the Outstanding principal amount of the Series 2023A-1 Bonds.

“Master Indenture” shall mean the Master Trust Indenture, dated as of September 1, 2023, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Series 2023A-1 Bonds (as opposed to supplements or amendments relating to any Series of Bonds other than the Series 2023A-1 Bonds as specifically defined in this First Supplemental Indenture).

“Paying Agent” shall mean U.S. Bank Trust Company, National Association, and its successors and assigns as Paying Agent hereunder.

“Placement Agent” shall mean FMSbonds, Inc., the placement agent of the Series 2023A-1 Bonds.

“Prepayment” shall mean the payment by any owner of property within the 2023A-1 Assessment Area within the District of the amount of the Series 2023A-1 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments. The term “Prepayment” also means any proceeds received as a result of accelerating and/or foreclosing the Series 2023A-1 Special Assessments. “Prepayments” shall include, without limitation, Series 2023A-1 Prepayment Principal.

“Quarterly Redemption Date” shall mean February 1, May 1, August 1 and November 1 of any calendar year.

“Redemption Price” shall mean the principal amount of any Series 2023A-1 Bond payable upon redemption thereof pursuant to this First Supplemental Indenture.

“Registrar” shall mean U.S. Bank Trust Company, National Association and its successors and assigns as Registrar hereunder.

“Regular Record Date” shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date or the date on which the principal of a Bond is to be paid.

“Resolution” shall mean, collectively, (i) Resolution No. 2022-28 of the Issuer adopted on March 4, 2022, pursuant to which the Issuer authorized the issuance of not exceeding \$373,690,000 aggregate principal amount of its Bonds to finance the construction or acquisition of public infrastructure within the District, and (ii) Resolution No. 2023-05 of the Issuer adopted on September 14, 2023, pursuant to which the Issuer authorized, among other things, the issuance of the Series 2023 Bonds in an aggregate principal amount of not exceeding \$56,000,000 to finance a portion of the acquisition and/or construction of the 2023 Project, specifying the details of the Series 2023 Bonds and awarding the Series 2023 Bonds to the purchaser of the Series 2023 Bonds pursuant to the parameters set forth therein.

“Second Supplemental Indenture” shall mean that certain Second Supplemental Trust Indenture dated as of September 1, 2023 by and between the Issuer and the Trustee.

“Series 2023 Bonds” shall mean collectively, the \$_____ aggregate principal amount of Lake Flores Community Development District Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) and the not exceeding \$_____ aggregate principal amount of Lake Flores Community Development District Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) issued on a draw-down basis, to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this First Supplemental Indenture with respect to the Series 2023A-1 Bonds and the Master Indenture and Second Supplemental Indenture with respect to the Series 2023A-2 Bonds, and secured and authorized by the Master Indenture, this First Supplemental Indenture or Second Supplemental Indenture, as applicable.

“Series 2023 Optional Redemption Subaccount” shall mean the subaccount so designated, established as a separate subaccount under the Series 2023 Bond Redemption Account pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2023 Special Assessments” shall mean collectively, the Series 2023A-1 Special Assessments and the Series 2023A-2 Special Assessments.

“Series 2023A-1 Acquisition and Construction Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

“Series 2023A-1 Bond Redemption Account” shall mean the Series 2023A-1 Bond Redemption Account established as a separate Account within the Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2023A-1 Bonds” shall mean the Issuer’s Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) issued on a draw-down basis in the principal amount of not exceeding \$_____.

“Series 2023A-1 Costs of Issuance Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

“Series 2023A-1 General Redemption Subaccount” shall mean the subaccount so designated, established as a separate subaccount under the Series 2023A-1 Bond Redemption Account pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2023A-1 Interest Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this First Supplemental Indenture .

“Series 2023A-1 Pledged Revenues” shall mean with respect to the Series 2023A-1 Bonds (a) all revenues received by the Issuer from the Series 2023A-1 Special Assessments levied and collected on the assessable lands within the 2023A-1 Assessment Area within the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2023A-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2023A-1 Special Assessments, and (b) all moneys on deposit in the Funds, Accounts and subaccounts established under the A-1 Indenture created and established with respect to or for the benefit of the Series 2023A-1 Bonds; provided, however, that Series 2023A-1 Pledged Revenues shall not include (A) any moneys transferred to the Series 2023A-1 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2023A-1 Costs of Issuance Account of the Acquisition and Construction Fund, (C) “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance assessments” levied and collected by the Issuer under Section 190.021(3) of the Act, and (D) the Series 2023A-2 Special Assessments (it being expressly understood that the lien and pledge of the A-1 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B), (C) and (D) of this proviso).

“Series 2023A-1 Prepayment Principal” shall mean the portion of a Prepayment corresponding to the principal amount of Series 2023A-1 Special Assessments being prepaid pursuant to Section 4.05 of this First Supplemental Indenture or as a result of an acceleration of the Series 2023A-1 Special Assessments pursuant to Section 170.10, Florida Statutes, if such Series 2023A-1 Special Assessments are being collected through a direct billing method.

“Series 2023A-1 Prepayment Subaccount” shall mean the subaccount so designated, established as a separate subaccount under the Series 2023A-1 Bond Redemption Account pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2023A-1 Principal Account” shall mean the account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(c) of this First Supplemental Indenture.

“Series 2023A-1 Rebate Fund” shall mean the Fund so designated, established pursuant to Section 4.01(j) of this First Supplemental Indenture.

“Series 2023A-1 Reserve Account” shall mean the Series 2023A-1 Reserve Account established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this First Supplemental Indenture.

“Series 2023A-1 Reserve Requirement” or “Reserve Requirement” shall mean initially an amount equal to fifty percent (50%) of the maximum annual debt service with respect to the initial principal amount of the Series 2023A-1 Bonds determined on the date of issue. The Reserve Requirement may be reduced pursuant to the provisions of Section 4.05 hereof. Any amount in the Series 2023A-1 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2023A-1 Bonds be used to pay principal of and interest on the Series 2023A-1 Bonds at that time. The initial Series 2023A-1 Reserve Requirement shall be equal to \$_____. Once all of the developable lands in the 2023A-1 Assessment Area, excluding the Future Phases Area therein, has been sold to third parties (homebuilders and commercial developers) and the Series 2023A-2 Bonds are no longer Outstanding, the Series 2023A-1 Reserve Requirement shall be reduced to twenty-five percent (25%) of the then maximum annual debt service the Outstanding principal amount of the Series 2023A-1 Bonds. The occurrence of such events shall be referred to as the “Release Conditions” and notice of the same shall be communicated to the Trustee by the District Manager which the Trustee may conclusively rely on without further inquiry.

“Series 2023A-1 Revenue Account” shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this First Supplemental Indenture.

“Series 2023A-1 Sinking Fund Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this First Supplemental Indenture.

“Series 2023A-1 Special Assessments” shall mean the Special Assessments levied on the assessable lands within the 2023A-1 Assessment Area within the District as a result of the Issuer’s acquisition and/or construction of a portion of the 2023 Project, corresponding in amount to the debt service on the Series 2023A-1 Bonds and designated as such in the methodology report relating thereto. Notwithstanding the foregoing, no more than \$5,000,000 in principal amount of the Series 2023A-1 Bonds shall be allocated to the Future Phases Area.

“Series 2023A-2 Bonds” shall mean the Issuer’s Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) issued on a draw-down basis in the principal amount of not exceeding \$_____.

“Series 2023A-2 Special Assessments” shall mean the Special Assessments levied on the assessable lands within the 2023A-2 Assessment Area within the District as a result of the Issuer’s acquisition and/or construction of a portion of the 2023 Project, corresponding in amount to the debt service on the Series 2023A-2 Bonds and designated as such in the methodology report relating thereto.

“2023 Project” shall mean (i) the master infrastructure improvements deemed necessary for the development of 665 platted residential units, 18 acres for multifamily and 47 acres for mixed use within the 2023A-1 Assessment Area, and (ii) the parcel specific infrastructure improvements deemed necessary for the development of the same 665 platted residential units

within the 2023A-2 Assessment Area within the District generally described on Exhibit “A” attached hereto with respect to the 2023A-1 Assessment Area and Exhibit “A” attached to the Second Supplemental Indenture with respect to the 2023A-2 Assessment Area. The 2023 Project includes certain master public infrastructure improvements which provide benefit to the portion of the 2023A-1 Assessment Area located in the Future Phases Area.

“2023A-1 Assessment Area” shall mean the designed assessment area within the District for which the Series 2023A-1 Special Assessments are levied securing the Series 2023A-1 Bonds, as described on Exhibit “A” attached hereto which represents Phase 1B, Phase N1, the Town Center parcel and the multifamily area of the Development and the Future Phases Area.

“2023A-2 Assessment Area” shall mean the designated assessment area within the District for which the Series 2023A-2 Special Assessments are levied securing the Series 2023A-2 Bonds, as described on Exhibit “A” attached to the Second Supplemental Indenture, which area includes the residential and commercial development areas within Phase 1B, Phase N1, the Town Center parcel and the multifamily area of the Development.

The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the form of Series 2023A-1 Bonds), refer to the entire A-1 Indenture.

Every “request,” “requisition,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Chairperson or Vice Chairperson and the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary or Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[END OF ARTICLE I]

ARTICLE II
THE SERIES 2023A-1 BONDS

SECTION 2.01. Amounts and Terms of Series 2023A-1 Bonds; Issue of Series 2023A-1 Bonds. No Series 2023A-1 Bonds may be issued under this First Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2023A-1 Bonds that may be issued under this First Supplemental Indenture is expressly limited to \$_____. The Series 2023A-1 Bonds shall be numbered consecutively from RA-1-1 and upwards.

(b) Any and all Series 2023A-1 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Series 2023A-1 Bonds upon execution of this First Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2023A-1 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2023A-1 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2023A-1 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2023A-1 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2023A-1 Bonds.

(a) The Series 2023A-1 Bonds are being issued hereunder in order to provide funds (i) for the payment of the Costs of acquiring and/or constructing a portion of the 2023 Project not otherwise financed with the proceeds of the Series 2023A-2 Bonds, (ii) to fund the Series 2023A-1 Reserve Account in an amount equal to the initial Series 2023A-1 Reserve Requirement, (iii) to fund interest on the Series 2023A-1 Bonds to at least [May 1, 2024], and (iv) to pay the costs of issuance of the Series 2023A-1 Bonds. The Series 2023A-1 Bonds shall be designated "Lake Flores Community Development District Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area)," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2023A-1 Bonds shall be dated as of the date of initial delivery. Regularly scheduled interest on the Series 2023A-1 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2023A-1 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2024, in which case from the date of

initial delivery or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book entry only system of registration of the Series 2023A-1 Bonds, the principal or Redemption Price of the Series 2023A-1 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2023A-1 Bonds. Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book entry only system of registration of the Series 2023A-1 Bonds, the payment of interest on the Series 2023A-1 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2023A-1 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2023A-1 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2023A-1 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2023A-1 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date.

SECTION 2.05. Details of the Series 2023A-1 Bonds.

(a) The Series 2023A-1 Bonds will be issued as a Term Bond and will mature on May 1, [2053] and in the principal amount, and bear interest at the rate as set forth below, subject to the right of prior redemption in accordance with their terms.

<u>Amount</u>	<u>Interest Rate</u>
\$ _____ *	_____ %

*Term Bonds

(b) Interest on the Series 2023A-1 Bonds will be computed in all cases on the basis of a 360 day year of twelve 30 day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2023A-1 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2023A-1 Bond Proceeds. From the proceeds of the Series 2023A-1 Bonds received by the Trustee in the amount of \$_____.

(a) \$_____ derived from the proceeds of the Series 2023A-1 Bonds shall be deposited in the Series 2023A-1 Interest Account;

(b) \$_____ derived from the proceeds of the Series 2023A-1 Bonds (which is an amount equal to the initial Series 2023A-1 Reserve Requirement) shall be deposited in the Series 2023A-1 Reserve Account of the Debt Service Reserve Fund;

(c) \$_____ derived from the proceeds of the Series 2023A-1 Bonds shall be deposited into the Series 2023A-1 Costs of Issuance Account of the Acquisition and Construction Fund for payment of the costs of issuing the Series 2023A-1 Bonds; and

(d) \$_____ representing the balance of the proceeds of the Series 2023A-1 Bonds shall be deposited in the Series 2023A-1 Acquisition and Construction Account which the Issuer shall cause to be applied in accordance with Article V of the Master Indenture, Section 4.01(a) of the First Supplemental Indenture and the terms of the Acquisition Agreement.

SECTION 2.07. Book-Entry Form of Series 2023A-1 Bonds. The Series 2023A-1 Bonds shall be issued as one fully registered bond for each maturity of Series 2023A-1 Bonds and deposited with The Depository Trust Company (“DTC”), New York, New York, which is responsible for establishing and maintaining records of ownership for its participants.

As long as the Series 2023A-1 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof and in the Master Indenture. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants (“Direct Participants”) and other institutions that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The Direct Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2023A-1 Bonds (“Beneficial Owners”).

Principal and interest on the Series 2023A-1 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to Direct Participants shall be the responsibility of DTC. Payments by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Series 2023A-1 Bonds, through Direct Participants and Indirect Participants.

During the period for which Cede & Co. is registered owner of the Series 2023A-1 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to Direct Participants and Direct Participants shall be responsible for

notices to Indirect Participants, and Direct Participants and Indirect Participants shall be responsible for notices to Beneficial Owners.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer in accordance with the procedures of DTC. In the event of such termination, the Issuer shall select another securities depository and in that event, all references herein to DTC or Cede & Co., shall be deemed to be for reference to such successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2023A-1 Bonds in the form of fully registered Series 2023A-1 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Series 2023A-1 Bonds may be exchanged for an equal aggregate principal amount of Series 2023A-1 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee.

SECTION 2.08. Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the “Bond Register”) for the registration, transfer and exchange of the Series 2023A-1 Bonds, and hereby appoints U.S. Bank Trust Company, National Association, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank Trust Company, National Association hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints U.S. Bank Trust Company, National Association as Paying Agent for the Series 2023A-1 Bonds. U.S. Bank Trust Company, National Association hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to Issuance of the Series 2023A-1 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2023A-1 Bonds, all the Series 2023A-1 Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Resolutions;
- (b) Executed originals of the Master Indenture and this First Supplemental Indenture;
- (c) An opinion of Counsel to the District, also addressed to the Trustee (to the limited extent provided therein) substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer

has good right and lawful authority under the Act to construct and/or purchase the 2023 Project being financed with the proceeds of the Series 2023A-1 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to own and operate the 2023 Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2023A-1 Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2023A-1 Special Assessments, and (v) the Series 2023A-1 Special Assessments are legal, valid and binding liens upon the property against which such Series 2023A-1 Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2023A-1 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture; and

(e) A copy of the Collateral Assignment (A-1).

Receipt by the Trustee of the net proceeds from the initial sale of the Series 2023A-1 Bonds shall constitute conclusive evidence of the satisfaction of the Issuer and Placement Agent of the conditions precedent for the issuance of the Series 2023A-1 Bonds set forth in this Section 2.09.

SECTION 2.10. Exchange Right. The Series 2023A-1 Bonds initially issued as a Term Bond, may be exchanged for one or more Serial Bonds at the written direction of 100% of the beneficial owners of the Series 2023A-1 Bonds, provided overall debt service on the Series 2023A-1 Bonds shall not be increased. All expenses relating to such exchange shall be borne by the beneficial owners of the Series 2023A-1 Bonds provided that the Trustee shall not charge more than \$5,000. A new schedule of 2023A-1 Bonds, including respective maturities and CUSIP numbers will be timely provided by the Initial Purchaser to the Issuer and the Trustee which parties may conclusively rely.

[END OF ARTICLE II]

ARTICLE III
REDEMPTION OF SERIES 2023A-1 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2023A-1 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2023A-1 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in this Section 3.01, if less than all the Series 2023A-1 Bonds are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Series 2023A-1 Bonds or portions of the Series 2023A-1 Bonds to be redeemed pursuant to Section 8.04 of the Master Indenture. Partial redemptions of Series 2023A-1 Bonds shall be made in such a manner that the remaining Series 2023A-1 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2023A-1 Bond.

The Series 2023A-1 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the Redemption Price of the Series 2023A-1 Bonds shall be made on the dates specified below.

(a) Optional Redemption. The Series 2023A-1 Bonds (other than the Outstanding Series 2023A-1 Bonds allocated to the Future Phases Area) may, at the option of the Issuer, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will accept less than forty-five (45) days' notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after May 1, 2038 (less than all Series 2023A-1 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Series 2023A-1 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2023A-1 Optional Redemption Subaccount of the Series 2023A-1 Bond Redemption Account. If such optional redemption shall be in part, the Issuer shall select such principal amount of Series 2023A-1 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Series 2023A-1 Bonds is substantially level. Notwithstanding the foregoing, the Series 2023A-1 Bonds may be optionally redeemed prior to May 1, 2038 if the Series 2023A-2 Bonds become subject to optional redemption pursuant to the provisions of the A-2 Indenture.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2023A-1 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2023A-1 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2023A-1 Prepayment Principal deposited into the Series 2023A-1 Prepayment Subaccount of the Series 2023A-1 Bond Redemption Account (taking into account the credit from the Series 2023A-1 Reserve Account pursuant to Section 4.05 hereof) following the Prepayment in whole or in part of the Series 2023A-1 Special Assessments on any assessable property within the 2023A-1 Assessment Area within the District in accordance with the provisions of Section 4.05 of this First Supplemental Indenture. The Quarterly Redemption Date requirement shall not apply if any of the lands within the 2023A-2 Assessment Area have been sold to any homebuilder or commercial builder. The District Manager, on behalf of the

Issuer, shall provide written notice to the Trustee at any time such sale has occurred, which notice the Trustee may conclusively rely on;

(ii) from moneys, if any, on deposit in the Series 2023A-1 Funds, Accounts and subaccounts (other than the Series 2023A-1 Rebate Fund, the Series 2023A-1 Costs of Issuance Account and the Series 2023A-1 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2023A-1 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture; and

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2023A-1 Acquisition and Construction Account not otherwise reserved to complete the 2023 Project intended to be financed with the proceeds of the Series 2023A-1 Bond, all of which have been transferred to the Series 2023A-1 General Redemption Subaccount of the Series 2023A-1 Bond Redemption Account.

(c) Mandatory Sinking Fund Redemption. The Series 2023A-1 Bonds are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2023A-1 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2025	\$
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
2047	
2048	

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2049	
2050	
2051	
2052	
2053	
2054*	

*Maturity

Upon any redemption or purchase of Series 2023A-1 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2023A-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2023A-1 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2023A-1 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

SECTION 3.02. Notice of Redemption. When required to redeem Series 2023A-1 Bonds under any provision of this First Supplemental Indenture or directed to redeem Series 2023A-1 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2023A-1 Bonds to be redeemed, notice of the redemption, as set forth in Article VIII of the Master Indenture.

[END OF ARTICLE III]

ARTICLE IV
ESTABLISHMENT OF CERTAIN FUNDS, ACCOUNTS AND SUBACCOUNTS;
ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS;
REMOVAL OF SERIES 2023A-1 SPECIAL ASSESSMENT LIENS

SECTION 4.01. Establishment of Certain Funds, Accounts and Subaccounts.

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the “Series 2023A-1 Acquisition and Construction Account.” The proceeds of the Series 2023A-1 Bonds shall be deposited into the Series 2023A-1 Acquisition and Construction Account in the amount set forth in Section 2.06 of this First Supplemental Indenture, together with any moneys transferred to the Series 2023A-1 Acquisition and Construction Account pursuant to the provisions of this First Supplemental Indenture, and such moneys in the Series 2023A-1 Acquisition and Construction Account shall be applied by the Issuer as set forth in Section 5.01 of the Master Indenture, this Section 4.01(a) and the Acquisition Agreement. Any moneys remaining in the Series 2023A-1 Acquisition and Construction Account after the Completion Date, except for any moneys reserved therein for the payment of any costs of the 2023 Project intended to be financed with the proceeds of the Series 2023A-1 Bond owed but not yet requisitioned, as evidenced in a certificate from the Consulting Engineer to the Trustee, upon which the Trustee may conclusively rely, and the adoption of a resolution by the Issuer accepting the 2023 Project, as evidenced by a certificate from the District Manager delivered to the Trustee, upon which the Trustee may conclusively rely, shall be transferred by the Trustee to the Series 2023A-1 General Redemption Subaccount of the Series 2023A-1 Bond Redemption Account. The Series 2023A-1 Acquisition and Construction Account shall be closed upon the expenditure or transfer of all funds therein. Upon presentment by the District Manager or the Issuer to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2023A-1 Acquisition and Construction Account and pay such moneys to the Person or Persons such requisition so directs. Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the “Series 2023A-1 Costs of Issuance Account.” The proceeds of the Series 2023A-1 Bonds shall be deposited into the Series 2023A-1 Costs of Issuance Account in the amount set forth in Section 2.06 of this First Supplemental Indenture. Upon presentment by the District Manager or the Issuer to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2023A-1 Costs of Issuance Account to pay the costs of issuing the Series 2023A-1 Bonds. Six months after the issuance of the Series 2023A-1 Bonds, any moneys remaining in the Series 2023A-1 Costs of Issuance Account in excess of the amount requested to be disbursed by the Issuer shall be deposited into the Series 2023A-1 Interest Account. Any deficiency in the amount allocated to pay the cost of issuing the Series 2023A-1 Bonds shall be paid from excess Series 2023A-1 Pledged Revenues on deposit in the Series 2023A-1 Revenue Account pursuant to paragraph SEVENTH of Section 4.02 hereof. When there are no further moneys therein, the Series 2023A-1 Costs of Issuance Account shall be closed. All earnings on moneys on deposit in the Series 2023A-1 Acquisition and Construction Account including earnings transferred thereto pursuant to Section 4.01(d) hereof shall remain on deposit therein until the Series 2023A-1 Acquisition and Construction Account is closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the “Series 2023A-1 Revenue Account.” Series 2023A-1 Special Assessments and any other amounts required to be deposited therein (except for Prepayments of Series 2023A-1 Special Assessments which shall be identified as such by the Issuer to the Trustee and deposited in the Series 2023A-1 Prepayment Subaccount) shall be deposited by the Trustee into the Series 2023A-1 Revenue Account which shall be applied as set forth in Section 6.03 of the Master Indenture and Section 4.02 of this First Supplemental Indenture. Any Series 2023A-1 Special Assessments that are not identified as a Prepayment shall be deposited in the Series 2023A-1 Revenue Account.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the “Series 2023A-1 Principal Account.” Moneys shall be deposited into the Series 2023A-1 Principal Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this First Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the “Series 2023A-1 Interest Account.” Moneys deposited into the Series 2023A-1 Interest Account pursuant to Section 6.04 of the Master Indenture and Sections 2.06 and 4.02 of this First Supplemental Indenture, shall be applied for the purposes provided therein. Any investment earnings from the amount deposited pursuant to Section 2.06(a) shall, on the Business Day following each Interest Payment Date, be deposited into the Series 2023A-1 Acquisition and Construction Account.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish another separate Account within the Debt Service Fund designated as the “Series 2023A-1 Sinking Fund Account.” Moneys shall be deposited into the Series 2023A-1 Sinking Fund Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this First Supplemental Indenture and applied for the purposes provided therein and in Section 3.01(c) of this First Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Reserve Fund designated as the “Series 2023A-1 Reserve Account.” Proceeds of the Series 2023A-1 Bonds shall be deposited into the Series 2023A-1 Reserve Account in the amount set forth in Section 2.06 of this First Supplemental Indenture, and such moneys, together with any other moneys deposited into the Series 2023A-1 Reserve Account shall be applied for the purposes provided therein and in this Section 4.01(f) of this First Supplemental Indenture.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2023A-1 Reserve Account and transfer any excess therein above the Reserve Requirement for the Series 2023A-1 Bonds caused by investment earnings prior to the Completion Date to the Series 2023A-1 Acquisition and Construction Account and after the Completion Date to the Series 2023A-1 Revenue Account.

Notwithstanding any of the foregoing, amounts on deposit in the Series 2023A-1 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority

Holders of the Series 2023A-1 Bonds to the Series 2023A-1 General Redemption Subaccount of the Series 2023A-1 Bond Redemption Account, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2023A-1 Special Assessments and applied to redeem a portion of the Series 2023A-1 Bonds is less than the principal amount of Series 2023A-1 Bonds indebtedness attributable to such lands.

Upon satisfaction of the Release Conditions as evidenced by a written certificate of the District Manager delivered to the Issuer and the Trustee, stating that the Release Conditions have been satisfied and setting forth the amount of the new Series 2023A-1 Reserve Requirement, the Trustee shall without further direction reduce the Series 2023A-1 Reserve Requirement to twenty-five percent (25%) of the maximum annual debt service of the then Outstanding principal amount of the Series 2023A-1 Bonds, as calculated by the District Manager. The excess amount in the Series 2023A-1 Reserve Account as a result of satisfaction of Release Conditions shall be transferred to the Series 2023A-1 Acquisition and Construction Account. The Trustee may conclusively rely on such written certificate of the District Manager.

In addition, in the event of an extraordinary mandatory redemption pursuant to Section 3.01(b)(iii), the District Manager on behalf of the Issuer shall calculate the applicable Reserve Requirement and communicate the same to the Trustee and the Trustee shall apply any excess in the Series 2023A-1 Reserve Account toward such extraordinary mandatory redemption.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Account within the Bond Redemption Fund designated as the “Series 2023A-1 Bond Redemption Account” and within such Account, a “Series 2023A-1 General Redemption Subaccount,” a “Series 2023A-1 Optional Redemption Subaccount,” and a “Series 2023A-1 Prepayment Subaccount.” Except as otherwise provided in this First Supplemental Indenture regarding Prepayments or in connection with the optional redemption of the Series 2023A-1 Bonds, moneys to be deposited into the Series 2023A-1 Bond Redemption Account as provided in Section 6.06 of the Master Indenture, shall be deposited to the Series 2023A-1 General Redemption Subaccount of the Series 2023A-1 Bond Redemption Account.

(h) Moneys that are deposited into the Series 2023A-1 General Redemption Subaccount of the Series 2023A-1 Bond Redemption Account (including all earnings on investments held therein) shall be used to call Series 2023A-1 Bonds for the extraordinary mandatory redemption in whole, pursuant to Section 3.01(b)(ii) hereof or in part pursuant to Section 3.01(b)(iii) hereof.

(i) Moneys in the Series 2023A-1 Prepayment Subaccount of the Series 2023A-1 Bond Redemption Account (including all earnings on investments held in such Series 2023A-1 Prepayment Subaccount of the Series 2023A-1 Bond Redemption Account) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2023A-1 Bonds equal to the amount of money transferred to the Series 2023A-1 Prepayment Subaccount of the Series 2023A-1 Bond Redemption Account for the purpose of such extraordinary mandatory redemption on the dates and at the price provided in such Section 3.01(b)(i) hereof.

(j) The Issuer hereby directs the Trustee to establish a Series 2023A-1 Rebate Fund designated as the “Series 2023A-1 Rebate Fund.” Moneys shall be deposited into the Series

2023A-1 Rebate Fund, as provided in the Arbitrage Certificate and Section 4.02 SEVENTH herein and applied for the purposes provided therein.

(k) Any moneys on deposit in the Series 2023A-1 Optional Redemption Subaccount shall be used to optionally redeem all or a portion of the Series 2023A-1 Bonds pursuant to Section 3.01(a) hereof.

SECTION 4.02. Series 2023A-1 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2023A-1 Revenue Account to the Funds, Accounts and subaccounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each May 1 commencing May 1, 2024, to the Series 2023A-1 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2023A-1 Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the Series 2023A-1 Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each November 1 commencing November 1, 2024, to the Series 2023A-1 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2023A-1 Bonds becoming due on the next succeeding November 1, less any amounts on deposit in the Series 2023A-1 Interest Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, commencing May 1, 202X, to the Series 2023A-1 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2023A-1 Bonds subject to sinking fund redemption on such May 1, less any amounts on deposit in the Series 2023A-1 Sinking Fund Account not previously credited;

FOURTH, no later than the Business Day next preceding May 1, 205X which is the principal payment date for the Series 2023A-1 Bonds, to the Series 2023A-1 Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2023A-1 Bonds Outstanding maturing on such May 1, 2053 less any amounts on deposit in the Series 2023A-1 Principal Account not previously credited;

FIFTH, notwithstanding the foregoing, at any time the Series 2023A-1 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2023A-1 Interest Account, the amount necessary to pay interest on the Series 2023A-1 Bonds subject to redemption on such date;

SIXTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2023A-1 Bonds remain Outstanding, to the Series 2023A-1 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2023A-1 Reserve Requirement for the Series 2023A-1 Bonds; and

SEVENTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be deposited into the Series 2023A-1 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2023A-1 Bonds and next, any balance in the Series 2023A-1 Revenue Account shall remain on deposit in such Series 2023A-1 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2023A-1 Rebate Fund , in which case, the Issuer shall direct the Trustee to make such deposit thereto.

SECTION 4.03. Power to Issue Series 2023A-1 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2023A-1 Bonds, to execute and deliver the Indenture and to pledge the Series 2023A-1 Pledged Revenues for the benefit of the Series 2023A-1 Bonds to the extent set forth herein. The Series 2023A-1 Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2023A-1 Bonds. The Series 2023A-1 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2023A-1 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. 2023 Project to Conform to Consulting Engineers Report. Upon the issuance of the Series 2023A-1 Bonds, the Issuer will promptly proceed to construct or acquire the 2023 Project, as described in Exhibit A hereto and in the Consulting Engineer’s Report relating thereto, all pursuant to the terms and provisions of the Acquisition Agreement.

SECTION 4.05. Prepayments; Removal of the Series 2023A-1 Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2023A-1 Special Assessments may, at its option, or as a result of acceleration of the Series 2023A-1 Special Assessments because of non-payment thereof or as a result of true-up payment, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2023A-1 Special Assessments by paying or causing there to be paid, to the Issuer all or a portion of the Series 2023A-1 Special Assessment, which shall constitute Series 2023A-1 Prepayment Principal, plus accrued interest to the next succeeding Interest Payment Date (or the next succeeding Interest Payment Date if such Prepayment is made within forty-five (45) calendar days before an Interest Payment Date), attributable to the property subject to the Series 2023A-1 Special Assessment owned by such owner. In connection with such Prepayments, in the event the amount in the Series 2023A-1 Reserve Account will exceed the Reserve Requirement for the Series 2023A-1 Bonds as a result of a Prepayment in accordance with this Section 4.05(a) and Section 4.01(f) and the resulting redemption of the Series 2023A-1 Bonds in accordance with Section 3.01(b)(i) of this First Supplemental Indenture, the excess amount shall be transferred from the Series 2023A-1 Reserve Account to the Series 2023A-1 Prepayment Subaccount of the Series 2023A-1 Bond Redemption Account as a credit against the Series 2023A-1 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions to the Trustee of the District Manager upon which the Trustee may conclusively rely, on behalf of the Issuer, together with a certification stating that, after giving effect to such transfer sufficient moneys will be on deposit in the Series 2023A-1 Reserve Account to equal or exceed the then

Reserve Requirement for the Series 2023A-1 Bonds and which certificate of the District Manager will further state that, after giving effect to the proposed redemption of Series 2023A-1 Bonds, there will be sufficient Series 2023A-1 Pledged Revenues to pay the principal and interest, when due, on all Series 2023A-1 Bonds that will remain Outstanding.

(b) Upon receipt of Series 2023A-1 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the Issuer that the Series 2023A-1 Special Assessment has been paid in whole or in part and that such Series 2023A-1 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

(c) The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Series 2023A-1 Prepayment Principal. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the Series 2023A-1 Bonds pursuant to Section 3.01(b)(i) hereof forty-five (45) days before each Quarterly Redemption Date being a March 15, June 15, September 15, or December 15 and will withdraw money from the Series 2023A-1 Reserve Account as a credit against the amount of Prepayment that is owed in an amount as directed by the Issuer or the District Manager on behalf of the Issuer in accordance with Section 4.01(f) hereof and Section 4.05(a) hereof. No credit shall be given if as a result the Reserve Requirement shall be less than what is required in the Series 2023A-1 Reserve Account after taking into account the proposed extraordinary mandatory redemption pursuant to Section 3.01(b)(i) hereof. At any time such Prepayment is not in an integral multiple of \$5,000, the Trustee shall (without any further authorization) withdraw moneys from the Series 2023A-1 Revenue Account to round-up to an integral multiple of \$5,000 and deposit such amount into the Series 2023A-1 Prepayment Subaccount. Notwithstanding the foregoing, the Trustee shall not be authorized to withdraw any moneys from the Series 2023A-1 Revenue Account unless all of the deposits required under Section 4.02 hereof have or can be made to the next succeeding Interest Payment Date.

[END OF ARTICLE IV]

ARTICLE V
COVENANTS AND DESIGNATIONS OF THE ISSUER

SECTION 5.01. Collection of Series 2023A-1 Special Assessments. Pursuant to the terms and provisions of the Master Indenture and except as provided in the next succeeding sentence, the Issuer shall collect the Series 2023A-1 Special Assessments relating to the acquisition and construction of the 2023 Project through the Uniform Method of Collection (the “Uniform Method”) afforded by Chapter 197, Florida Statutes. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall directly collect the Series 2023A-1 Special Assessments levied in lieu of the Uniform Method with respect to any assessable lands which have not yet been platted or the timing for using the Uniform Method will not yet allow for using such method, unless the Trustee at the direction of the Majority Holders directs the Issuer otherwise. In addition, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2023A-1 Special Assessments, and to levy the Series 2023A-1 Special Assessments in such manner as will generate funds sufficient to pay debt service on the Series 2023A-1 Bonds when due. All Series 2023A-1 Special Assessments that are collected directly by the Issuer shall be due and payable by the landowner not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Continuing Disclosure. Contemporaneously with the execution and delivery hereof, the Issuer has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement applicable to it; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but shall instead be enforceable by mandamus or any other means of specific performance.

SECTION 5.03. Investment of Funds, Accounts and Subaccounts. The provisions of Section 7.02 of the Master Indenture shall apply to the investment and reinvestment of moneys in the Series 2023A-1 Accounts and subaccounts therein created hereunder.

SECTION 5.04. Additional Obligations. The Issuer covenants not to issue any other Bonds or other debt obligations secured by the Series 2023A-1 Special Assessments. Such covenant shall not prohibit the Issuer from issuing refunding bonds. In addition, other than the Series 2023A-2 Bonds and as otherwise provided in this Section 5.04 hereof, the Issuer covenants not to issue any other Bonds or debt obligations secured by any other Special Assessments on assessable lands within the 2023A-1 Assessment Area within the District that are subject to the Series 2023A-1 Special Assessments unless the Bondholder Representative provides its written consent which may be given in its sole discretion, provided the foregoing shall not preclude the imposition of Special Assessments or other non-ad valorem assessments on such lands in connection with other capital projects that are necessary for health, safety or welfare reasons or to remediate a natural disaster. In addition, the Issuer may issue other Bonds or other debt obligations on the lands within the Future Phases Area at any time there are no longer any Series 2023A-1 Special Assessments levied on such lands.

For purposes of this Section 5.04, the term Special Assessments means any non-ad valorem assessments including “special assessments” levied and collected by the Issuer under Section

190.022 of the Act for maintenance purposes or “maintenance assessments,” levied and collected by the Issuer under Section 190.021(3) of the Act.

Subject to the covenants of the Issuer described in the first paragraph of this Section 5.04, the Issuer may issue other Bonds secured by other Special Assessments levied on the assessable lands within the Series 2023A-1 Assessment Area (other than on the Future Phases Area) if the Initial Purchaser fails, pursuant to the terms of the Second Supplemental Indenture, to fund any properly submitted Draw Request (as such term is defined in the Second Supplemental Indenture), provided that (i) the annual principal amount of such other Special Assessments, together with the Series 2023 Special Assessments does not exceed in the aggregate \$90.00 per front foot for each residential unit planned, and (ii) the total principal amount of such other Special Assessments, together with the Series 2023 Special Assessments does not exceed \$250,000 per acre for any commercial land use planned for within the Series 2023A-1 Assessment Area and the Series 2023A-2 Assessment Area within the Development.

In addition, as provided in the Second Supplemental Indenture, upon any failure to fund any properly submitted Draw Request, the Issuer may bring an action against the Initial Purchaser for specific performance and an action to recover all costs resulting therefrom and if the Issuer exercises its option to redeem all or a portion of its Outstanding Series 2023A-1 Bonds pursuant to the last sentence of Section 3.01(a) hereof, such claim shall include any additional interest costs and closing costs and expenses incurred as a result. It is recognized that the Developer may become a direct party as a plaintiff to any such claim. Notwithstanding the foregoing, the Issuer may not issue any additional Bonds pursuant to this Section 5.04 unless all of the following has been obtained regarding the planned development: (1) all required zoning has been obtained; and (2) all construction approvals have been obtained including permits and environmental clearance and satisfaction of such conditions have been certified by the Developer or its successor in interest which certification may be conclusively relied upon by the Issuer, the Trustee, the Initial Purchaser and FMSbonds, Inc.

SECTION 5.05. Acknowledgement Regarding Series 2023A-1 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, the Series 2023A-1 Bonds are payable solely from the Series 2023A-1 Pledged Revenues which include without limitation all amounts on deposit in the Series 2023A-1 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee. Except as provided below, anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2023A-1 Bonds, (i) the Series 2023A-1 Pledged Revenues may not be used by the Issuer (whether to pay costs of the 2023 Project or otherwise) without the consent of the Bondholder Representative, and (ii) the Series 2023A-1 Pledged Revenues may be used by the Trustee, at the direction, or with the approval of the Bondholder Representative, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture.

During the continuance of an Event of Default specified in Subsections 10.02(a) or 10.02(b) of the Master Indenture (a “Payment Related Default”), disbursements from the Series 2023A-1 Acquisition and Construction Account shall be made only with the consent of the Bondholder Representative except as provided below. During the continuance of a Payment Related Default, the Bondholder Representative shall have the right to provide direction to the Issuer to terminate, suspend, or proceed under any contracts for construction of the 2023 Project

entered into prior to the occurrence of such Payment Related Default. The Bondholder Representative may provide such direction at any time during the continuance of such Payment Related Default and shall not be deemed to have waived their right to do so through inaction or delay and may change such direction from time to time.

(i) Until such time as the Bondholder Representative provide such direction to the Issuer, disbursements may be made without the consent of the Bondholder Representative for Costs incurred by the Issuer under construction contracts entered into by the Issuer prior to the occurrence of such Payment Related Default.

(ii) Upon direction by the Bondholder Representative to proceed under any such contract(s), no consent of the Bondholder Representative shall be required for disbursements for Costs incurred by the Issuer thereunder until the date of suspension or termination of such contract directed by the Bondholder Representative described in subparagraph (iii) below.

(iii) Upon direction by the Bondholder Representative to suspend or terminate such construction contract(s), disbursements for Cost incurred by the Issuer thereunder shall only be made (x) for disbursements for Costs incurred by the Issuer under construction contracts entered into by the Issuer prior to the occurrence of such Payment Related Default and which Costs relate to work performed before the earliest date on which the Issuer is entitled to suspend or terminate such construction contract at the direction of the Bondholder Representative, or (y) with the consent of the Bondholder Representative.

Notwithstanding anything to the contrary contained herein, during the continuance of a Payment Related Default, the consent of the Bondholder Representative shall be required for disbursements for Costs under contracts for the acquisition of the 2023 Project improvements from the Developer or its affiliates.

[END OF ARTICLE V]

ARTICLE VI
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 6.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created and agrees to perform such trusts upon the terms and conditions set forth in the Indenture. The Trustee agrees to act as Paying Agent and Registrar for the Series 2023A-1 Bonds.

SECTION 6.02. Trustee’s Duties. The Trustee shall not be responsible in any manner for the due execution of this First Supplemental Indenture by the Issuer or for the recitals contained herein (except for the certificate of authentication on the Series 2023A-1 Bonds), all of which are made solely by the Issuer. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlement inuring to the Trustee under the Master Indenture.

SECTION 6.03. Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

[END OF ARTICLE VI]

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.01. Interpretation of First Supplemental Indenture. This First Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2023A-1 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this First Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the First Supplemental Indenture shall be read and construed as one document.

SECTION 7.02. Amendments. Any amendments to this First Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 7.03. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 7.04. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this First Supplemental Indenture are hereby incorporated herein and made a part of this First Supplemental Indenture for all purposes.

SECTION 7.05. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2023A-1 Bonds or the date fixed for the redemption of any Series 2023A-1 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 7.06. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2023A-1 Bonds.

SECTION 7.07. Patriot Act Requirements of the Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

SECTION 7.08. Allocation of Foreclosure Proceeds and Any Other Moneys. In the event proceeds from any foreclosure action are received by the Issuer as a result of a nonpayment of the Series 2023 Special Assessments on any parcel of land subject to the Series 2023 Special Assessments and other Special Assessments, if any, levied by the Issuer which are being collected by way of a direct bill to the applicable landowner, the Issuer shall allocate such proceeds on a

pro-rata basis. A pro-rata allocation will be determined by the Issuer based on the percentage of defaulted Series 2023 Special Assessments and the other defaulted Special Assessments to the total amount of defaulted Special Assessments which include the defaulted Series 2023 Special Assessments. In addition, if the Issuer or the Trustee receives any other moneys in the pursuit of remedies against the owner of any parcel of land subject to the Series 2023 Special Assessments and any other defaulted Special Assessments as a result of non-payment, such other moneys shall also be distributed on a pro-rata basis. Notwithstanding the next preceding sentence, any moneys received from the sale of tax certificates pursuant to the Uniform Method shall not be distributed on a pro-rata basis if the Series 2023 Special Assessments are not being collected pursuant to the Uniform Method. All moneys the Issuer received from the sale of tax certificates shall be only used for the Series of Series 2023 Bonds that relate to the proceeds therefrom, as determined by the Issuer, or the District Manager on behalf of the Issuer.

SECTION 7.09. Cure Rights. Notwithstanding any provision in the Master Indenture to the contrary, upon an Event of Default, the Issuer agrees that the Initial Purchaser, so long as it is a beneficial owner of the Series 2023 Bonds, shall have the right, but not the obligation, (i) to take any action permitted under the Master Indenture or this First Supplemental Indenture, (ii) to make advances to pay for any costs relating to the pursuit of available remedies or to cure any debt service deficiencies resulting from non-payment of the Series 2023 Special Assessments or any other Special Assessments, as applicable (collectively, “Curative Advances”) to cure any Event of Default. In connection therewith, no action shall be taken which adversely affects the rights of any Owner of the Series 2023 Bonds or any other Bonds secured by such other Special Assessments. The Issuer makes no representations that any of such advances made to pay debt service on the Series 2023 Bonds or other Bonds secured by other Special Assessments levied on the lands within either the Series 2023A-1 Assessment Area or the Series 2023A-2 Assessment Area is tax-exempt income. In addition, any Curative Advance to pay delinquent debt service on the Series 2023 Bonds will not be deemed a payment of any delinquent Series 2023 Special Assessments.

Each Curative Advance will be repaid with proceeds received by the Issuer from the exercise of remedies, including any foreclosure action as a result of the nonpayment of Series 2023 Special Assessments or other Special Assessments on the parcel relating to the debt service deficiency with respect to which the Curative Advance was made, before such proceeds are applied to the repayment of the Series 2023 Bonds or the other Bonds secured by the other Special Assessments in accordance with the terms of the Master Indenture.

SECTION 7.10. Bond Pooling Program. The Issuer understands and acknowledges that the Initial Purchaser is developing a bond pooling program (the “Bond Pooling Program”), pursuant to which a joint powers authority or other governmental unit or political subdivision of a state (the “Pool Bond Issuer”) will, from time to time, issue bonds, notes or other evidences of indebtedness (“Pool Debt”) and either apply proceeds of such Pool Debt to the purchase of bonds, notes or other evidences of indebtedness of states and political subdivisions thereof (“Local Bonds”), including Local Bonds such as the Series 2023A-1 Bonds, or exchange such Pool Debt for such Local Bonds. The Issuer acknowledges that the Initial Purchaser is coordinating the establishment of the Bond Pooling Program and agrees that, in connection with the Bond Pooling Program, an owner of Series 2023A-1 Bonds may (a) at any time, sell all or a portion of the Series 2023A-1 Bonds of such owner to the Pool Bond Issuer, or exchange all or a portion of the Series

2023A-1 Bonds of such owner for Pool Debt, on such terms as may be agreed upon by such owner and the Pool Bond Issuer, and (b) in connection with any such sale or exchange, transfer such Series 2023A-1 Bonds so sold or exchanged to the Pool Bond Issuer, or to a commercial bank acting as trustee for the Pool Debt (the “Pool Bond Trustee”).

The Issuer understands and acknowledges that (a) in connection with any such sale or exchange, only the debt service payments on the Series 2023A-1 Bonds so sold or exchanged will be pledged to the payment of and as security for such Pool Debt, and (b) the Pool Bond Issuer or such Pool Bond Trustee, as applicable, as the owner of such Series 2023A-1 Bonds so sold or exchanged, will be entitled to exercise such rights as are granted to owners of Series 2023A-1 Bonds. In connection with any Pool Debt or Series 2023A-1 Bonds that may become subject to an Internal Revenue Service audit, the Issuer agrees to cooperate, if necessary, with the Pool Bond Issuer in connection with any such audit of the Pool Debt provided that the Pool Bond Issuer likewise agrees to cooperate, if necessary, with the Issuer in connection with any audit of the Series 2023A-1 Bonds. The Issuer shall not be responsible for any fees and expenses in connection with any audit of the Pool Debt and, in addition, shall have no additional liability with respect to such Pool Debt beyond what is set forth in the A-1 Indenture and the Continuing Disclosure Agreement with respect to such pooling.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Lake Flores Community Development District has caused this First Supplemental Trust Indenture to be executed by the Chairperson of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary of its Board of Supervisors and U.S. Bank Trust Company, National Association has caused this First Supplemental Trust Indenture to be executed by one of its authorized signatories, all as of the day and year above written.

LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

[SEAL]

Attest:

By: _____
Name: Gary Walker
Title: Chairperson, Board of Supervisors

By: _____
Name: Craig Wrathell
Title: Secretary, Board of Supervisors

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee,
Paying Agent and Registrar

By: _____
Name: Amanda Kumar
Title: Vice President

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023, by Gary Walker, Chairperson of the Board of Supervisors of Lake Flores Community Development District, who acknowledged that he did sign the foregoing instrument as such officer, for and on behalf of Lake Flores Community Development District; that the same is his free act and deed as such officer, and the free act and deed of Lake Flores Community Development District; and that the seal affixed to said instrument is the seal of Lake Flores Community Development District. He is personally known to me or produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

STATE OF FLORIDA)
) SS:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023, by Craig Wrathell, Secretary of the Board of Supervisors of Lake Flores Community Development District, who acknowledged that he did sign the foregoing instrument as such officer for and on behalf of Lake Flores Community Development District; that the same is his free act and deed as such officer, and the free act and deed of Lake Flores Community Development District; and that the seal affixed to said instrument is the seal of Lake Flores Community Development District. He is personally known to me or produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2023, by Amanda Kumar, a Vice President of U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee, who acknowledged that she did so sign said instrument as such officer for and on behalf of said corporation; that the same is her free act and deed as such officer, respectively, and the free act and deed of said corporation; that she appeared before me on this day in person and acknowledged that she, being thereunto duly authorized, signed, for the uses and purposes therein set forth. She is personally known to me or has produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

EXHIBIT A
DESCRIPTION OF 2023 PROJECT

The 2023 Project includes, but is not limited to, the following improvements:

- Stormwater management and control facilities, including, but not limited to, related earthwork and acquisition or conveyance of lands relating thereto;
- Water and wastewater systems, including the payment of connection charges;
- Water reuse facilities;
- Public roadway improvements including, but not limited to, the payment of impact fees;
- Undergrounding differential cost of electric utilities;
- Irrigation, landscaping and hardscaping in public rights-of-way;
- Conservation areas;
- Recreational amenities; and
- Related soft and incidental costs.

EXHIBIT B

[FORM OF SERIES 2023A-1 BOND]

R-1

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF MANATEE
LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND, SERIES 2023A-1
(2023A-1 ASSESSMENT AREA)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issuance</u>	<u>CUSIP</u>
_____ %	May 1, 205X	_____, 2023	

Registered Owner:-----Cede & Co.-----

Principal Amount:--

KNOW ALL PERSONS BY THESE PRESENTS that the Lake Flores Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except while the herein defined Series 2023A-1 Bonds are in book-entry only form such presentation shall not be required), at the designated corporate trust office of U.S. Bank Trust Company, National Association, as paying agent (said U.S. Bank Trust Company, National Association and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above (with interest thereon at the Interest Rate per annum set forth above, computed on a 360-day year of twelve 30-day months), said principal payable on the Maturity Date stated above. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each May 1 and November 1, commencing May 1, 2024 to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank Trust Company, National Association, as registrar (said U.S. Bank Trust Company, National Association and any successor registrar being herein called the "Registrar") at the close of business on the first day of the calendar month for which an Interest Payment Date occurs or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to May 1, 2024, in which case from the date of initial delivery, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in

whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by U.S. Bank Trust Company, National Association, as Trustee (said U.S. Bank Trust Company, National Association and any successor trustee being herein called the "Trustee"), notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). Any capitalized term used in this Bond and not otherwise defined shall have the meaning ascribed to such term in the Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE SERIES 2023A-1 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, MANATEE COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, THE SERIES 2023A-1 SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee of the certificate of authentication endorsed hereon.

This Bond is one of an authorized issue of Bonds of the Lake Flores Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act") and Ordinance No. 22-04 of Board of County Commissioners of Manatee County, Florida enacted on January 11, 2021 and becoming effective on January 13, 2022, designated as "Lake Flores Community Development District Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area)" (the "Bonds" or the "Series 2023A-1 Bonds"), in the aggregate principal amount of _____ HUNDRED _____ MILLION _____ HUNDRED _____ THOUSAND AND 00/100 DOLLARS (\$_____) of like date, tenor and effect, except as to number, denomination, interest rate and maturity date. The Series 2023A-1 Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay the costs of constructing and/or acquiring the 2023 Project (as defined in the herein referred to Indenture). The Series 2023A-1 Bonds shall be issued as fully registered bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of September 1, 2023 (the "Master Indenture"), as amended by a First Supplemental Trust Indenture dated as of September 1, 2023 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Series 2023A-1 Bonds issued under the Indenture, the operation and application of the Debt Service Fund, the Series 2023A-1 Reserve Account within the Debt Service Reserve Fund and other Funds, Accounts and subaccounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and the interest on the Series 2023A-1 Bonds, the levy and the evidencing and certifying for collection, of the Series 2023A-1 Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Series 2023A-1 Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of the Series 2023A-1 Bonds, the conditions under which such Indenture may be amended with the consent of the Bondholder Representative of the Series 2023A-1 Bonds outstanding, and as to other rights and remedies of the registered owners of the Series 2023A-1 Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the County, the State or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the County, the State or any other political subdivision thereof, for the payment of the principal of and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for the Series 2023A-1 Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Series 2023A-1 Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of the Series 2023A-1 Special Assessments to secure and pay the Bonds.

The Series 2023A-1 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the Redemption Price of the Series 2023A-1 Bonds shall be made on the dates specified below. Upon any redemption of Series 2023A-1 Bonds other than in accordance with scheduled mandatory sinking fund redemption, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2023A-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2023A-1 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2023A-1 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption payment is due, the

foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Optional Redemption

The Series 2023A-1 Bonds (other than the Outstanding Series 2023A-1 Bonds allocated to the Future Phases Area) may, at the option of the Issuer, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will accept less than forty-five (45) days’ notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after May 1, 2038 (less than all Series 2023A-1 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Series 2023A-1 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2023A-1 Optional Redemption Subaccount of the Series 2023A-1 Bond Redemption Account. If such optional redemption shall be in part, the Issuer shall select such principal amount of Series 2023A-1 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Series 2023A-1 Bonds is substantially level. Notwithstanding the foregoing, the Series 2023A-1 Bonds may be optionally redeemed prior to May 1, 2038 if the Series 2023A-2 Bonds become subject to optional redemption pursuant to the provisions of the A-2 Indenture.

Mandatory Sinking Fund Redemption

The Series 2023A-1 Bonds are subject to mandatory sinking fund redemption on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Series 2023A-1 Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth herein or purchased and cancelled pursuant to the provisions of the Indenture.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2025	\$
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	

**Mandatory Sinking Fund
Redemption Amount**

<u>Year</u>
2040
2041
2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053
2054*

*Maturity

Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at an extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date.

(i) from Series 2023A-1 Prepayment Principal deposited into the Series 2023A-1 Prepayment Subaccount of the Series 2023A-1 Bond Redemption Account (taking into account the credit from the Series 2023A-1 Account pursuant to Section 4.05 of the First Supplemental Indenture) following the Prepayment in whole or in part of the Series 2023A-1 Special Assessments on any assessable property within the 2023A-1 Assessment Area within the District in accordance with the provisions of Section 4.05 of the First Supplemental Indenture. The Quarterly Redemption Date requirement shall not apply if any of the lands within the 2023A-2 Assessment Area have been sold to any homebuilder or commercial builder. The District Manager, on behalf of the Issuer, shall provide written notice to the Trustee at any time such sale has occurred, which notice the Trustee may conclusively rely on;

(ii) from moneys, if any, on deposit in the Series 2023A-1 Funds, Accounts and subaccounts in the Funds, Accounts and subaccounts (other than the Series 2023A-1 Rebate Fund, the Series 2023A-1 Costs of Issuance Account and the Series 2023A-1 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2023A-1 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2023A-1 Acquisition and Construction Account not otherwise reserved to complete the 2023 Project, all of which have been transferred to the Series 2023A-1 General Redemption Subaccount of the Series 2023A-1 Bond Redemption Account.

Except as otherwise provided in the Indenture, if less than all of the Bonds subject to redemption shall be called for redemption, the particular such Bonds or portions of such Bonds to be redeemed shall be selected randomly by the Trustee, as provided in the Indenture.

Notice of each redemption of the Bonds is required to be mailed by the Trustee by class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of the Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Trustee or the Paying Agent, all as provided in the Indenture, the Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Bonds or such portions thereof on such date, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Trustee or the Paying Agent. Further notice of redemption shall be given by the Trustee to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Notwithstanding the foregoing, the Trustee is authorized to give conditional notice of redemption as provided in the Master Indenture.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for three (3) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption shall be paid to the Issuer, thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Master Indenture) sufficient to pay the principal or Redemption Price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of such Bonds as to the trust

estate with respect to such Bonds shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

The Issuer shall keep books for the registration of the Bonds at the designated corporate trust office of the Registrar in Fort Lauderdale, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue) for the purpose of receiving payment of or on account of the principal of and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

IN WITNESS WHEREOF, Lake Flores Community Development District has caused this Bond to be signed by the manual signature of the Chairperson or Vice Chairperson of its Board of Supervisors and its seal to be imprinted hereon, and attested by the manual signature of the Secretary of its Board of Supervisors, all as of the date hereof.

LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson/Vice Chairperson
Board of Supervisors

(SEAL)

Attest:

By: _____
Secretary
Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Vice President

STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Twelfth Judicial Circuit of Florida, in and for Manatee County, Florida, rendered on the 7th day of June, 2022.

LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson/Vice Chairperson
Board of Supervisors

(SEAL)

Attest:

By: _____
Secretary
Board of Supervisors

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entirety
JT TEN - as joint tenants with rights of survivorship and
not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Transfer to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

EXHIBIT C

FORMS OF REQUISITIONS

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2023A-1 (2023A-1 ASSESSMENT AREA)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Lake Flores Community Development District (the “District”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of September 1, 2023, as supplemented by that certain First Supplemental Trust Indenture dated as of September 1, 2023 (collectively, the “Indenture”) (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number:
- (B) Identify Acquisition Agreement, if applicable;
- (C) Name of Payee:
- (D) Amount Payable:
- (E) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):
- (F) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2023A-1 Acquisition and Construction Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

1. obligations in the stated amount set forth above have been incurred by the District,
2. each disbursement set forth above is a proper charge against the Series 2023A-1 Acquisition and Construction Account;
3. each disbursement set forth above was incurred in connection with the Cost of the 2023 Project; and
4. each disbursement represents a Cost of 2023 Project which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested are on file with the District.

LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date: _____

**CONSULTING ENGINEER'S APPROVAL FOR
NON-COST OF ISSUANCE OR NON-OPERATING COSTS REQUESTS ONLY**

The undersigned Consulting Engineer hereby certifies that (A) this disbursement is for the Cost of the 2023 Project and is consistent with: (i) the Acquisition Agreement; and (ii) the report of the Consulting Engineer, as such report shall have been amended or modified; and (iii) the plans and specifications for the corresponding portion of the 2023 Project with respect to which such disbursement is being made; and, further certifies that (B) the purchase price to be paid by the District for the 2023 Project work product and/or improvements to be acquired with this disbursement is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual cost of construction of such improvements; and (C) the plans and specifications for the 2023 Project improvements have been approved by all regulatory bodies required to approve them or such approval can reasonably be expected to be obtained; and (D) all currently required approvals and permits for the acquisition, construction, reconstruction, installation and equipping of the portion of the 2023 Project for which disbursement is made have been obtained from all applicable regulatory bodies; and (E) subject to permitted retainage under the applicable contracts, the seller has paid all contractors, subcontractors, and materialmen that have provided services or materials in connection with the portions of the 2023 Project for which disbursement is made hereby, if acquisition is being made pursuant to the Acquisition Agreement.

Consulting Engineer

**LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2023A-1
(2023A-1 ASSESSMENT AREA)**

(Costs of Issuance)

The undersigned, a Responsible Officer of the Lake Flores Community Development District (the “District”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of September 1, 2023, as supplemented by that certain First Supplemental Trust Indenture dated as of September 1, 2023 (collectively, the “Indenture”) (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number:

- (B) Amount Payable:

- (C) Purpose for which paid or incurred: Costs of Issuance

- (D) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2023A-1 Costs of Issuance Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

1. this requisition is for costs of issuance payable from the Series 2023A-1 Costs of Issuance Account that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Series 2023A-1 Costs of Issuance Account;
3. each disbursement set forth above was incurred in connection with the issuance of the Series 2023A-1 Bonds; and
4. each disbursement represents a cost of issuance which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Attached hereto are originals or copies of the invoice(s) from the vendor of the services rendered with respect to which disbursement is hereby requested.

LAKE FLORES COMMUNITY DEVELOPMENT
DISTRICT

By: _____
Responsible Officer

Date: _____

62342855v26

LAKE FLORES

COMMUNITY DEVELOPMENT DISTRICT

3F

SECOND SUPPLEMENTAL TRUST INDENTURE

BETWEEN

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT

AND

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of September 1, 2023

Authorizing and Securing
\$ _____
LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2023A-2
(2023A-2 ASSESSMENT AREA)

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THIS SECOND SUPPLEMENTAL TRUST INDENTURE (the “Second Supplemental Indenture”), dated as of September 1, 2023 between the LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT (together with its successors and assigns, the “Issuer”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the banking laws of the United States and having a corporate trust office in Fort Lauderdale, Florida, as trustee (said banking corporation and any bank or trust company becoming successor trustee under this Second Supplemental Indenture being hereinafter referred to as the “Trustee”);

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), by Ordinance No. 22-04 enacted by the Board of County Commissioners of Manatee County, Florida (the “County”), on January 11, 2022 and becoming effective on January 13, 2022, as amended by a corrective ordinance on April 12, 2022, becoming effective on April 13, 2022 (the “Ordinance”); and

WHEREAS, the premises governed by the Issuer, as described more fully in the Ordinance, consisting of approximately 1,178.36 acres of land (herein, the “District Lands” or “District”), are located entirely within the unincorporated area of the County; and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

WHEREAS, the Issuer has determined to undertake, in one or more phases, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the assessable District Lands; and

WHEREAS, to coincide with the different phases of development, the Issuer has determined it necessary to create separate and distinct assessment areas within the District currently known as the “2023A-1 Assessment Area,” the “2023A-2 Assessment Area” and the “Future Phases Area”; and

WHEREAS, it is recognized that the 2002A-2 Assessment Area overlaps with a portion of the 2023A-1 Assessment Area;

WHEREAS, it is intended that the Future Phases Area may be further divided into smaller assessment areas to coincide with future phases of development; and

WHEREAS, the Issuer has previously adopted Resolution No. 2022-28 on March 4, 2022, authorizing the issuance of not to exceed \$373,690,000 in aggregate principal amount of its special assessment bonds (the “Bonds”) to finance all or a portion of the design, acquisition and construction costs of certain improvements pursuant to the Act for the special benefit of the District Lands or portions thereof and approving the form of and authorizing the execution and delivery of a master trust indenture and supplemental indenture; and

WHEREAS, pursuant to that certain Master Trust Indenture dated as of September 1, 2023 (the “Master Indenture”) and this Second Supplemental Indenture, both by and between the Issuer and the Trustee, the Issuer proposes to issue its herein defined Series 2023A-2 Bonds; and

WHEREAS, Cortez 75W Investors, LLC, a Delaware limited liability company (the “Developer”) is the developer of a master-planned mixed use community located within the District and shall construct all of the public infrastructure necessary to serve such master-planned mixed use community initially referred to as “Lake Flores” (herein, the “Development”) to the extent all or any portion is not constructed by the Issuer; and

WHEREAS, the public infrastructure as described on Exhibit A and necessary for a portion of the development of the Development is herein referred to as the “2023 Project,” which will be financed with a portion of the Series 2023A-1 Bonds and a portion of the Series 2023A-2 Bonds (as such terms are defined below); and

WHEREAS, the Issuer has determined to issue a Series of Bonds, designated as the Lake Flores Community Development District Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) issued on a draw-down basis in the principal amount of not exceeding \$_____ (the “Series 2023A-2 Bonds”), pursuant to the Master Indenture and this Second Supplemental Indenture (hereinafter sometimes collectively referred to as the “A-2 Indenture”); and

WHEREAS, in the manner provided herein, the proceeds of the Series 2023A-2 Bonds will be used to provide funds for (i) the Costs of acquiring and/or constructing a portion of the 2023 Project not otherwise financed with the proceeds of the herein defined Series 2023A-1 Bonds, (ii) funding interest on the Series 2023A-2 Bonds through at least [May 1, 2024]; (iii) the funding of the Series 2023A-2 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2023A-2 Bonds; and

WHEREAS, the Series 2023A-2 Bonds will be secured by a pledge of Series 2023A-2 Pledged Revenues (as hereinafter defined) to the extent provided herein; and

WHEREAS, pursuant to the Master Indenture and that certain First Supplemental Trust Indenture dated as of September 1, 2023 (the “First Supplemental Indenture”) by and between the Issuer and the Trustee (herein collectively referred to as the “A-1 Indenture”), the Issuer shall issue its Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the “Series 2023A-1 Bonds”) issued in the principal amount of \$_____ for the primary purpose of financing portions of the 2023 Project not otherwise financed with the proceeds of the Series 2023A-2 Bonds or financed by the Developer; and

WHEREAS, the Series 2023A-2 Bonds will be secured by the herein defined Series 2023A-2 Special Assessments which will be levied on certain of the assessable lands securing the Series 2023A-2 Bonds which area securing the Series 2023A-2 Bonds is herein referred to as the “2023A-2 Assessment Area.”

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2023A-2 Bonds, the security and payment of the principal or Redemption Price thereof (as the case may be) and interest thereon,

the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2023A-2 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2023A-2 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to U.S. Bank Trust Company, National Association, as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Series 2023A-2 Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2023A-2 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture with respect to the Series 2023A-2 Bonds.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2023A-2 Bonds issued and to be issued under this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Second Supplemental Indenture) of any one Series 2023A-2 Bond over any other Series 2023A-2 Bond, all as provided in the Indenture.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or Redemption Price of the Series 2023A-2 Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2023A-2 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Second Supplemental Indenture to be and remain in full force and effect.

ARTICLE I DEFINITIONS

In this Second Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition to certain terms defined in the recitals above, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

“A-1 Indenture” shall mean collectively, the Master Indenture and the First Supplemental Indenture.

“A-2 Indenture” shall mean collectively, the Master Indenture and this Second Supplemental Indenture.

“Acquisition Agreement” shall mean that certain Acquisition Agreement (Capital Improvement Plan) relating to the acquisition of the 2023 Project, by and between the Developer and the Issuer.

“Arbitrage Certificate” shall mean that certain Arbitrage Certificate, including arbitrage rebate covenants, of the Issuer, dated the date of delivery of the Series 2023A-2 Bonds, relating to certain restrictions on arbitrage under the Code with respect to the Series 2023A-2 Bonds.

“Assessment Resolutions” shall mean Resolution No. 2022-25, Resolution No. 2022-35 and Resolution No. 2023-07 of the Issuer adopted on March 4, 2022, April 29, 2022, and September 14, 2023, respectively, as amended and supplemented from time to time.

“Authorized Denomination” shall mean, with respect to the Series 2023A-2 Bonds, on the date of issuance, in the denominations of \$100,000 and any integral multiples of \$5,000 in excess thereof.

“Bond Proceeds Advance” shall mean each advance of the proceeds of the Series 2023A-2 Bonds from time to time by the Initial Purchaser upon the Draw Request of the Issuer for deposit with the Trustee. The procedures for which a Bond Proceeds Advance shall be made is set forth in Section 2.11 hereof.

“Bondholder Representative” shall mean (i) PHCC LLC (d/b/a Preston Hollow Community Capital), as the Initial Purchaser of the Series 2023A-2 Bonds, or its designee, and (ii) thereafter, if the Initial Purchaser, together with its affiliates, collectively owns, directly or indirectly, less than twenty-five percent (25%) of the aggregate Outstanding principal amount of the Series 2023A-2 Bonds, then the Bondholder Representative shall be the Person appointed by the beneficial owners of more than twenty-five percent (25%) of the Outstanding Series 2023A-2 Bonds. Notwithstanding the foregoing, the Initial Purchaser shall remain the Bondholder Representative until a new Bondholder Representative has been appointed and written notice of the same has been communicated to the Initial Purchaser, the Issuer and the Trustee. During any period in which no Bondholder Representative has been appointed, references in this First Supplemental Indenture to the Bondholder Representative shall be deemed to be references to the Majority Holders.

“Bonds” shall mean the Issuer’s Special Assessments Bonds issued pursuant to the Master Indenture.

“Collateral Assignment (A-2)” shall mean that certain instrument executed by the Developer in favor of the Issuer whereby certain of the Project Documents and other material documents necessary to complete a portion of the initial phases of the Development (comprising all of the development planned for the 2023A-2 Assessment Area) are collaterally assigned as security for the Developer’s obligation to pay the Series 2023A-2 Special Assessments imposed against lands within the District owned by the Developer and other landowners from time to time.

“Consulting Engineer” shall mean ZNS Engineering, L.C. and its successors and assigns.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement for the benefit of the owners of the Series 2023 Bonds, dated the date of delivery of the Series 2023

Bonds, by and among the Issuer, the dissemination agent named therein, the Developer, and joined by the parties named therein, in connection with the issuance of the Series 2023 Bonds.

“District Manager” shall mean Wrathell Hunt & Associates, LLC, and its successors and assigns.

“Draw Period” shall mean the period for which the Issuer may make Draw Requests which shall commence _____, 2023 and end on _____, unless extended at the request of the Issuer specifying the period of extension and providing a revised Draw Schedule. Such grant of an extension shall be at the sole discretion of the Initial Purchaser and, if granted, a revised Draw Schedule shall be provided to the Trustee.

“Draw Request” shall mean the written request of the Issuer made to Initial Purchaser for a Bond Proceeds Advance, which written request shall be substantially in the form attached hereto as Exhibit D.

“Draw Schedule” shall mean the schedule of anticipated draws to be made by the Developer representing the expected principal amount and dates of each Draw Request attached hereto as Exhibit E.

“Future Phases Area” shall mean approximately [778.9] acres of land within the District, which will be subject to a portion of the Series 2023A-1 Special Assessments in the initial principal amount of \$5,000,000.

“Initial Purchaser” shall mean PHCC LLC (d/b/a Preston Hollow Community Capital) or its designee.

“Interest Payment Date” shall mean May 1 and November 1 of each year, commencing May 1, 2024, and any other date the principal of the Series 2023A-2 Bonds is paid, including any Quarterly Redemption Date.

“Landowner” shall mean LF Manatee, LLC, a Florida limited liability company and the current owner of the District Lands representing the Future Phases Area.

“Majority Holders” means the beneficial owners of more than fifty percent (50%) of the Outstanding principal amount of the Series 2023A-2 Bonds.

“Master Indenture” shall mean the Master Trust Indenture, dated as of September 1, 2023, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Series 2023A-2 Bonds (as opposed to supplements or amendments relating to any Series of Bonds other than the Series 2023A-2 Bonds as specifically defined in this Second Supplemental Indenture).

“Paying Agent” shall mean U.S. Bank Trust Company, National Association, and its successors and assigns as Paying Agent hereunder.

“Placement Agent” shall mean FMSbonds, Inc., the placement agent of the Series 2023A-2 Bonds.

“Prepayment” shall mean the payment by any owner of property within the 2023A-2 Assessment Area within the District of the amount of the Series 2023A-2 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments. The term “Prepayment” also means any proceeds received as a result of accelerating and/or foreclosing the Series 2023A-2 Special Assessments. “Prepayments” shall include, without limitation, Series 2023A-2 Prepayment Principal.

“Quarterly Redemption Date” shall mean February 1, May 1, August 1 and November 1 of any calendar year.

“Redemption Price” shall mean the principal amount of any Series 2023A-2 Bond payable upon redemption thereof pursuant to this Second Supplemental Indenture.

“Registrar” shall mean U.S. Bank Trust Company, National Association and its successors and assigns as Registrar hereunder.

“Regular Record Date” shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date or the date on which the principal of a Bond is to be paid.

“Resolution” shall mean, collectively, (i) Resolution No. 2022-28 of the Issuer adopted on March 4, 2022, pursuant to which the Issuer authorized the issuance of not exceeding \$373,690,000 aggregate principal amount of its Bonds to finance the construction or acquisition of public infrastructure within the District, and (ii) Resolution No. 2023-05 of the Issuer adopted on September 14, 2023, pursuant to which the Issuer authorized, among other things, the issuance of the Series 2023 Bonds in an aggregate principal amount of not exceeding \$56,000,000 to finance a portion of the acquisition and/or construction of the 2023 Project, specifying the details of the Series 2023 Bonds and awarding the Series 2023 Bonds to the purchaser of the Series 2023 Bonds.

“Second Supplemental Indenture” shall mean this Second Supplemental Trust Indenture dated as of September 1, 2023 by and between the Issuer and the Trustee.

“Series 2023 Bonds” shall mean collectively, the \$_____ aggregate principal amount of Lake Flores Community Development District Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) and the not to exceed \$_____ aggregate principal amount of Lake Flores Community Development District Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) issued on a draw-down basis, to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and the First Supplemental Indenture with respect to the Series 2023A-1 Bonds and the Master Indenture and this Second Supplemental Indenture with respect to the Series 2023A-2 Bonds, and secured and authorized by the Master Indenture, the First Supplemental Indenture or this Second Supplemental Indenture, as applicable.

“Series 2023A-1 Acquisition and Construction Account” shall mean the Account so designated established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of the First Supplemental Indenture.

“Series 2023A-1 Bonds” shall mean the Issuer’s Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) issued in the principal amount of \$_____.

“Series 2023A-2 Acquisition and Construction Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Second Supplemental Indenture.

“Series 2023A-2 Bond Redemption Account” shall mean the Series 2023A-2 Bond Redemption Account established as a separate Account within the Bond Redemption Fund pursuant to Section 4.01(f) of this Second Supplemental Indenture.

“Series 2023A-2 Bonds” shall mean the Issuer’s Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) issued in the principal amount of \$_____.

“Series 2023A-2 Costs of Issuance Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Second Supplemental Indenture.

“Series 2023A-2 General Redemption Subaccount” shall mean the subaccount so designated, established as a separate subaccount under the Series 2023A-2 Bond Redemption Account pursuant to Section 4.01(f) of this Second Supplemental Indenture.

“Series 2023A-2 Interest Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this Second Supplemental Indenture .

“Series 2023A-2 Pledged Revenues” shall mean with respect to the Series 2023A-2 Bonds (a) all revenues received by the Issuer from the Series 2023A-2 Special Assessments levied and collected on the assessable lands within the 2023A-2 Assessment Area within the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2023A-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2023A-2 Special Assessments, and (b) all moneys on deposit in the Funds, Accounts and subaccounts established under the A-2 Indenture created and established with respect to or for the benefit of the Series 2023A-2 Bonds; provided, however, that Series 2023A-2 Pledged Revenues shall not include (A) any moneys transferred to the Series 2023A-2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2023A-2 Costs of Issuance Account of the Acquisition and Construction Fund, (C) “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance assessments” levied and collected by the Issuer under Section 190.021(3) of the Act, and (D) the Series 2023A-1 Special Assessments (it being expressly understood that the lien and pledge of the A-2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B), (C) and (D) of this proviso).

“Series 2023A-2 Prepayment Principal” shall mean the portion of a Prepayment corresponding to the principal amount of Series 2023A-2 Special Assessments being prepaid pursuant to Section 4.05 of this Second Supplemental Indenture or as a result of an acceleration of the Series 2023A-2 Special Assessments pursuant to Section 170.10, Florida Statutes, if such Series 2023A-2 Special Assessments are being collected through a direct billing method.

“Series 2023A-2 Prepayment Subaccount” shall mean the subaccount so designated, established as a separate subaccount under the Series 2023A-2 Bond Redemption Account pursuant to Section 4.01(f) of this Second Supplemental Indenture.

“Series 2023A-2 Principal Account” shall mean the account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(e) of this Second Supplemental Indenture.

“Series 2023A-2 Rebate Fund” shall mean the Fund so designated, established pursuant to Section 4.01(j) of this Second Supplemental Indenture.

“Series 2023A-2 Reserve Account” shall mean the Series 2023A-2 Reserve Account established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this Second Supplemental Indenture.

“Series 2023A-2 Reserve Requirement” or “Reserve Requirement” shall mean initially an amount equal to fifty percent (50%) of the maximum annual debt service with respect to the initial principal amount of the Outstanding Series 2023A-2 Bonds determined on the date of issue and then subsequently increased upon the funding of each Draw Request. The Reserve Requirement may be reduced pursuant to the provisions of Section 4.05 hereof. Any amount in the Series 2023A-2 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2023A-2 Bonds be used to pay principal of and interest on the Series 2023A-2 Bonds at that time. The initial Series 2023A-2 Reserve Requirement shall be equal to \$_____.

“Series 2023A-2 Revenue Account” shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this Second Supplemental Indenture.

“Series 2023A-2 Sinking Fund Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this Second Supplemental Indenture.

“Series 2023A-1 Special Assessments” shall mean the Special Assessments levied on the assessable lands within the 2023A-1 Assessment Area within the District as a result of the Issuer’s acquisition and/or construction of a portion of the 2023 Project, corresponding in amount to the debt service on the Series 2023A-1 Bonds and designated as such in the methodology report relating thereto. Notwithstanding the foregoing, no more than \$5,000,000 in principal amount of the Series 2023A-1 Bonds shall be allocated to the Future Phases Area.

“Series 2023A-2 Special Assessments” shall mean the Special Assessments levied on the assessable lands within the 2023A-2 Assessment Area within the District as a result of the Issuer’s acquisition and/or construction of a portion of the 2023 Project, corresponding in amount to the debt service on the Series 2023A-2 Bonds and designated as such in the methodology report relating thereto.

“Series 2023 Special Assessments” shall mean collectively the Series 2023A-1 Special Assessments and the Series 2023A-2 Special Assessments.

“2023A-1 Assessment Area” shall mean the designated assessment area within the District for which the Series 2023A-1 Special Assessments are levied securing the Series 2023A-1 Bonds which represents Phase 1B-1, Phase 1B-2, Phase N1, the Town Center parcel, the Multifamily Area, and the Future Phases Area.

“2023A-2 Assessment Area” shall mean the designated assessment area within the District for which the Series 2023A-2 Special Assessments are levied securing the Series 2023A-2 Bonds, as described on Exhibit “A” attached hereto, which area includes Phase 1B-1, Phase 1B-2, Phase N1, the Town Center parcel and the Multifamily Area of the Development.

“2023 Project” shall mean (i) the master infrastructure improvements deemed necessary for the development of 665 platted residential units, 18 acres for multifamily and 47 acres for mixed use within the 2023A-1 Assessment Area, and (ii) the parcel specific infrastructure improvements deemed necessary for the development of the same 665 platted residential units within the 2023A-2 Assessment Area within the District generally described on Exhibit “A” attached to the First Supplemental Indenture with respect to the 2023A-1 Assessment Area and Exhibit “A” attached to this Second Supplemental Indenture with respect to the 2023A-2 Assessment Area. The 2023 Project includes certain master public infrastructure improvements which provide benefit to the portion of the 2023A-1 Assessment Area located in the Future Phases Area.

The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the form of Series 2023A-2 Bonds), refer to the entire A-2 Indenture.

Every “request,” “requisition,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Chairperson or Vice Chairperson and the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary or Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[END OF ARTICLE I]

ARTICLE II
THE SERIES 2023A-2 BONDS

SECTION 2.01. Amounts and Terms of Series 2023A-2 Bonds; Issue of Series 2023A-2 Bonds. No Series 2023A-2 Bonds may be issued under this Second Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2023A-2 Bonds that may be issued under this Second Supplemental Indenture is expressly limited to not exceeding \$_____. The Series 2023A-2 Bonds shall be numbered consecutively from RA-2-1 and upwards.

(b) Any and all Series 2023A-2 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Series 2023A-2 Bonds upon execution of this Second Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2023A-2 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2023A-2 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2023A-2 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2023A-2 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2023A-2 Bonds.

(a) The Series 2023A-2 Bonds are being issued hereunder in order to provide funds (i) for the payment of the Costs of acquiring and/or constructing a portion of the 2023 Project not otherwise financed with the proceeds of the Series 2023A-1 Bonds, (ii) to fund the Series 2023A-2 Reserve Account in an amount equal to the Series 2023A-2 Reserve Requirement, (iii) to fund interest on the Series 2023A-2 Bonds to at least [May 1, 2024], and (iv) to pay the costs of issuance of the Series 2023A-2 Bonds. The Series 2023A-2 Bonds shall be designated "Lake Flores Community Development District Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area)," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2023A-2 Bonds shall be dated as of the date of initial delivery. Regularly scheduled interest on the Series 2023A-2 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2023A-2 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2024, in which case from the date of

initial delivery or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this Second Supplemental Indenture in connection with a book entry only system of registration of the Series 2023A-2 Bonds, the principal or Redemption Price of the Series 2023A-2 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2023A-2 Bonds. Except as otherwise provided in Section 2.07 of this Second Supplemental Indenture in connection with a book entry only system of registration of the Series 2023A-2 Bonds, the payment of interest on the Series 2023A-2 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2023A-2 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2023A-2 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2023A-2 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2023A-2 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date.

SECTION 2.05. Details of the Series 2023A-2 Bonds.

(a) The Series 2023A-2 Bonds will be issued as a Term Bond and will mature on May 1, 2053 and in the principal amount, and bear interest at the rate as set forth below, subject to the right of prior redemption in accordance with their terms.

<u>Amount</u>	<u>Interest Rate</u>
\$ _____ *	_____ %

*Term Bonds

(b) Interest on the Series 2023A-2 Bonds will be computed in all cases on the basis of a 360 day year of twelve 30 day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2023A-2 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2023A-2 Bond Proceeds.

(a) Initial Deposits.

(i) From the proceeds of the Series 2023A-2 Bonds received by the Trustee on the date of initial issuance in the amount of \$_____.

(ii) \$_____ derived from the proceeds of the Series 2023A-2 Bonds shall be deposited in the Series 2023A-2 Interest Account;

(iii) \$_____ derived from the proceeds of the Series 2023A-2 Bonds (which is an amount equal to the initial Series 2023A-2 Reserve Requirement) shall be deposited in the Series 2023A-2 Reserve Account of the Debt Service Reserve Fund;

(iv) \$_____ derived from the proceeds of the Series 2023A-2 Bonds shall be deposited into the Series 2023A-2 Costs of Issuance Account of the Acquisition and Construction Fund for payment of the costs of issuing the Series 2023A-2 Bonds; and

(v) \$_____ representing the balance of the proceeds of the Series 2023A-2 Bonds shall be deposited in the Series 2023A-2 Acquisition and Construction Account which the Issuer shall cause to be applied in accordance with Article V of the Master Indenture, Section 4.01(a) of the Second Supplemental Indenture and the terms of the Acquisition Agreement.

(b) Future Deposits. All future deposits made as a result of Bond Proceeds Advances shall be deposited in the Series 2023A-2 Acquisition and Construction Account, the Series 2023A-2 Reserve Account, the Series 2023A-2 Costs of Issuance Account and the Series 2023A-2 Interest Account in the amounts set forth in the applicable Draw Request.

SECTION 2.07. Book-Entry Form of Series 2023A-2 Bonds. The Series 2023A-2 Bonds shall be issued as one fully registered bond for each maturity of Series 2023A-2 Bonds and deposited with The Depository Trust Company (“DTC”), New York, New York, which is responsible for establishing and maintaining records of ownership for its participants.

As long as the Series 2023A-2 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof and in the Master Indenture. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants (“Direct Participants”) and other institutions that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The Direct Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2023A-2 Bonds (“Beneficial Owners”).

Principal and interest on the Series 2023A-2 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to Direct Participants shall be the responsibility of DTC. Payments by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Series 2023A-2 Bonds, through Direct Participants and Indirect Participants.

During the period for which Cede & Co. is registered owner of the Series 2023A-2 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to Direct Participants and Direct Participants shall be responsible for notices to Indirect Participants, and Direct Participants and Indirect Participants shall be responsible for notices to Beneficial Owners.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer in accordance with the procedures of DTC. In the event of such termination, the Issuer shall select another securities depository and in that event, all references herein to DTC or Cede & Co., shall be deemed to be for reference to such successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2023A-2 Bonds in the form of fully registered Series 2023A-2 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Series 2023A-2 Bonds may be exchanged for an equal aggregate principal amount of Series 2023A-2 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee.

SECTION 2.08. Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the “Bond Register”) for the registration, transfer and exchange of the Series 2023A-2 Bonds, and hereby appoints U.S. Bank Trust Company, National Association, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank Trust Company, National Association hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints U.S. Bank Trust Company, National Association as Paying Agent for the Series 2023A-2 Bonds. U.S. Bank Trust Company, National Association hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to Issuance of the Series 2023A-2 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2023A-2 Bonds, all the Series 2023A-2 Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Resolutions;

(b) Executed originals of the Master Indenture and this Second Supplemental Indenture;

(c) An opinion of Counsel to the District, also addressed to the Trustee (to the limited extent provided therein) substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to construct and/or purchase the 2023 Project being financed with the proceeds of the Series 2023A-2 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to own and operate the 2023 Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2023A-2 Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2023A-2 Special Assessments, and (v) the Series 2023A-2 Special Assessments are legal, valid and binding liens upon the property against which such Series 2023A-2 Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2023A-2 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture; and

(e) A copy of the Collateral Assignment (A-2).

Receipt by the Trustee of the net proceeds from the initial sale of the Series 2023A-2 Bonds shall constitute conclusive evidence of the satisfaction of the Issuer and Placement Agent of the conditions precedent for the issuance of the Series 2023A-2 Bonds set forth in this Section 2.09.

SECTION 2.10. Exchange Right. The Series 2023A-2 Bonds are initially issued as a Term Bond, may be exchanged for one or more Serial Bonds at the written direction of 100% of the beneficial owners of the Series 2023A-2 Bonds, provided overall debt service on the Series 2023A-2 Bonds shall not be increased. All expenses relating to such exchange shall be borne by the beneficial owners of the Series 2023A-2 Bonds provided that the Trustee shall not charge more than \$5,000. A new schedule of 2023A-2 Bonds, including respective maturities and CUSIP numbers will be timely provided by the Initial Purchaser to the Issuer and the Trustee which parties may conclusively rely.

SECTION 2.11. Bond Proceeds Advance Procedure.

(a) Subject to the conditions set forth below, the Issuer is hereby authorized to present one or more Draw Requests to the Initial Purchaser for the portion of the Series 2023A-2 Bonds that were authorized but not yet advanced by the Initial Purchaser at the time of initial delivery of the Series 2023A-2 Bonds.

(b) For purposes of this Section 2.11, the maximum amount of Bond Proceeds Advances that the Issuer may request pursuant to the Draw Schedule attached hereto as Exhibit E shall be equal to the difference between the principal amount described in the first paragraph of Section 2.06(a) hereof and the total of all Draw Requests that are funded \$_____ (the "Maximum

Draw Request Amount”). If any Bond Proceeds Advance has been repaid, the Maximum Draw Request Amount shall not be increased. The maximum number of Draw Requests shall not exceed six (6) and not more than one (1) Draw Request may be made each calendar quarter commencing after the date of delivery of the initial principal amount of Series 2023A-2 Bonds.

(c) Notwithstanding any of the foregoing, the Issuer shall not present a Draw Request to the Initial Purchaser upon the occurrence or continuance of an Event of Default under Section 10.02(a), (b) and (g) of the Master Indenture.

(d) In the event the Issuer fails to request the Maximum Draw Request Amount by the end of the Draw Period, no further Draw Requests may be made unless otherwise consented to by the Initial Purchaser in writing provided to the Issuer, the Trustee and the Developer.

(e) Subject to the conditions set forth in this Section 2.11, the Initial Purchaser shall fund each Draw Request within ten (10) Business Days from receipt of each Draw Request. Upon its receipt of each Bond Proceeds Advance, the Trustee shall immediately deposit the same in the Series 2023A-2 Acquisition and Construction Account to be disbursed pursuant to the provisions of Section 4.01(a) hereof and in the Series 2023A-2 Reserve Account, Series 2023A-2 Interest Account and the Series 2023A-2 Costs of Issuance Account in the amounts set forth in each Draw Request. The Trustee shall also make appropriate notations on its records relating to each Bond Proceeds Advance including, but not limited to, (1) the now outstanding principal amount of the Series 2023A-2 Bonds as a result of the Bond Proceeds Advance and (2) the amount of remaining Bond Proceeds Advances that the Issuer is authorized to make prior to the end of the Draw Period. The records of the Initial Purchaser shall govern the funding of all Draw Requests absent manifest error.

[END OF ARTICLE II]

ARTICLE III
REDEMPTION OF SERIES 2023A-2 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2023A-2 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2023A-2 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in this Section 3.01, if less than all the Series 2023A-2 Bonds are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Series 2023A-2 Bonds or portions of the Series 2023A-2 Bonds to be redeemed pursuant to Section 8.04 of the Master Indenture. Partial redemptions of Series 2023A-2 Bonds shall be made in such a manner that the remaining Series 2023A-2 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2023A-2 Bond.

The Series 2023A-2 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the Redemption Price of the Series 2023A-2 Bonds shall be made on the dates specified below.

(a) Optional Redemption. Except as provided in the next succeeding sentence, the Series 2023A-2 Bonds are not subject to optional redemption. If at any time the Initial Purchaser fails to fund a properly submitted Draw Request, the Issuer may redeem all or a portion of the Outstanding Series 2023A-2 Bonds at a Redemption Price equal to the principal amount of Outstanding Series 2023A-2 Bonds to be optionally redeemed, plus accrued interest to the applicable redemption date.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2023A-2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2023A-2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2023A-2 Prepayment Principal deposited into the Series 2023A-2 Prepayment Subaccount of the Series 2023A-2 Bond Redemption Account (taking into account the credit from the Series 2023A-2 Reserve Account pursuant to Section 4.05 hereof) following the Prepayment in whole or in part of the Series 2023A-2 Special Assessments on any assessable property within the 2023A-2 Assessment Area within the District in accordance with the provisions of Section 4.05 of this Second Supplemental Indenture. The Quarterly Redemption Date requirement shall not apply if any of the lands within the 2023A-1 Assessment Area have been sold to any homebuilder or commercial builder and such redemption may occur on any date provided proper notice of redemption has been given. The District Manager, on behalf of the Issuer, shall provide written notice to the Trustee at any time such sale has occurred, which notice the Trustee may conclusively rely on.

(ii) from moneys, if any, on deposit in the Series 2023A-2 Funds, Accounts and subaccounts (other than the Series 2023A-2 Rebate Fund, the Series 2023A-2 Costs of Issuance Account and the Series 2023A-2 Acquisition and Construction Account) sufficient to

pay and redeem all Outstanding Series 2023A-2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture; and

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2023A-2 Acquisition and Construction Account not otherwise reserved to complete the 2023 Project intended to be financed with the proceeds of the Series 2023A-2 Bond, all of which have been transferred to the Series 2023A-2 General Redemption Subaccount of the Series 2023A-2 Bond Redemption Account.

(c) Mandatory Sinking Fund Redemption. The Series 2023A-2 Bonds are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2023A-2 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2028	\$
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
2047	
2048	
2049	
2050	
2051	
2052	
2053	
2054*	

*Maturity

In the event the full amount of Series 2023A-2 Bonds have been advanced by the end of the Draw Period, the above mandatory sinking fund redemption amounts shall be adjusted accordingly by the Issuer, or the District Manager, on behalf of the Issuer, and a new sinking fund table will be timely provided to the Trustee.

Upon any redemption or purchase of Series 2023A-2 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2023A-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2023A-2 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2023A-2 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

SECTION 3.02. Notice of Redemption. When required to redeem Series 2023A-2 Bonds under any provision of this Second Supplemental Indenture or directed to redeem Series 2023A-2 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2023A-2 Bonds to be redeemed, notice of the redemption, as set forth in Article VIII of the Master Indenture.

[END OF ARTICLE III]

ARTICLE IV
ESTABLISHMENT OF CERTAIN FUNDS, ACCOUNTS AND SUBACCOUNTS;
ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS;
REMOVAL OF SERIES 2023A-2 SPECIAL ASSESSMENT LIENS

SECTION 4.01. Establishment of Certain Funds, Accounts and Subaccounts.

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the “Series 2023A-2 Acquisition and Construction Account.” The proceeds of the Series 2023A-2 Bonds shall be deposited into the Series 2023A-2 Acquisition and Construction Account in the amount set forth in Section 2.06 of this Second Supplemental Indenture, together with any moneys transferred to the Series 2023A-2 Acquisition and Construction Account pursuant to the provisions of this Second Supplemental Indenture, including moneys received as a result of the funding of Draw Requests and such moneys in the Series 2023A-2 Acquisition and Construction Account shall be applied by the Issuer as set forth in Section 5.01 of the Master Indenture, this Section 4.01(a) and the Acquisition Agreement. Notwithstanding anything herein to the contrary, the Issuer shall not present any requisitions to the Trustee for funding from the Series 2023A-2 Acquisition and Construction Account until all moneys on deposit in the Series 2023A-1 Acquisition and Construction Account has been withdrawn. Any moneys remaining in the Series 2023A-2 Acquisition and Construction Account after the Completion Date, except for any moneys reserved therein for the payment of any costs of the 2023 Project intended to be financed with the proceeds of the Series 2023A-2 Bond owed but not yet requisitioned, as evidenced in a certificate from the Consulting Engineer to the Trustee, upon which the Trustee may conclusively rely, and the adoption of a resolution by the Issuer accepting the 2023 Project, as evidenced by a certificate from the District Manager delivered to the Trustee, upon which the Trustee may conclusively rely, shall be transferred by the Trustee to the Series 2023A-2 General Redemption Subaccount of the Series 2023A-2 Bond Redemption Account. The Series 2023A-2 Acquisition and Construction Account shall be closed upon the expenditure or transfer of all funds therein. Upon presentment by the District Manager or the Issuer to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2023A-2 Acquisition and Construction Account and pay such moneys to the Person or Persons such requisition so directs. Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the “Series 2023A-2 Costs of Issuance Account.” The proceeds of the Series 2023A-2 Bonds shall be deposited into the Series 2023A-2 Costs of Issuance Account in the amount set forth in Section 2.06 of this Second Supplemental Indenture and from each funded Draw Request. Upon presentment by the District Manager or the Issuer to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2023A-2 Costs of Issuance Account to pay the costs of issuing the Series 2023A-2 Bonds. Six months after the end of the Draw Period, any moneys remaining in the Series 2023A-2 Costs of Issuance Account in excess of the amount requested to be disbursed by the Issuer shall be deposited into the Series 2023A-2 Interest Account. Any deficiency in the amount allocated to pay the cost of issuing the Series 2023A-2 Bonds shall be paid from excess Series 2023A-2 Pledged Revenues on deposit in the Series 2023A-2 Revenue Account pursuant to paragraph SIXTH of Section 4.02 hereof. When there are no further moneys therein, the Series 2023A-2 Costs of Issuance Account shall be closed. All earnings on moneys on deposit in the Series 2023A-2 Acquisition and Construction Account including earnings transferred thereto

pursuant to Section 4.01(d) hereof shall remain on deposit therein until the Series 2023A-2 Acquisition and Construction Account is closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the “Series 2023A-2 Revenue Account.” Series 2023A-2 Special Assessments and any other amounts required to be deposited therein (except for Prepayments of Series 2023A-2 Special Assessments which shall be identified as such by the Issuer to the Trustee and deposited in the Series 2023A-2 Prepayment Subaccount) shall be deposited by the Trustee into the Series 2023A-2 Revenue Account which shall be applied as set forth in Section 6.03 of the Master Indenture and Section 4.02 of this Second Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the “Series 2023A-2 Principal Account.” Moneys shall be deposited into the Series 2023A-2 Principal Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this Second Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the “Series 2023A-2 Interest Account.” Moneys deposited into the Series 2023A-2 Interest Account pursuant to Section 6.04 of the Master Indenture and Sections 2.06, 2.11 and 4.02 of this Second Supplemental Indenture, shall be applied for the purposes provided therein.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish another separate Account within the Debt Service Fund designated as the “Series 2023A-2 Sinking Fund Account.” Moneys shall be deposited into the Series 2023A-2 Sinking Fund Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this Second Supplemental Indenture and applied for the purposes provided therein and in Section 3.01(c) of this Second Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Reserve Fund designated as the “Series 2023A-2 Reserve Account.” Proceeds of the Series 2023A-2 Bonds shall be deposited into the Series 2023A-2 Reserve Account in the amount set forth in Section 2.06 of this Second Supplemental Indenture and in connection with each funded Draw Request, and such moneys, together with any other moneys deposited into the Series 2023A-2 Reserve Account shall be applied for the purposes provided therein and in this Section 4.01(f) of this Second Supplemental Indenture.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2023A-2 Reserve Account and transfer any excess therein above the Reserve Requirement for the Series 2023A-2 Bonds caused by investment earnings prior to the Completion Date to the Series 2023A-2 Acquisition and Construction Account and after the Completion Date to the Series 2023A-2 Revenue Account.

Notwithstanding any of the foregoing, amounts on deposit in the Series 2023A-2 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority

Holders of the Series 2023A-2 Bonds to the Series 2023A-2 General Redemption Subaccount of the Series 2023A-2 Bond Redemption Account, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2023A-2 Special Assessments and applied to redeem a portion of the Series 2023A-2 Bonds is less than the principal amount of Series 2023A-2 Bonds indebtedness attributable to such lands.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Account within the Bond Redemption Fund designated as the “Series 2023A-2 Bond Redemption Account” and within such Account, a “Series 2023A-2 General Redemption Subaccount,” and a “Series 2023A-2 Prepayment Subaccount.” Except as otherwise provided in this Second Supplemental Indenture regarding Prepayments, moneys to be deposited into the Series 2023A-2 Bond Redemption Account as provided in Section 6.06 of the Master Indenture, shall be deposited to the Series 2023A-2 General Redemption Subaccount of the Series 2023A-2 Bond Redemption Account.

(h) Moneys that are deposited into the Series 2023A-2 General Redemption Subaccount of the Series 2023A-2 Bond Redemption Account (including all earnings on investments held therein) shall be used to call Series 2023A-2 Bonds for the extraordinary mandatory redemption in whole, pursuant to Section 3.01(b)(ii) hereof or in part pursuant to Section 3.01(b)(iii) hereof.

(i) Moneys in the Series 2023A-2 Prepayment Subaccount of the Series 2023A-2 Bond Redemption Account (including all earnings on investments held in such Series 2023A-2 Prepayment Subaccount of the Series 2023A-2 Bond Redemption Account) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2023A-2 Bonds equal to the amount of money transferred to the Series 2023A-2 Prepayment Subaccount of the Series 2023A-2 Bond Redemption Account for the purpose of such extraordinary mandatory redemption on the dates and at the price provided in such Section 3.01(b)(i) hereof.

(j) The Issuer hereby directs the Trustee to establish a Series 2023A-2 Rebate Fund designated as the “Series 2023A-2 Rebate Fund.” Moneys shall be deposited into the Series 2023A-2 Rebate Fund, as provided in the Arbitrage Certificate and Section 4.02 SEVENTH herein and applied for the purposes provided therein.

SECTION 4.02. Series 2023A-2 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2023A-2 Revenue Account to the Funds, Accounts and subaccounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each May 1 commencing May 1, 2024, to the Series 2023A-2 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2023A-2 Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the Series 2023A-2 Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each November 1 commencing November 1, 2024, to the Series 2023A-2 Interest Account of

the Debt Service Fund, an amount equal to the interest on the Series 2023A-2 Bonds becoming due on the next succeeding November 1, less any amounts on deposit in the Series 2023A-2 Interest Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, commencing May 1, 2028, to the Series 2023A-2 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2023A-2 Bonds subject to sinking fund redemption on such May 1, less any amounts on deposit in the Series 2023A-2 Sinking Fund Account not previously credited;

FOURTH, no later than the Business Day next preceding May 1, 205X which is the principal payment date for the Series 2023A-2 Bonds, to the Series 2023A-2 Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2023A-2 Bonds Outstanding maturing on such May 1, 20XX less any amounts on deposit in the Series 2023A-2 Principal Account not previously credited;

FIFTH, notwithstanding the foregoing, at any time the Series 2023A-2 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2023A-2 Interest Account, the amount necessary to pay interest on the Series 2023A-2 Bonds subject to redemption on such date;

SIXTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2023A-2 Bonds remain Outstanding, to the Series 2023A-2 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2023A-2 Reserve Requirement for the Series 2023A-2 Bonds; and

SEVENTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be deposited into the Series 2023A-2 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2023A-2 Bonds and next, any balance in the Series 2023A-2 Revenue Account shall remain on deposit in such Series 2023A-2 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2023A-2 Rebate Fund , in which case, the Issuer shall direct the Trustee to make such deposit thereto.

SECTION 4.03. Power to Issue Series 2023A-2 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2023A-2 Bonds, to execute and deliver the Indenture and to pledge the Series 2023A-2 Pledged Revenues for the benefit of the Series 2023A-2 Bonds to the extent set forth herein. The Series 2023A-2 Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2023A-2 Bonds. The Series 2023A-2 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2023A-2 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. 2023 Project to Conform to Consulting Engineers Report. Upon the issuance of the Series 2023A-2 Bonds, the Issuer will promptly proceed to construct or acquire the 2023 Project, as described in Exhibit A hereto and in the Consulting Engineer's Report relating thereto, all pursuant to the terms and provisions of the Acquisition Agreement.

SECTION 4.05. Prepayments; Removal of the Series 2023A-1 Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2023A-2 Special Assessments may, at its option, or as a result of acceleration of the Series 2023A-2 Special Assessments because of non-payment thereof or as a result of true-up payment, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2023A-2 Special Assessments by paying or causing there to be paid, to the Issuer all or a portion of the Series 2023A-2 Special Assessment, which shall constitute Series 2023A-2 Prepayment Principal, plus accrued interest to the next succeeding Interest Payment Date (or the next succeeding Interest Payment Date if such Prepayment is made within forty-five (45) calendar days before an Interest Payment Date), attributable to the property subject to the Series 2023A-2 Special Assessment owned by such owner. In connection with such Prepayments, in the event the amount in the Series 2023A-2 Reserve Account will exceed the Reserve Requirement for the Series 2023A-2 Bonds as a result of a Prepayment in accordance with this Section 4.05(a) and the resulting redemption of the Series 2023A-2 Bonds in accordance with Section 3.01(b)(i) of this Second Supplemental Indenture, the excess amount shall be transferred from the Series 2023A-2 Reserve Account to the Series 2023A-2 Prepayment Subaccount of the Series 2023A-2 Bond Redemption Account as a credit against the Series 2023A-2 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions to the Trustee of the District Manager on behalf of the Issuer upon which the Trustee may conclusively rely, together with a certification stating that, after giving effect to such transfer sufficient moneys will be on deposit in the Series 2023A-2 Reserve Account to equal or exceed the then Reserve Requirement for the Series 2023A-2 Bonds and which certificate of the District Manager will further state that, after giving effect to the proposed redemption of Series 2023A-2 Bonds, there will be sufficient Series 2023A-2 Pledged Revenues to pay the principal and interest, when due, on all Series 2023A-2 Bonds that will remain Outstanding.

(b) Upon receipt of Series 2023A-2 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the Issuer that the Series 2023A-2 Special Assessment has been paid in whole or in part and that such Series 2023A-2 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

(c) The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Series 2023A-2 Prepayment Principal. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the Series 2023A-2 Bonds pursuant to Section 3.01(b)(i) hereof forty-five (45) days before each Quarterly Redemption Date, except as otherwise provided in Section 3.01(b)(i), and will withdraw money from the Series 2023A-2 Reserve Account as a credit against the amount of Prepayment that is owed in an amount as directed by the Issuer or the District Manager on behalf of the Issuer in accordance with Section 4.05(a) hereof. No credit shall be given if as a result the Reserve Requirement shall be less than

what is required in the Series 2023A-2 Reserve Account after taking into account the proposed extraordinary mandatory redemption pursuant to Section 3.01(b)(i) hereof. At any time such Prepayment is not in an integral multiple of \$5,000, the Trustee shall (without further authorization) withdraw moneys from the Series 2023A-2 Revenue Account to round-up to an integral multiple of \$5,000 and deposit such amount into the Series 2023A-2 Prepayment Subaccount. Notwithstanding the foregoing, the Trustee shall not be authorized to withdraw any moneys from the Series 2023A-2 Revenue Account unless all of the deposits required under Section 4.02 hereof have or can be made to the next succeeding Interest Payment Date.

[END OF ARTICLE IV]

ARTICLE V
COVENANTS AND DESIGNATIONS OF THE ISSUER

SECTION 5.01. Collection of Series 2023A-2 Special Assessments. Pursuant to the terms and provisions of the Master Indenture and except as provided in the next succeeding sentence, the Issuer shall collect the Series 2023A-2 Special Assessments relating to the acquisition and construction of the 2023 Project through the Uniform Method of Collection (the “Uniform Method”) afforded by Chapter 197, Florida Statutes. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall, pursuant to the provisions of the Assessment Resolutions, directly collect the Series 2023A-2 Special Assessments levied in lieu of the Uniform Method with respect to any assessable lands which have not yet been platted, or the timing for using the Uniform Method will not yet allow for using such method, unless the Trustee at the direction of the Majority Holders directs the Issuer otherwise. In addition, and not in limitation of, the covenants contained elsewhere in this Second Supplemental Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2023A-2 Special Assessments, and to levy the Series 2023A-2 Special Assessments in such manner as will generate funds sufficient to pay debt service on the Series 2023A-2 Bonds when due. All Series 2023A-2 Special Assessments that are collected directly by the Issuer shall be due and payable by the landowner not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Continuing Disclosure. Contemporaneously with the execution and delivery hereof, the Issuer has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement applicable to it; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but shall instead be enforceable by mandamus or any other means of specific performance.

SECTION 5.03. Investment of Funds, Accounts and Subaccounts. The provisions of Section 7.02 of the Master Indenture shall apply to the investment and reinvestment of moneys in the Series 2023A-2 Accounts and subaccounts therein created hereunder.

SECTION 5.04. Additional Obligations. Except as provided in the last paragraph of this Section 5.04, the Issuer covenants not to issue any other Bonds or other debt obligations secured by the Series 2023A-2 Special Assessments. Such covenant shall not prohibit the Issuer from issuing refunding bonds. In addition, other than the Series 2023A-1 Bonds and as provided in the last paragraph of this Section 5.04, the Issuer covenants not to issue any other Bonds or debt obligations secured by any other Special Assessments on assessable lands within the 2023A-2 Assessment Area within the District that are subject to the Series 2023A-2 Special Assessments unless the Bondholder Representative provides its written consent which may be given in its sole discretion, provided the foregoing shall not preclude the imposition of Special Assessments or other non-ad valorem assessments on such lands in connection with other capital projects that are necessary for health, safety or welfare reasons or to remediate a natural disaster.

For purposes of this Section 5.04, the term Special Assessments means any non-ad valorem assessments including “special assessments” levied and collected by the Issuer under Section

190.022 of the Act for maintenance purposes or “maintenance assessments,” levied and collected by the Issuer under Section 190.021(3) of the Act.

Subject to the covenants of the Issuer described in the first paragraph of this Section 5.04, the Issuer may issue other Bonds secured by other Special Assessments levied on the assessable lands within the Series 2023A-2 Assessment Area if the Initial Purchaser fails to fund any properly submitted Draw Request, provided that (i) the total annual principal amount of such other Special Assessments, together with the Series 2023 Special Assessments does not exceed in the aggregate \$90.00 per front foot for each residential unit planned, and (ii) the total principal amount of such other Special Assessments, together with the Series 2023 Special Assessments does not exceed \$250,000 per acre for any commercial land use planned for within the Series 2023A-2 Assessment Area and the Series 2023A-1 Assessment Area within the Development (collectively, the “Additional Bonds Limitations”). The Issuer or the District Manager on behalf of the Issuer shall provide written notice to the Trustee that the Additional Bonds Limitations will be satisfied as a condition precedent to issue any other Bonds which the Trustee may conclusively rely on.

In addition, upon any failure to fund any properly submitted Draw Request, the Issuer may bring an action against the Initial Purchaser for specific performance and/or an action to recover all costs resulting therefrom and if the Issuer exercises its option to redeem all or a portion of its Outstanding Series 2023A-2 Bonds pursuant to Section 3.01(a) hereof, such claim shall include any additional interest costs and closing costs and expenses incurred as a result. It is recognized that the Developer may become a direct party as a plaintiff to any such claim. Notwithstanding the foregoing, the Issuer may not issue any additional Bonds pursuant to this Section 5.04 unless all of the following has been obtained regarding the planned development: (1) all required zoning has been obtained; and (2) all construction approvals have been obtained including permits and environmental clearance and satisfaction of such conditions have been certified by the Developer or its successor in interest which certification may be conclusively relied upon by the Issuer, the Trustee, the Initial Purchaser and FMSbonds, Inc. It is recognized that the Developer may become a direct party to any such claim as a plaintiff.

SECTION 5.05. Acknowledgement Regarding Series 2023A-2 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, the Series 2023A-2 Bonds are payable solely from the Series 2023A-2 Pledged Revenues which include, without limitation, all amounts on deposit in the Series 2023A-2 Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee. Except as provided below, anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2023A-2 Bonds, (i) the Series 2023A-2 Pledged Revenues may not be used by the Issuer (whether to pay costs of the 2023 Project or otherwise) without the consent of the Bondholder Representative, and (ii) the Series 2023A-2 Pledged Revenues may be used by the Trustee, at the direction, or with the approval of the Bondholder Representative, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture.

During the continuance of an Event of Default specified in Subsections 10.02(a) or 10.02(b) of the Master Indenture (a “Payment Related Default”), disbursements from the Series 2023A-2 Acquisition and Construction Account shall be made only with the consent of the Bondholder Representative except as provided below. During the continuance of a Payment Related Default, the Bondholder Representative shall have the right to provide direction to the

Issuer to terminate, suspend, or proceed under any contracts for construction of the 2023 Project entered into prior to the occurrence of such Payment Related Default. The Bondholder Representative may provide such direction at any time during the continuance of such Payment Related Default and shall not be deemed to have waived their right to do so through inaction or delay and may change such direction from time to time.

(i) Until such time as the Bondholder Representative provide such direction to the Issuer, disbursements may be made without the consent of the Bondholder Representative for Costs incurred by the Issuer under construction contracts entered into by the Issuer prior to the occurrence of such Payment Related Default.

(ii) Upon direction by the Bondholder Representative to proceed under any such contract(s), no consent of the Bondholder Representative shall be required for disbursements for Costs incurred by the Issuer thereunder until the date of suspension or termination of such contract directed by the Bondholder Representative described in subparagraph (iii) below.

(iii) Upon direction by the Bondholder Representative to suspend or terminate such construction contract(s), disbursements for Cost incurred by the Issuer thereunder shall only be made (x) for disbursements for Costs incurred by the Issuer under construction contracts entered into by the Issuer prior to the occurrence of such Payment Related Default and which Costs relate to work performed before the earliest date on which the Issuer is entitled to suspend or terminate such construction contract at the direction of the Bondholder Representative, or (y) with the consent of the Bondholder Representative.

Notwithstanding anything to the contrary contained herein, during the continuance of a Payment Related Default, the consent of the Bondholder Representative shall be required for disbursements for Costs under contracts for the acquisition of the 2023 Project improvements from the Developer or its affiliates.

[END OF ARTICLE V]

ARTICLE VI
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 6.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created and agrees to perform such trusts upon the terms and conditions set forth in the Indenture. The Trustee agrees to act as Paying Agent and Registrar for the Series 2023A-2 Bonds.

SECTION 6.02. Trustee's Duties. The Trustee shall not be responsible in any manner for the due execution of this Second Supplemental Indenture by the Issuer or for the recitals contained herein (except for the certificate of authentication on the Series 2023A-2 Bonds), all of which are made solely by the Issuer. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlement inuring to the Trustee under the Master Indenture.

SECTION 6.03. Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

[END OF ARTICLE VI]

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.01. Interpretation of Second Supplemental Indenture. This Second Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2023A-2 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Second Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Second Supplemental Indenture shall be read and construed as one document.

SECTION 7.02. Amendments. Any amendments to this Second Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 7.03. Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 7.04. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Second Supplemental Indenture are hereby incorporated herein and made a part of this Second Supplemental Indenture for all purposes.

SECTION 7.05. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2023A-2 Bonds or the date fixed for the redemption of any Series 2023A-2 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 7.06. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2023A-2 Bonds.

SECTION 7.07. Patriot Act Requirements of the Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

SECTION 7.08. Allocation of Foreclosure Proceeds and Any Other Moneys. In the event proceeds from any foreclosure action are received by the Issuer as a result of a nonpayment of the Series 2023 Special Assessments on any parcel of land subject to the Series 2023 Special Assessments and any other Special Assessments levied by the Issuer which are being collected by way of a direct bill to the applicable landowner, the Issuer shall allocate such proceeds on a pro-

rata basis. A pro-rata allocation will be determined by the Issuer based on the percentage of defaulted Series 2023 Special Assessments and the other defaulted Special Assessments to the total amount of defaulted Special Assessments which include the defaulted Series 2023 Special Assessments. In addition, if the Issuer or the Trustee receives any other moneys in the pursuit of remedies against the owner of any parcel of land subject to the Series 2023 Special Assessments and any other defaulted Special Assessments as a result of non-payment, such other moneys shall also be distributed on a pro-rata basis. Notwithstanding the next preceding sentence, any moneys received from the sale of tax certificates pursuant to the Uniform Method shall not be distributed on a pro-rata basis if the Series 2023 Special Assessments are not being collected pursuant to the Uniform Method. All moneys the Issuer received from the sale of tax certificates shall be only used for the Series of Series 2023 Bonds that relate to the proceeds therefrom, as determined by the Issuer, or the District Manager on behalf of the Issuer.

SECTION 7.09. Cure Rights. Notwithstanding any provision in the Master Indenture to the contrary, upon an Event of Default, the Issuer agrees that the Initial Purchaser, so long as it is a beneficial owner of the Series 2023 Bonds, shall have the right, but not the obligation, (i) to take any action permitted under the Master Indenture or this Second Supplemental Indenture, (ii) to make advances to pay for any costs relating to the pursuit of available remedies or to cure any debt service deficiencies resulting from non-payment of the Series 2023 Special Assessments or any other Special Assessments, as applicable (collectively, “Curative Advances”) to cure any Event of Default. In connection therewith, no action shall be taken which adversely affects the rights of any Owner of the Series 2023 Bonds or any other Bonds secured by such other Special Assessments. The Issuer makes no representations that any of such advances made to pay debt service on the Series 2023 Bonds or other Bonds secured by other Special Assessments levied on the lands within either the Series 2023A-2 Assessment Area or the Series 2023A-1 Assessment Area is tax-exempt income. In addition, any Curative Advance to pay delinquent debt service on the Series 2023 Bonds will not be deemed a payment of any delinquent Series 2023 Special Assessments.

Each Curative Advance will be repaid with proceeds received by the Issuer from the exercise of remedies, including any foreclosure action as a result of the nonpayment of Series 2023 Special Assessments or other Special Assessments on the parcel relating to the debt service deficiency with respect to which the Curative Advance was made, before such proceeds are applied to the repayment of the Series 2023 Bonds or the other Bonds secured by the other Special Assessments in accordance with the terms of the Master Indenture.

SECTION 7.10. Bond Pooling Program. The Issuer understands and acknowledges that the Initial Purchaser is developing a bond pooling program (the “Bond Pooling Program”), pursuant to which a joint powers authority or other governmental unit or political subdivision of a state (the “Pool Bond Issuer”) will, from time to time, issue bonds, notes or other evidences of indebtedness (“Pool Debt”) and either apply proceeds of such Pool Debt to the purchase of bonds, notes or other evidences of indebtedness of states and political subdivisions thereof (“Local Bonds”), including Local Bonds such as the Series 2023A-2 Bonds, or exchange such Pool Debt for such Local Bonds. The Issuer acknowledges that the Initial Purchaser is coordinating the establishment of the Bond Pooling Program and agrees that, in connection with the Bond Pooling Program, an owner of Series 2023A-2 Bonds may (a) at any time, sell all or a portion of the Series 2023A-2 Bonds of such owner to the Pool Bond Issuer, or exchange all or a portion of the Series

2023A-2 Bonds of such owner for Pool Debt, on such terms as may be agreed upon by such owner and the Pool Bond Issuer, and (b) in connection with any such sale or exchange, transfer such Series 2023A-2 Bonds so sold or exchanged to the Pool Bond Issuer, or to a commercial bank acting as trustee for the Pool Debt (the “Pool Bond Trustee”).

The Issuer understands and acknowledges that (a) in connection with any such sale or exchange, only the debt service payments on the Series 2023A-2 Bonds so sold or exchanged will be pledged to the payment of and as security for such Pool Debt, and (b) the Pool Bond Issuer or such Pool Bond Trustee, as applicable, as the owner of such Series 2023A-2 Bonds so sold or exchanged, will be entitled to exercise such rights as are granted to owners of Series 2023A-2 Bonds. In connection with any Pool Debt or Series 2023A-2 Bonds that may become subject to an Internal Revenue Service audit, the Issuer agrees to cooperate, if necessary, with the Pool Bond Issuer in connection with any such audit of the Pool Debt provided that the Pool Bond Issuer likewise agrees to cooperate, if necessary, with the Issuer in connection with any audit of the Series 2023A-2 Bonds. The Issuer shall not be responsible for any fees and expenses in connection with any audit of the Pool Debt and, in addition, shall have no additional liability with respect to such Pool Debt beyond what is set forth in the A-2 Indenture and the Continuing Disclosure Agreement with respect to such pooling.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Lake Flores Community Development District has caused this Second Supplemental Trust Indenture to be executed by the Chairperson of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary of its Board of Supervisors and U.S. Bank Trust Company, National Association has caused this Second Supplemental Trust Indenture to be executed by one of its authorized signatories, all as of the day and year above written.

LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

[SEAL]

Attest:

By: _____
Name: _____
Title: Chairperson, Board of Supervisors

By: _____
Name: Craig Wrathell
Title: Secretary, Board of Supervisors

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee,
Paying Agent and Registrar

By: _____
Name: Amanda Kumar
Title: Vice President

JOINDER

By PHCC LLC d/b/a
Preston Hollow Community Capital, as the Initial Purchaser

The Initial Purchaser joins in the execution of this Second Supplemental Indenture solely for its agreement to the terms and provisions of Sections 2.11, 5.04, and 7.10 hereof and the application of Exhibit D hereto.

PHCC LLC d/b/a Preston Hollow
Community Capital, as the Initial Purchaser

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023, by _____, Chairperson of the Board of Supervisors of Lake Flores Community Development District, who acknowledged that he did sign the foregoing instrument as such officer, for and on behalf of Lake Flores Community Development District; that the same is his free act and deed as such officer, and the free act and deed of Lake Flores Community Development District; and that the seal affixed to said instrument is the seal of Lake Flores Community Development District. He is personally known to me or produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

STATE OF FLORIDA)
) SS:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023, by Craig Wrathell, Secretary of the Board of Supervisors of Lake Flores Community Development District, who acknowledged that he did sign the foregoing instrument as such officer for and on behalf of Lake Flores Community Development District; that the same is his free act and deed as such officer, and the free act and deed of Lake Flores Community Development District; and that the seal affixed to said instrument is the seal of Lake Flores Community Development District. He is personally known to me or produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2023, by Amanda Kumar, a Vice President of U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee, who acknowledged that she did so sign said instrument as such officer for and on behalf of said corporation; that the same is her free act and deed as such officer, respectively, and the free act and deed of said corporation; that she appeared before me on this day in person and acknowledged that she, being thereunto duly authorized, signed, for the uses and purposes therein set forth. She is personally known to me or has produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

EXHIBIT A
DESCRIPTION OF 2023 PROJECT

The 2023 Project includes, but is not limited to, the following improvements:

- Stormwater management and control facilities, including, but not limited to, related earthwork and acquisition or conveyance of lands relating thereto;
- Water and wastewater systems, including the payment of connection charges;
- Water reuse facilities;
- Public roadway improvements including, but not limited to, the payment of impact fees;
- Undergrounding differential cost of electric utilities;
- Irrigation, landscaping and hardscaping in public rights-of-way;
- Conservation Areas;
- Entrance feature; and
- Related soft and incidental costs.

EXHIBIT B

[FORM OF SERIES 2023A-2 BOND]

R-1

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF MANATEE
LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND, SERIES 2023A-2
(2023A-2 ASSESSMENT AREA)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issuance</u>	<u>CUSIP</u>
_____ %	May 1, 205X	_____, 2023	

Registered Owner:-----Cede & Co.-----

Principal Amount:--

KNOW ALL PERSONS BY THESE PRESENTS that the Lake Flores Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except while the herein defined Series 2023A-2 Bonds are in book-entry only form such presentation shall not be required), at the designated corporate trust office of U.S. Bank Trust Company, National Association, as paying agent (said U.S. Bank Trust Company, National Association and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above (with interest thereon at the Interest Rate per annum set forth above, computed on a 360-day year of twelve 30-day months), said principal payable on the Maturity Date stated above. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each May 1 and November 1, commencing [May 1, 2024] to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank Trust Company, National Association, as registrar (said U.S. Bank Trust Company, National Association and any successor registrar being herein called the "Registrar") at the close of business on the first day of the calendar month for which an Interest Payment Date occurs or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to [May 1, 2024], in which case from the date of initial delivery, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in

whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by U.S. Bank Trust Company, National Association, as Trustee (said U.S. Bank Trust Company, National Association and any successor trustee being herein called the “Trustee”), notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). Any capitalized term used in this Bond and not otherwise defined shall have the meaning ascribed to such term in the Indenture.

THE SERIES 2023A-2 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE SERIES 2023A-2 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, MANATEE COUNTY, FLORIDA (THE “COUNTY”), THE STATE OF FLORIDA (THE “STATE”), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, THE SERIES 2023A-2 SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee of the certificate of authentication endorsed hereon.

This Bond is one of an authorized issue of Bonds of the Lake Flores Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the “Act”) and Ordinance No. 22-04 of Board of County Commissioners of Manatee County, Florida enacted on January 11, 2021 and becoming effective on January 13, 2022, designated as “Lake Flores Community Development District Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area)” (the “Bonds” or the “Series 2023A-2 Bonds”), in the aggregate principal amount of _____ HUNDRED _____ MILLION _____ HUNDRED _____ THOUSAND AND 00/100 DOLLARS (\$_____) of like date, tenor and effect, except as to number, denomination, interest rate and maturity date. The Series 2023A-2 Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay the costs of constructing and/or acquiring the 2023 Project (as defined in the herein referred to Indenture). The Series 2023A-2 Bonds shall be issued as fully registered bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of September 1, 2023 (the “Master Indenture”), as amended by a Second Supplemental Trust Indenture dated as of September 1, 2023 (the “Second Supplemental Indenture” and together with the Master Indenture, the “Indenture”), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Series 2023A-2 Bonds issued under the Indenture, the operation and application of the Debt Service Fund, the Series 2023A-2 Reserve Account within the Debt Service Reserve Fund and other Funds, Accounts and subaccounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and the interest on the Series 2023A-2 Bonds, the levy and the evidencing and certifying for collection, of the Series 2023A-2 Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Series 2023A-2 Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of the Series 2023A-2 Bonds, the conditions under which such Indenture may be amended with the consent of the Bondholder Representative of the Series 2023A-2 Bonds outstanding, and as to other rights and remedies of the registered owners of the Series 2023A-2 Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the County, the State or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the County, the State or any other political subdivision thereof, for the payment of the principal of and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for the Series 2023A-2 Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Series 2023A-2 Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of the Series 2023A-2 Special Assessments to secure and pay the Bonds.

The Series 2023A-2 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the Redemption Price of the Series 2023A-2 Bonds shall be made on the dates specified below. Upon any redemption of Series 2023A-2 Bonds other than in accordance with scheduled mandatory sinking fund redemption, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2023A-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2023A-2 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2023A-2 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption payment is due, the

foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Optional Redemption

Except as provided in the next succeeding sentence, the Series 2023A-2 Bonds are not subject to optional redemption. If at any time the Initial Purchaser fails to fund a properly submitted Draw Request, the Issuer may redeem all or a portion of the Outstanding Series 2023A-2 Bonds at a Redemption Price equal to the principal amount of Outstanding Series 2023A-2 Bonds to be optionally redeemed, plus accrued interest to the applicable redemption date.

Mandatory Sinking Fund Redemption

The Series 2023A-2 Bonds are subject to mandatory sinking fund redemption on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Series 2023A-2 Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth herein or purchased and cancelled pursuant to the provisions of the Indenture.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2028	\$
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
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2042	
2043	
2044	
2045	
2046	
2047	
2048	
2049	
2050	
2051	

**Mandatory Sinking Fund
Redemption Amount**

Year
2052
2053
2054*

*Maturity

Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at an extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date.

(i) from Series 2023A-2 Prepayment Principal deposited into the Series 2023A-2 Prepayment Subaccount of the Series 2023A-2 Bond Redemption Account (taking into account the credit from the Series 2023A-2 Reserve Account pursuant to Section 4.05 of the Second Supplemental Trust Indenture) following the Prepayment in whole or in part of the Series 2023A-2 Special Assessments on any assessable property within the 2023A-2 Assessment Area within the District in accordance with the provisions of Section 4.05 of the Second Supplemental Indenture. The Quarterly Redemption Date requirement shall not apply if any of the lands within the 2023A-2 Assessment Area have been sold to any homebuilder or commercial builder. The District Manager, on behalf of the issuer, shall provide written notice by the Trustee at any time such sale has occurred which notice the Trustee may conclusively rely on.

(ii) from moneys, if any, on deposit in the Series 2023A-2 Funds, Accounts and Subaccounts in the Funds, Accounts and subaccounts (other than the Series 2023A-2 Rebate Fund, the Series 2023A-2 Costs of Issuance Account and the Series 2023A-2 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2023A-2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2023A-2 Acquisition and Construction Account not otherwise reserved to complete the 2023 Project, all of which have been transferred to the Series 2023A-2 General Redemption Subaccount of the Series 2023A-2 Bond Redemption Account.

Except as otherwise provided in the Indenture, if less than all of the Bonds subject to redemption shall be called for redemption, the particular such Bonds or portions of such Bonds to be redeemed shall be selected randomly by the Trustee, as provided in the Indenture.

Notice of each redemption of the Bonds is required to be mailed by the Trustee by class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of the Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. On the date designated for

redemption, notice having been given and money for the payment of the Redemption Price being held by the Trustee or the Paying Agent, all as provided in the Indenture, the Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Bonds or such portions thereof on such date, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Trustee or the Paying Agent. Further notice of redemption shall be given by the Trustee to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Notwithstanding the foregoing, the Trustee is authorized to give conditional notice of redemption as provided in the Master Indenture.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for three (3) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption shall be paid to the Issuer, thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Master Indenture) sufficient to pay the principal or Redemption Price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of such Bonds as to the trust estate with respect to such Bonds shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

The Issuer shall keep books for the registration of the Bonds at the designated corporate trust office of the Registrar in Fort Lauderdale, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and

the Trustee shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue) for the purpose of receiving payment of or on account of the principal of and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

IN WITNESS WHEREOF, Lake Flores Community Development District has caused this Bond to be signed by the manual signature of the Chairperson or Vice Chairperson of its Board of Supervisors and its seal to be imprinted hereon, and attested by the manual signature of the Secretary of its Board of Supervisors, all as of the date hereof.

LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson/Vice Chairperson
Board of Supervisors

(SEAL)

Attest:

By: _____
Secretary
Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Vice President

STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Twelfth Judicial Circuit of Florida, in and for Manatee County, Florida, rendered on the 7th day of June, 2022.

LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson/Vice Chairperson
Board of Supervisors

(SEAL)

Attest:

By: _____
Secretary
Board of Supervisors

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and
not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Transfer to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

EXHIBIT C

FORMS OF REQUISITIONS

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2023A-2 (2023A-2 ASSESSMENT AREA)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Lake Flores Community Development District (the “District”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of September 1, 2023, as supplemented by that certain Second Supplemental Trust Indenture dated as of September 1, 2023 (collectively, the “Indenture”) (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number:
- (B) Identify Acquisition Agreement, if applicable;
- (C) Name of Payee:
- (D) Amount Payable:
- (E) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):
- (F) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2023A-2 Acquisition and Construction Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

1. obligations in the stated amount set forth above have been incurred by the District,
2. each disbursement set forth above is a proper charge against the Series 2023A-2 Acquisition and Construction Account;
3. each disbursement set forth above was incurred in connection with the Cost of the 2023 Project; and
4. each disbursement represents a Cost of 2023 Project which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested are on file with the District.

LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date: _____

**CONSULTING ENGINEER'S APPROVAL FOR
NON-COST OF ISSUANCE OR NON-OPERATING COSTS REQUESTS ONLY**

The undersigned Consulting Engineer hereby certifies that (A) this disbursement is for the Cost of the 2023 Project and is consistent with: (i) the Acquisition Agreement; and (ii) the report of the Consulting Engineer, as such report shall have been amended or modified; and (iii) the plans and specifications for the corresponding portion of the 2023 Project with respect to which such disbursement is being made; and, further certifies that (B) the purchase price to be paid by the District for the 2023 Project work product and/or improvements to be acquired with this disbursement is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual cost of construction of such improvements; and (C) the plans and specifications for the 2023 Project improvements have been approved by all regulatory bodies required to approve them or such approval can reasonably be expected to be obtained; and (D) all currently required approvals and permits for the acquisition, construction, reconstruction, installation and equipping of the portion of the 2023 Project for which disbursement is made have been obtained from all applicable regulatory bodies; and (E) subject to permitted retainage under the applicable contracts, the seller has paid all contractors, subcontractors, and materialmen that have provided services or materials in connection with the portions of the 2023 Project for which disbursement is made hereby, if acquisition is being made pursuant to the Acquisition Agreement.

Consulting Engineer

**LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2023A-2
(2023A-2 ASSESSMENT AREA)**

(Costs of Issuance)

The undersigned, a Responsible Officer of the Lake Flores Community Development District (the “District”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of September 1, 2023, as supplemented by that certain Second Supplemental Trust Indenture dated as of September 1, 2023 (collectively, the “Indenture”) (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number:

- (B) Amount Payable:

- (C) Purpose for which paid or incurred: Costs of Issuance

- (D) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2023A-2 Costs of Issuance Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

1. this requisition is for costs of issuance payable from the Series 2023A-2 Costs of Issuance Account that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Series 2023A-2 Costs of Issuance Account;
3. each disbursement set forth above was incurred in connection with the issuance of the Series 2023A-2 Bonds; and
4. each disbursement represents a cost of issuance which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Attached hereto are originals or copies of the invoice(s) from the vendor of the services rendered with respect to which disbursement is hereby requested.

LAKE FLORES COMMUNITY DEVELOPMENT
DISTRICT

By: _____
Responsible Officer

Date: _____

EXHIBIT D

FORM OF DRAW REQUEST

PHCC LLC d/b/a Preston Hollow Community Capital
1717 Main Street, Suite 3900
Dallas, Texas 75201
Attention: Ramino Albarran

NOT EXCEEDING \$ _____
LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2023A-2
(2023A-2 ASSESSMENT AREA)

Dear Mr. Albarran:

I am the Chair/Vice Chair of the Board of Supervisors of the Lake Flores Community Development District (the “District”) and am authorized to present this Draw Request on behalf of the Lake Flores Community Development District (the “District”) to the Initial Purchaser as such terms are defined in that certain Second Supplemental Trust Indenture dated as of September 1, 2023 (the “Second Supplemental”) by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). This Draw Request relates to the above-referenced bonds (the “Series 2023A-2 Bonds”) issued pursuant to, and secured under that certain Master Trust Indenture dated as of September 1, 2023 (the “Master Indenture” and, together with the Second Supplemental, the “2023A-2 Indenture”) and the Second Supplemental. This Draw Request is made pursuant to the terms and provisions of Section 2.11 of the Second Supplemental. Any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the 2023A-2 Indenture.

REQUEST FOR BOND PROCEEDS ADVANCE

- | | | |
|----|--|-----------|
| 1. | Requested principal amount: | \$ _____ |
| 2. | Less original issue discount: | (_____) |
| 3. | Net amount of Bond Proceeds Advance | _____ |
| 4. | Amount of Bond Proceeds Advances previously funded | _____ |
| 5. | Principal amount of Series 2023A-2 Bonds Outstanding after the funding of this Bond Proceeds Advance | _____ |

Please transmit the amount in number 3 above to the Trustee within ten (10) business days of this Draw Request pursuant to the below wire instructions:

For Deposit

- | | |
|---|----------|
| Series 2023A-2 Acquisition and Construction Account | \$ _____ |
| Series 2023A-2 Interest Account | _____ |
| Series 2023A-2 Reserve Account | _____ |
| Series 2023A-2 Costs of Issuance Account (Placement Agent Fee only) | _____ |

Wire Instructions

U.S. Bank Trust Company, National Association
[TO COME]

I hereby certify that no Event of Default has occurred and is continuing under the Series 2023A-2 Indenture or the Series 2023A-1 Indenture.

BY: LAKE FLORES COMMUNITY
DEVELOPMENT DISTRICT

By: Board of Supervisors

By: _____

Name: _____

Title: _____

Date: _____

cc: timothyjunker@icloud.com
gwalke@lakefloresland.com
wraithllc@whhassociates.com
jere@kelawgroup.com
jkessler@fmsbonds.com
jebm@znseng.com
Amanda.kumar@usbank.com

EXHIBIT E
DRAW SCHEDULE

<u>Date</u>	<u>Amount*</u>
--------------------	-----------------------

*The amounts set forth above are the minimum amounts that may be drawn on each such date by the Issuer. The Issuer may, however, increase each such amount in increments of \$1,000,000 on each of such dates. In such event, the last draw date shall be reduced by the sum of all amounts that were in excess of the above draw amounts.

ACTIVE 682421643v17

LAKE FLORES

COMMUNITY DEVELOPMENT DISTRICT

3G



FIRST SUPPLEMENTAL ENGINEER'S REPORT

For

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT

ENGINEER: ZNS Engineering, LC

September 12, 2023

**FIRST SUPPLEMENTAL ENGINEER’S REPORT FOR THE
LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT**

September 13, 2023

1. PURPOSE

This report supplements the District’s February 15, 2022 Engineer’s Report (“**Master Report**”) for the purpose of describing the first phase of the District’s Capital Improvement Plan (CIP)¹ to be known as the “**2023 Project**.”

2. 2023 PROJECT

For the first phase of development, the project developer, Cortez75W Investors, LLC, intends to develop “**Phases 1A, 1B-1, 1B-2, N1 the Town Center & the Multifamily Area**”. The 2023 Project, as defined herein, includes certain improvements necessary for the development of such phases of land development. Presently, to finance a portion of the 2023 Project, the District intends to issue special assessment bonds secured by debt service assessments assigned to (i) Phases 1B-1, 1B-2, N1, the Town Center, & the Multifamily Area (collectively known as the “**2023A-2 Assessment Area**”) and (ii) the Future Phases Area (together with the 2023A-2 Assessment Area, the “**2023A-1 Assessment Area**”). **Exhibit A** illustrates the phasing plan for the District, and **Exhibit B** includes the legal descriptions for each respective Assessment Area.

List of 2023 Project Improvements

The improvements that are part of the 2023 Project include the following:

- Phase 1B stormwater management improvements
- Phase 1B roadways
- Phase 1B water, sewer and reclaim utilities
- Phase 1B hardscape, landscape and irrigation improvements
- Phase 1B undergrounding of electrical conduit
- Offsite improvements including roadway improvements to Cortez Road and 75th St
- Conservation / Mitigation
- Professional Services

Product Mix

The table below shows the product types that will be part of the 2023A-2 Assessment Area. The Future Phases Area comprises [778.9] acres, the development plan for which is still in the design phases.:

PRODUCT TYPE	2023A-1 ASSESSMENT AREA (PHASE 1B-1 & 1B-2, & N1)
TH	68
Twin Villa	90
42’ x 105’ SF	66
45’ x 105’ SF	126
50’ x 110’ SF	131
60’ x 120’ SF	136
80’ x 120’ SF	48
TOTAL Res. Lots	665

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Master Report.
1023 Manatee Avenue West, 7th Fl • Bradenton, FL • 34205 • 941.748.8080 • www.znseng.com • info@znseng.com
Engineering-CA0027476 Surveying-LB0006982 Landscape Architecture-LC0000365

Multi-Family	18 acres
Mixed Use	44.69 acres

Permits

The status of the applicable permits necessary for the 2023 Project is as follows:

- GDP/Rezone - Approved (PDMU-14-20(Z)(G))
- Phase IA Mass Grading Construction Plan - Approved (PLN1910-0098)
- SWFWMD Wetland Determination - Approved (42042599.001)
- SWFWMD Phase IA ERP Permit - Approved (43042599.002)
- Army Corps of Engineers ACOE Permit - Approved (SJ*2015-03799(SP-JC))
- SWFWMD Master Drainage ERP - Approved (43042599.011)
- Phase IB & IC Final Site Plan/Preliminary Site Plan/Preliminary Plat - Approved (PLN2207-0004)
- Phase IB & IC Construction Plan - Approved (PLN2207-0005)
- SWFWMD Phase IB & IC ERP - Approved (43042599.012)
- FDOT Access Permit - In Review (2022-A-194-00058)
- FDOT Drainage Permit - In Review (2022-D-194-00047)
- Phase N-1 Final Site Plan/Preliminary Site Plan/Preliminary Plat - Future Submittal
- Phase N-1 Construction Plan - Future Submittal
- Phase N-1 SWFWMD ERP - Future Submittal

Estimated Costs

The following table shows the estimated costs for the 2023 Project:

ESTIMATED COSTS FOR 2023 PROJECT

2023 PROJECT ESTIMATED COST	
Stormwater Management	\$14,300,000
Roadways ^d	\$9,700,000
Utilities (Water, Sewer, Reclaim)	\$13,400,000
Hardscape/Landscape/Irrigation ^d	\$4,200,000
Undergrounding of Electrical Conduit	\$1,200,000
Offsite Improvements ^e	\$6,600,000
Conservation / Mitigation	\$3,300,000
Professional Services	\$2,400,000
Contingency	\$11,020,000
TOTAL	\$66,120,000

- a. The probable costs estimated herein do not include anticipated carrying cost, interest reserves or other anticipated CDD expenditures that may be incurred.
- b. The developer reserves the right to finance any of the improvements outlined above, and have such improvements owned and maintained by a property owner's or homeowner's association, in which case such items would not be part of the CIP.
- c. The District may enter into an agreement with a third-party, or an applicable property owner's or homeowner's association, to maintain any District-owned improvements, subject to the approval of the District's bond counsel.
- d. These items, if behind hard-gates, will not be part of the 2023 Project.



- e. Impact fee credits may be available from master roadway and utility improvements. The developer and the District will enter into an acquisition agreement whereby the developer may elect to keep any such credits, provided that consideration is provided to the District in the form of improvements, land, a prepayment of debt assessments, or other consideration.

Conclusion

The 2023 Project will be designed in accordance with current governmental regulations and requirements. The 2023 Project will serve its intended function so long as the construction is in substantial compliance with the design.

It is further our opinion that:

- the estimated cost of 2023 Project as set forth herein is reasonable based on prices currently being experienced in the jurisdiction in which the District is located, and is not greater than the lesser of the actual cost of construction or the fair market value of such infrastructure;
- all of the improvements comprising the CIP are required by applicable development approvals issued pursuant to Section 380.06, Florida Statutes;
- the 2023 Project is feasible to construct, there are no technical reasons existing at this time that would prevent the implementation of the 2023 Project, and it is reasonable to assume that all necessary regulatory approvals will be obtained in due course; and

The 2023 Project will be owned by the District or other governmental units and such 2023 Project is intended to be available and will reasonably be available for use by the general public (either by being part of a system of improvements that is available to the general public or is otherwise available to the general public) including nonresidents of the District. All of the 2023 Project is or will be located on lands owned or to be owned by the District or another governmental entity or on perpetual easements in favor of the District or other governmental entity. The 2023 Project, and any cost estimates set forth herein, do not include any earthwork, grading or other improvements on private lots or property. The District will pay the lesser of the cost of the components of the 2023 Project or the fair market value.

Please note that the 2023 Project as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the 2023 Project, as used herein, refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units in the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.



Jeb Mulock
2023.09.20
13:46:27
-04'00'

Jeb Mulock, P.E. Date _____

- EXHIBIT A: Preliminary Phasing Plan
- EXHIBIT B: Legal Descriptions and Sketch of the Assessment Areas

EXHIBIT A

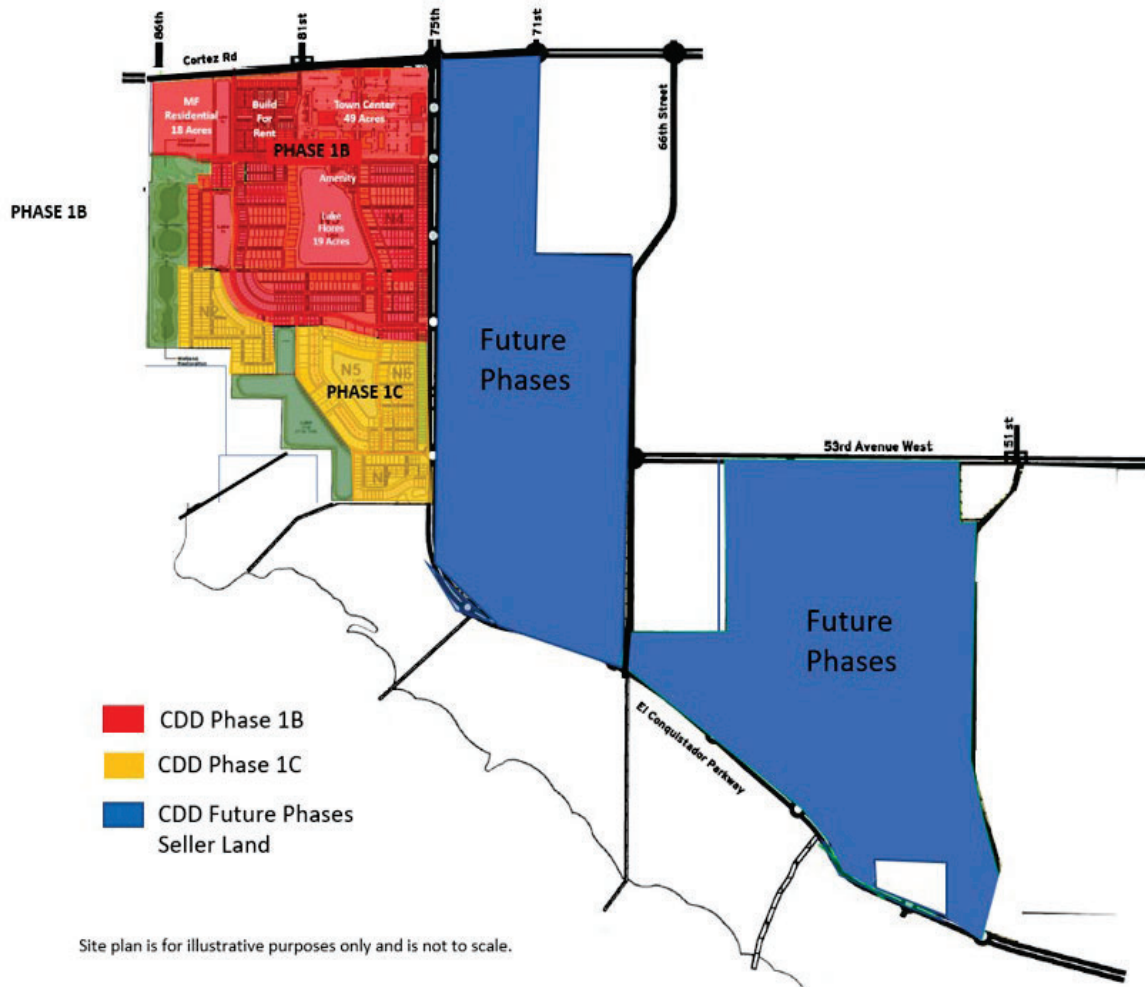


EXHIBIT B

DESCRIPTION (First Supplemental Assessment Area):

A parcel of land lying and being in Section 7, Township 35 South, Range 17 East, Manatee County, Florida, more particularly described as follows.

COMMENCE at the South 1/4 corner of said Section 7; thence N89°13'06"W, 59.93 feet; thence N00°13'40"E, 97.44 feet to a point on the Westerly Right-of-Way line of 75th Street West per the Deed recorded in Official Records Book 2277, Page 4330 of the Public records of Manatee County, Florida; thence, along said Westerly Right-of-Way line N00°13'40"E, 1,356.78 feet to the **POINT OF BEGINNING**; thence leaving said Westerly Right-of-Way line, West, 160.75 feet; thence South, 24.59 feet, thence West, 520.57 feet to a point on a non-tangent curve to the Left, whose radius point bears N86°26'03"W, 970.00 feet, and having a central angle of 03°33'57"; thence Northerly along the arc of said curve 60.37 feet; thence N00°13'40"E, 13.72 feet; thence West, 15.62 feet to the point of curvature of a curve to the Right, having a radius of 915.00 feet, and a central angle of 23°15'51"; thence Westerly along the arc of said curve 371.52 feet; thence N66°44'09"W, 82.28 feet to the point of curvature of a curve to the Left having a radius of 590.00 feet and a central angle of 23°15'51"; thence Westerly along the arc of said curve 239.56 feet; thence West, 416.99 feet; thence North, 130.58 feet; thence S89°53'45"W, 261.24 feet to a point on a non-tangent curve to the Right, whose radius point bears N00°29'00"E, 580.00 feet, and having a central angle of 11°47'51"; thence Westerly along the arc of said curve 119.42 feet; thence South, 114.65 feet; thence West, 37.00 feet to a point on a non-tangent curve to the Right, whose radius point bears N12°45'03"E, 692.70 feet, and having a central angle of 78°33'12"; thence Northwesterly along the arc of said curve 949.70 feet; thence N00°00'26"E, 49.22 feet; thence N89°53'36"W, 416.65 feet; thence North, 1,070.03 feet; thence East, 106.88 feet; thence North, 120.00 feet; thence S89°59'38"E, 189.95 feet; thence North, 200.00 feet; thence West, 135.56 feet to the point of curvature of a curve to the Right having a radius of 330.00 feet and a central angle of 27°51'18"; thence Westerly along the arc of said curve 160.43 feet; thence N62°08'42"W, 43.15 feet to the point of curvature of a curve to the Left having a radius of 270.00 feet and a central angle of 27°51'18"; thence Westerly along the arc of said curve 131.26 feet; thence West, 277.09 feet to the point of curvature of a curve to the Left having a radius of 50.00 feet and a central angle of 89°19'34"; thence Southwesterly along the arc of said curve 77.95 feet to a point on the Easterly Maintained Right-of-Way line of 86th Street West; thence along said Easterly line N00°40'26"E, 1,064.46 feet to a point on the Southerly Right-of-Way line of Cortez Road (SR684), per FDOT Right-of-Way map 13040-2518, and a point on a non-tangent curve to the Left, whose radius point bears N02°02'27"W, 7,689.44 feet, and having a central angle of 01°46'42"; thence along said Southerly Right-of-Way line the following three (3) courses: (1) Easterly along the arc of said curve 238.66 feet; (2) N86°10'51"E, 2,994.12 feet; (3) N86°21'39"E, 416.58 feet to the intersection with the aforementioned Westerly Right-of-Way line of 75th Street West; thence along said Westerly line S00°13'40"W, 3,707.17 feet to the POINT OF BEGINNING.

Containing 10,896,507 square feet or 250.15 acres, more or less.

**SKETCH & DESCRIPTION
 OF
 A PARCEL OF LAND
 LOCATED IN
 SECTION 7, TOWNSHIP 35 SOUTH, RANGE 17 EAST
 MANATEE COUNTY, FLORIDA**

DRAWN: MM DATE: 2023.09.12

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Professional Surveyor
 STATE OF FLORIDA
 License Number: 6809
 Member
 KAVIN C. WILMOTT
 DN: c=US, o=Unaffiliated,
 ou=A01410C00000175D2441140
 00000D83, cn=KAVIN C WILMOTT
 Date: 2023.09.20 13:02:24 -04'00'

BY: KAVIN C. WILMOTT, P.S.M.
 FLORIDA CERTIFICATE No. PLS 6809

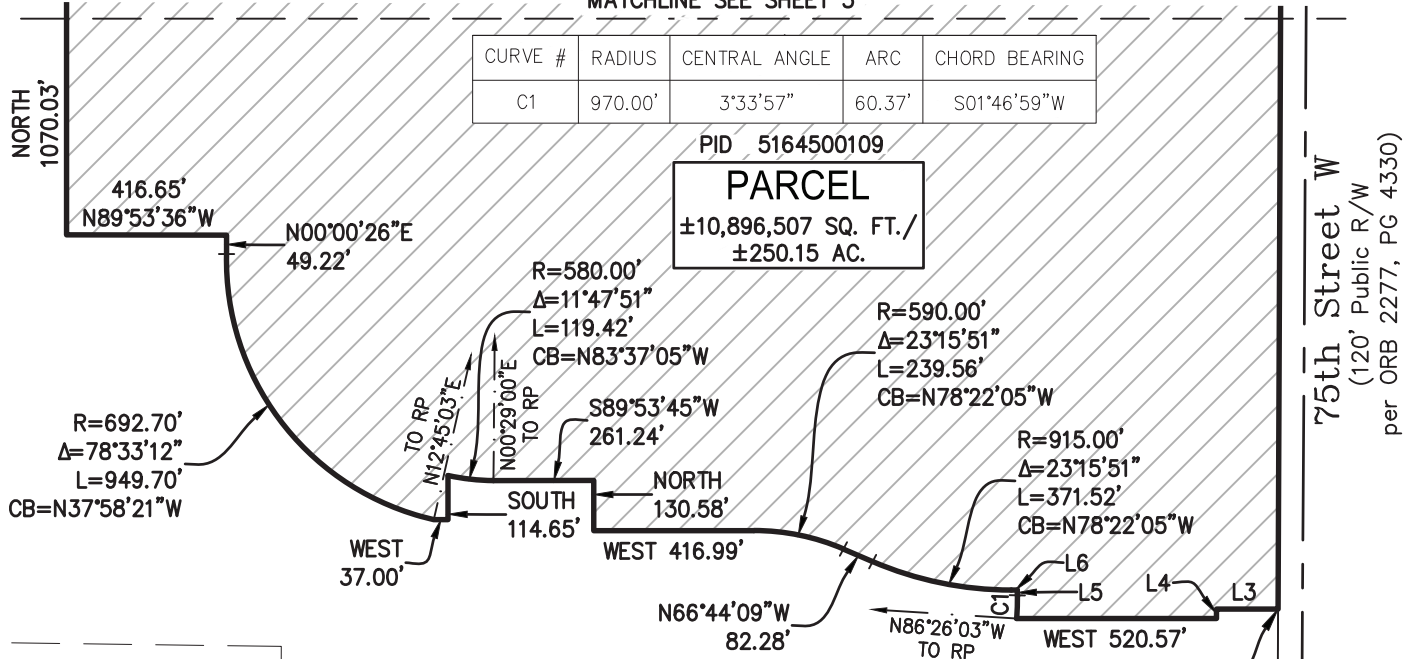
**PID 5164500109
 MANATEE COUNTY, FLORIDA**

MATCHLINE SEE SHEET 3

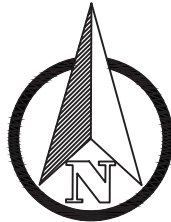
CURVE #	RADIUS	CENTRAL ANGLE	ARC	CHORD BEARING
C1	970.00'	3°33'57"	60.37'	S01°46'59"W

PID 5164500109

PARCEL
 ±10,896,507 SQ. FT./
 ±250.15 AC.



CORTEZ75W
 INVESTORS
 LLC



SCALE 1" = 500'



LINE #	DIRECTION	LENGTH
L1	N89°13'06"W	59.93'
L2	N00°13'40"E	97.44'
L3	N90°00'00"W	160.75'
L4	S00°00'00"E	24.59'
L5	N00°13'40"E	13.72'
L6	N90°00'00"W	15.62'

LEGEND:

- R/W - RIGHT OF WAY
- SEC - SECTION
- TWP - TOWNSHIP
- RGE - RANGE
- POB - POINT OF BEGINNING
- POC - POINT OF COMMENCEMENT
- ORB - OFFICIAL RECORD BOOK
- PG - PAGE
- Δ - CENTRAL ANGLE
- R - RADIUS
- L - ARC LENGTH
- CB - CHORD BEARING
- RP - RADIUS POINT
- PID - PARCEL IDENTIFICATION NUMBER (NOW OR FORMERLY)
- FDOT - FLORIDA DEPARTMENT OF TRANSPORTATION
- SITE (AREA)

S Line SEC 7, TWP 35S, RGE 17E

N Line SEC 18, TWP 35S, RGE 17E

POC
 S 1/4 Corner SEC 7,
 TWP 35S, RGE 17E
 N 1132581.35
 E 449610.82
 NAD 83/2011

SKETCH & DESCRIPTION

OF

A PARCEL OF LAND

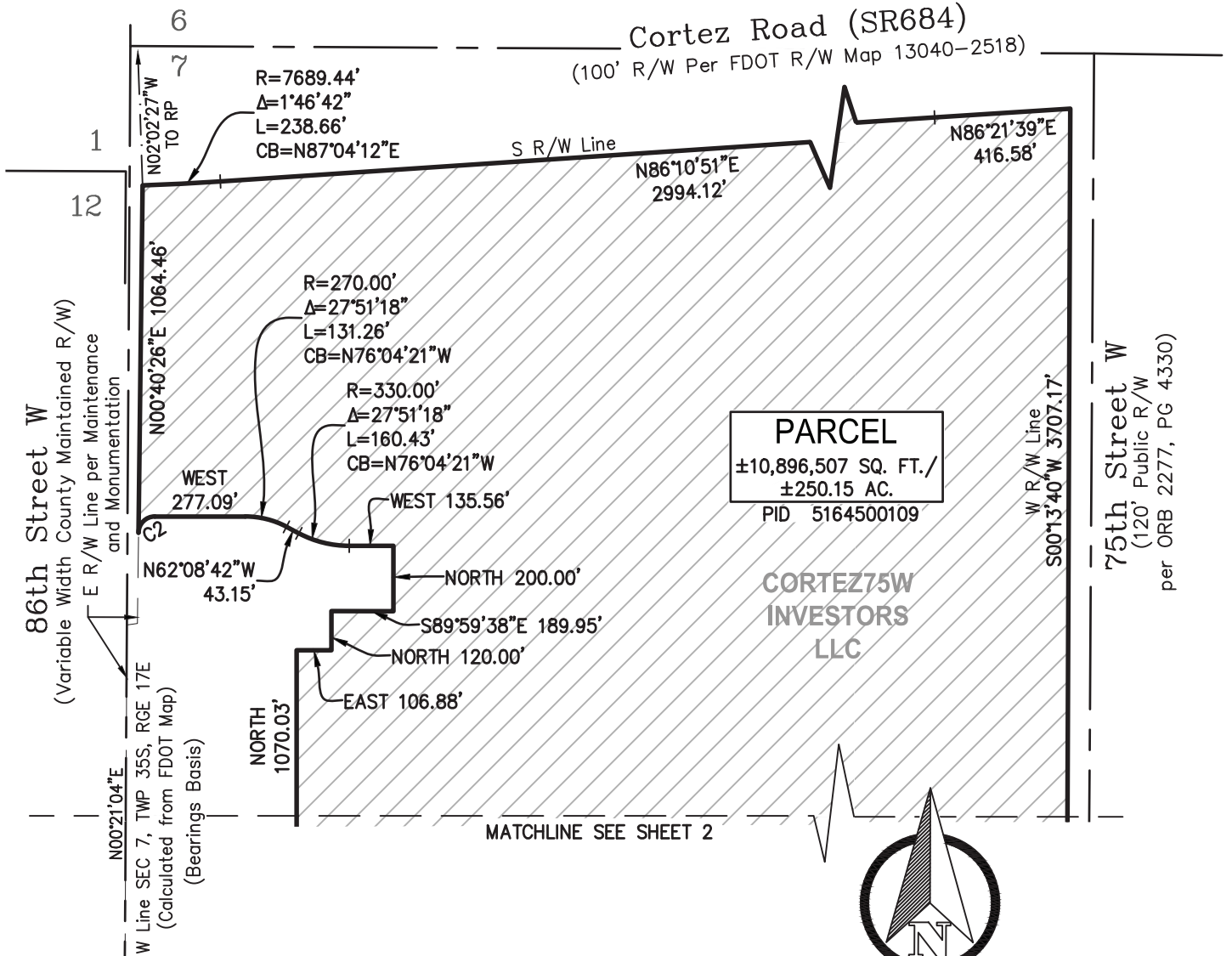
LOCATED IN

SECTION 7, TOWNSHIP 35 SOUTH, RANGE 17 EAST
 MANATEE COUNTY, FLORIDA

PID 5164500109
 MANATEE COUNTY, FLORIDA

NOTES:

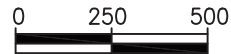
1. BEARINGS AND COORDINATES SHOWN HEREON ARE BASED ON THE FLORIDA STATE PLANE COORDINATE SYSTEM, WEST ZONE NAD 83/11, DERIVING A BEARING OF S 00°21'04" W FOR THE WEST LINE OF SECTION 7, TOWNSHIP 35 SOUTH, RANGE 17 EAST.
2. THIS SKETCH HAS BEEN PREPARED WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT OR ABSTRACT AND THEREFORE DOES NOT NECESSARILY INDICATE ALL THE ENCUMBRANCES ON THE PROPERTY.
3. THIS SKETCH **DOES NOT** REPRESENT A BOUNDARY SURVEY.
4. CONTAINING 10,896,507 Sq. Ft. OR 250.15 Ac., MORE OR LESS.



LEGEND:

- R/W - RIGHT OF WAY
- SEC - SECTION
- TWP - TOWNSHIP
- RGE - RANGE
- POB - POINT OF BEGINNING
- POC - POINT OF COMMENCEMENT
- ORB - OFFICIAL RECORD BOOK
- PG - PAGE
- Δ - CENTRAL ANGLE
- R - RADIUS
- L - ARC LENGTH
- CB - CHORD BEARING
- RP - RADIUS POINT
- PID - PARCEL IDENTIFICATION NUMBER (NOW OR FORMERLY)
- SITE (AREA)

SCALE 1" = 500'



CURVE #	RADIUS	CENTRAL ANGLE	ARC	CHORD BEARING
C2	50.00'	89°19'34"	77.95'	S45°20'13"W

SKETCH & DESCRIPTION

OF
A PARCEL OF LAND
 LOCATED IN
SECTION 7, TOWNSHIP 35 SOUTH, RANGE 17 EAST
MANATEE COUNTY, FLORIDA

PID 5164500109
 MANATEE COUNTY, FLORIDA

DESCRIPTION (PARCEL B):

A PARCEL OF LAND LYING IN SECTIONS 7, TOWNSHIP 35 SOUTH, RANGE 17 EAST, MANATEE COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SE CORNER OF SECTION 7, TOWNSHIP 35 SOUTH, RANGE 17 EAST; THENCE N 00°25' 27" E, A DISTANCE OF 34.00 FEET TO THE POINT OF BEGINNING; THENCE N 89° 26' 33" W, ALONG THE NORTH RIGHT OF WAY LINE OF 53 AVENUE WEST, A DISTANCE OF 88.24 FEET; THENCE N 00° 36' 15" E, A DISTANCE OF 589.32 FEET; THENCE N 89° 20' 51" W, A DISTANCE OF 200.06 FEET; THENCE S 00° 35' 55" W, A DISTANCE OF 589.65 FEET; THENCE N 89° 26' 33" W, ALONG AFOREMENTIONED NORTH RIGHT OF WAY LINE, A DISTANCE OF 2154.18 FEET; THENCE N 44° 36' 54" W, CONTINUING ALONG SAID NORTH RIGHT OF WAY LINE, A DISTANCE OF 212.76 FEET; THENCE N 00° 13' 41" E, ALONG THE EAST RIGHT OF WAY LINE OF 75TH STREET WEST, A DISTANCE OF 4986.61 FEET TO THE SOUTH RIGHT OF WAY LINE OF CORTEZ ROAD; THENCE N 86° 21' 26" E, ALONG SAID SOUTH RIGHT OF WAY LINE, A DISTANCE OF 830.97 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 11409.16 FEET, A CHORD BEARING OF N 87° 29' 39" E, AND A CHORD DISTANCE OF 452.73 FEET; THENCE RUN EASTERLY ALONG THE ARC OF SAID CURVE ALSO BEING SAID SOUTHERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 02° 16' 25" FOR AN ARC DISTANCE OF 452.76 FEET; THENCE S 00° 23' 35" W, A DISTANCE OF 2593.74 FEET; THENCE S 89° 21' 57" E, A DISTANCE OF 1327.62 FEET TO THE EAST LINE OF SECTION 7; THENCE S 00° 25' 27" W ALONG SAID SECTION LINE, A DISTANCE OF 2626.08 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THAT PORTION THEREOF DESCRIBED AS PARCEL 104 AS CONVEYED TO MANATEE COUNTY BY WARRANTY DEED RECORDED IN OFFICIAL RECORDS BOOK 2580, PAGE 543, PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA.

Gross land area Parcel B :±228.59Ac, OR 9,957,838 Sq.Ft.



Digitally signed by KAVIN C WILMOTT
DN: c=US, o=Unaffiliated, ou=A01410C00000175D24411400000D83, cn=KAVIN C WILMOTT
Date: 2023.09.22 11:16:16 -04'00'

BY: KAVIN C. WILMOTT, P.S.M.
FLORIDA CERTIFICATE No. PSM 6809

**LAKE FLORES PARCEL B
MANATEE COUNTY, FLORIDA**

DESCRIPTION (PARCEL C):

A PARCEL OF LAND LYING IN SECTIONS 16, 17, 18 AND 20 TOWNSHIP 35 SOUTH, RANGE 17 EAST, MANATEE COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NE CORNER OF SECTION 18, TOWNSHIP 35 SOUTH, RANGE 17 EAST; THENCE S 00° 21' 31" W, A DISTANCE OF 106.00 FEET TO THE POINT OF BEGINNING; BEING A POINT ON THE SOUTH RIGHT OF WAY LINE OF 53RD AVENUE WEST AS RECORDED IN OFFICIAL RECORD BOOK 2580, PAGE 543 OF THE PUBLIC RECORD OF MANATEE COUNTY, FLORIDA; THENCE S 00° 25' 50" W DEPARTING SAID RIGHT OF WAY LINE, A DISTANCE OF 2222.65 FEET; THENCE S 89° 11' 59" E, A DISTANCE OF 1325.99 FEET; THENCE N 00° 25' 15" E A DISTANCE OF 2209.35 FEET A POINT ON SAID SOUTH RIGHT OF WAY LINE; THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING FIVE COURSES: S 89° 03' 27" E A DISTANCE OF 1582.22 FEET; THENCE N 00° 01' 27" E A DISTANCE OF 12.00 FEET; THENCE S 89° 03' 27" E A DISTANCE OF 2393.41 FEET; THENCE S 89° 32' 46" E A DISTANCE OF 31.18 FEET; THENCE LEAVING SAID RIGHT OF WAY LINE RUN S 00°19' 57" W, A DISTANCE OF 32.34 FEET; TO A POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 620.00 FEET, A CHORD BEARING OF S 07° 13' 06" W AND A CHORD LENGTH OF 148.66 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 13° 46' 18" FOR AN ARC LENGTH OF 149.02 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT LINE; THENCE N 76° 49' 12" W A DISTANCE OF 10.00 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 610.00 FEET, A CHORD BEARING OF S 28° 46' 46" W AND A CHORD LENGTH OF 308.76 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 29° 19' 13" FOR AN ARC LENGTH OF 312.16 FEET TO THE POINT OF TANGENCY; THENCE S 43° 26' 22" W A DISTANCE OF 246.98 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1010.00 FEET, A CHORD BEARING OF S 45° 41' 53" W AND A CHORD LENGTH OF 79.60 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04° 31' 00" FOR AN ARC LENGTH OF 79.62 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 600.00 FEET, A CHORD BEARING OF S 24° 08' 55" W AND A CHORD LENGTH OF 484.40 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 47° 36' 56" FOR AN ARC LENGTH OF 498.63 FEET TO THE POINT OF TANGENCY; THENCE S 00° 20' 27" W A DISTANCE OF 178.20 FEET; THENCE S 00° 20' 20" W A DISTANCE OF 3070.39 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1100.00 FEET, A CHORD BEARING OF S 14° 25' 40" E AND A CHORD LENGTH OF 560.74 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 29° 32' 00" FOR AN ARC LENGTH OF 567.00 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 1140.00 FEET, A CHORD BEARING OF S 05° 53' 34" E AND A CHORD LENGTH OF 901.90 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 46° 36' 11" FOR AN ARC LENGTH OF 927.25 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT LINE; THENCE S 80° 13' 56" E A DISTANCE OF 20.16 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1589.63 FEET, A CHORD BEARING OF S 13° 56' 32" W AND A CHORD LENGTH OF 231.42 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 08° 20' 55" FOR AN ARC LENGTH OF 231.63 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 50.00 FEET, A CHORD BEARING OF S 05° 55' 53" E AND A CHORD LENGTH OF 40.81 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 48° 10' 31" FOR AN ARC LENGTH OF 42.04 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 115.00 FEET, A CHORD BEARING OF S 17° 32' 03" E AND A CHORD LENGTH OF 49.72 FEET;

**LAKE FLORES PARCEL C
MANATEE COUNTY, FLORIDA**

BY: 
KAVIN C. WILMOT, P.S.M.
FLORIDA CERTIFICATE No. PSM 6809

Digitally signed by KAVIN C WILMOTT
DN: c=US, o=Unaffiliated,
ou=A01410C00000175D2441140
00000D83, cn=KAVIN C WILMOTT
Date: 2023.09.22 11:16:57 -04'00'

DESCRIPTION (PARCEL C):

THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 24° 58' 12" FOR AN ARC LENGTH OF 50.12 FEET TO A POINT ON A NORTHERLY RIGHT OF WAY LINE OF EL CONQUISTADOR PARKWAY AND TO A POINT ON A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 5059.00 FEET, A CHORD BEARING OF N 68° 22' 23" W AND A CHORD LENGTH OF 260.88 FEET; THENCE ALONG SAID RIGHT OF WAY LINE AND THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 02° 57' 18" FOR AN ARC LENGTH OF 260.91 FEET TO THE POINT OF TANGENCY; THENCE N 66° 53' 44" W ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 376.28 FEET; THENCE LEAVING SAID RIGHT OF WAY LINE N 00° 20' 30" E A DISTANCE OF 716.38 FEET; THENCE N 89° 23' 40" W A DISTANCE OF 1047.39 FEET; THENCE S 00° 22' 45" W A DISTANCE OF 281.65 FEET TO SAID RIGHT OF WAY LINE; THENCE N 66° 53' 44" W A DISTANCE OF 32.53 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 850.00 FEET, A CHORD BEARING OF N 47° 21' 21" W AND A CHORD LENGTH OF 568.58 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 39° 04' 46" FOR AN ARC LENGTH OF 579.76 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 1825.00 FEET, A CHORD BEARING OF N 38° 42' 58" W AND A CHORD LENGTH OF 690.20 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 21° 48' 00" FOR AN ARC LENGTH OF 694.38 FEET TO THE POINT OF TANGENCY; THENCE N 49° 36' 58" W A DISTANCE OF 2175.00 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 4900.00 FEET, A CHORD BEARING OF N 65° 05' 52" W AND A CHORD LENGTH OF 2615.91 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 30° 57' 48" FOR AN ARC LENGTH OF 2648.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1200.00 FEET, A CHORD BEARING OF N 68° 35' 07" W AND A CHORD LENGTH OF 498.75 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 23° 59' 19" FOR AN ARC LENGTH OF 502.42 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT LINE THENCE N 33° 24' 33" E A DISTANCE OF 10.00 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1190.00 FEET, A CHORD BEARING OF N 27° 45' 18" W AND A CHORD LENGTH OF 1147.88 FEET; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 57° 40' 18" FOR AN ARC LENGTH OF 1197.81 FEET TO THE POINT OF TANGENCY; THENCE N 01° 04' 51" E A DISTANCE OF 864.32 FEET; THENCE N 45° 49' 20" E A DISTANCE OF 75.83 FEET TO THE SOUTH RIGHT OF WAY LINE OF 53RD AVENUE WEST; THENCE S 89° 26' 33" E ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 343.99 FEET; THENCE S 00° 00' 00" E A DISTANCE OF 20.00 FEET; THENCE S 89° 26' 32" E A DISTANCE OF 2195.80 FEET TO THE POINT OF BEGINNING.

Gross land area Parcel C :±550.38Ac, OR 23,974,556 Sq.Ft.

LAKE FLORES

COMMUNITY DEVELOPMENT DISTRICT

3H

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT

First Supplemental Special Assessment
Methodology Report

September 14, 2023



Provided by:

Wrathell, Hunt and Associates, LLC

2300 Glades Road, Suite 410W

Boca Raton, FL 33431

Phone: 561-571-0010

Fax: 561-571-0013

Website: www.whhassociates.com

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1.0 Introduction

1.1 Purpose

This First Supplemental Special Assessment Methodology Report (the "First Supplemental Report") was developed to supplement the Master Special Assessment Methodology Report (the "Master Report") dated February 23, 2022 and to provide a supplemental financing plan and a supplemental special assessment methodology for the 2023A-1 Assessment Area which is comprised of Phases 1B-1, 1B-2, N1, the Town Center and Multifamily Area, and the Future Phases Area and the 2023A-2 Assessment Area which is comprised of Phases 1B-1, 1B-2, N1, the Town Center Area and Multifamily Area, of the Lake Flores Community Development District (the "District") located in unincorporated Manatee County, Florida. This First Supplemental Report was developed in relation to funding by the District of a portion of the costs of public infrastructure improvements (the "Capital Improvement Plan" or "CIP") contemplated to be provided by the District.

1.2 Scope of the First Supplemental Report

This First Supplemental Report presents the projections for financing a portion of the District's CIP described in the Engineer's Report prepared by ZNS Engineering, LC (the "District Engineer") dated February 15, 2022, as supplemented by the First Supplemental Engineer's Report prepared by the District Engineer dated September 12, 2023 (together, the "Engineer's Report"), as well as describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of a portion of the CIP (such portion is herein referred to as the "2023 Project").

1.3 Special Benefits and General Benefits

Public infrastructure improvements undertaken and funded by the District as part of the 2023 Project create special benefits for properties within the 2023A-1 Assessment Area and general benefits for properties outside of the 2023A-1 Assessment Area within the District and outside of its borders and to the public at large. However, as discussed within this First Supplemental Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within the District. The District's 2023 Project enables properties within the 2023A-1 Assessment Area to be developed. It should be noted that

the 2023A-2 Assessment Area overlaps with the 2023A-1 Assessment Area but excludes the Future Phases Area.

There is no doubt that the general public and owners of property outside of the 2023A-1 Assessment Area within the District will benefit from the provision of the 2023 Project. However, these benefits are only incidental since the 2023 Project is designed solely to provide special benefits peculiar to property within the 2023A-1 Assessment Area of the District. Properties outside the 2023A-1 Assessment Area are not directly served by the 2023 Project and do not depend upon the 2023 Project to obtain or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which the 2023A-1 Assessment Area receives compared to those lying outside of the 2023A-1 Assessment Area.

The 2023 Project will provide public infrastructure improvements which are all necessary in order to make the lands within the 2023A-1 Assessment Area developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within the 2023A-1 Assessment Area to increase by more than the sum of the financed cost of the individual components of the 2023 Project. Even though the exact value of the benefits provided by the 2023 Project is hard to estimate at this point, it is nevertheless greater than the costs associated with providing the same.

1.4 Organization of the First Supplemental Report

Section Two describes the development program as proposed by the Developer, as defined below.

Section Three provides a summary of the 2023 Project as determined by the District Engineer.

Section Four discusses the supplemental financing program for the District.

Section Five discusses the special assessment methodology for the 2023A-1 Assessment Area.

2.0 Development Program

2.1 Overview

The District serves the Lake Flores development (the “Development” or “Lake Flores”), a master planned, mixed use development located in unincorporated Manatee County, Florida. The land within the District consists of approximately 1,173.10 +/- acres and is generally located south of Cortez Road West, north of El Conquistador Parkway, east of Tidy Island Boulevard and west of 47th Street West.

2.2 The Development Program

Based upon the information provided by the developer of land within the District (the “Developer”), the current development plan for the District envisions a total of 4,000 residential units and 94 net acres of mixed uses, which may include various retail/office commercial uses, multifamily uses and hotel uses, developed in one or more phases, although unit numbers, land use types and phasing may change throughout the development period. Of the aforementioned development plan, the 2023 Project is anticipated to account for 665 residential units, 18.83 +/- acres of multi-family land, and 44.69 +/- acres of mixed-use land. Table 1 in the *Appendix* illustrates the development plan for the 2023A-1 Assessment Area.

3.0 Capital Improvement Plan

3.1 Overview

The public infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only public infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes and under the Internal Revenue Code of 1986, as amended, was included in these estimates.

3.2 The CIP

The CIP needed to serve the District is projected to consist of off-site utility and roadway improvements, roadways/curbing, stormwater management, utilities (water, sewer, reclaim), conservation/mitigation, hardscape/ landscape/ irrigation, electrical conduit undergrounding and recreational amenities, all as set forth in more detail in the Engineer's Report. At the time of this writing, the total costs of the CIP are estimated at \$279,795,805.

The 2023 Project needed to serve the 2023A-1 Assessment Area is projected to include, without limitation, stormwater management, roadways, utilities (water, sewer, reclaim), hardscape/ landscape/ irrigation, undergrounding of electrical conduit, offsite improvements, and conservation/ mitigation, the costs of which, along with contingencies and professional fees, is estimated to total approximately \$66,120,000, a portion of which will be financed with the proceeds of the herein defined Series 2023 Bonds.

Even though the installation of the improvements that comprise the CIP is projected to occur in multiple stages coinciding with phases of development within the District, the infrastructure improvements that comprise the CIP – including the 2023 Project – will serve and provide benefit to all land uses in the District and will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District and the improvements will be interrelated such that they will reinforce one another. As a practical matter, this means that master improvements that are part of the 2023 Project may be financed by the Series 2023 Bonds or a future series of bonds. Table 2 in the *Appendix* illustrates the specific components of the CIP.

4.0 Financing Program

4.1 Overview

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands within the District. Generally, construction of public improvements is either funded by the Developer and then acquired by the District or funded directly by the District. As of the time of writing of this First Supplemental Report, the District will most likely construct the improvements pursuant to the assignment of contracts by the Developer, although the District maintains the complete flexibility to either acquire the public infrastructure from the Developer or construct it, or even partly acquire it and partly construct it.

The District intends to issue its Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) in the estimated principal amount of \$24,155,000* (the "Series 2023A-1 Bonds") to fund an estimated \$20,838,898.80* in CIP costs to be expended serving and supporting the development of the 2023A-1 Assessment Area units constituting a portion of the 2023 Project, with the balance of the 2023 Project costs anticipated to be contributed by the Developer.

* Preliminary, subject to change.

The District intends to issue its Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) in the estimated principal amount of \$30,845,000* (the "Series 2023A-2 Bonds") to fund an estimated \$28,174,019.14* in CIP costs to be expended serving and supporting the development of the 2023A-2 Assessment Area units constituting a portion of the 2023 Project, with the balance of the 2023 Project costs anticipated to be contributed by the Developer.

4.2 Types of Bonds Proposed

The proposed supplemental financing plan for the District provides for the issuance of the Series 2023A-1 Bonds and the Series 2023A-2 Bonds (collectively the "Series 2023 Bonds") in the total estimated principal amount of \$55,000,000* to finance a portion of the 2023 Project costs in the total amount estimated at \$49,012,917.93*, representing the amount of construction proceeds generated from the issuance of the Series 2023 Bonds.

The Series 2023A-1 Bonds as projected under this supplemental financing plan are structured to be amortized in 30 annual installments with interest payments on the Series 2023A-1 Bonds made every May 1 and November 1, and principal payments on the Series 2023A-1 Bonds will be made on May 1. The Series 2023A-2 Bonds are projected under this supplemental financing plan are structured as interest only bonds for 5 years and thereafter are structured to be amortized in 27 annual installments with interest payments on the Series 2023A-1 Bonds made every May 1 and November 1, and principal payments on the Series 2023A-2 Bonds will be made on May 1.

5.0 Assessment Methodology

5.1 Overview

The issuance of the Series 2023 Bonds provides the District with funds necessary to construct/acquire a portion of the 2023 Project outlined in Section 3.2 and described in more detail by the District Engineer in the First Supplemental Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to properties within the 2023A-1 Assessment Area. The Series 2023 Bond Assessments (as defined herein) – which are supported by the special benefits from the 2023 Project – will initially be assigned to all lands within the 2023A-1 Assessment Area, but only \$5,000,000 in Series 2023 Bond Assessments will be assigned

* Preliminary, subject to change.

to the Future Phases Area, upon platting, will be assigned on a first-platted, first-assigned basis within the 2023A-1 Assessment Area. General benefits accrue to areas outside of the 2023A-1 Assessment Area but are only incidental in nature.

5.2 Benefit Allocation

The current development plan for the District envisions the development of a total of 4,000 residential units and 94 net acres of mixed uses, which may include various retail/office commercial uses, multifamily uses and hotel uses, developed in one or more phases, although unit numbers, land use types and phasing may change throughout the development period. Of the aforementioned development plan, the 2023 Project is anticipated to account for 665 residential units, 18.83 +/- acres of multi-family land, and 44.69 +/- acres of mixed use land.

The public infrastructure included in the CIP – including the 2023 Project – will comprise an interrelated system of public infrastructure improvements, which means that all of the improvements will serve in each respective assessment area within the District and such public improvements will be interrelated in such way that, once constructed, they will reinforce each other, and their combined benefit will be greater than the sum of their individual benefits. As a practical matter, this means that public improvements that are part of the 2023 Project and not financed by the Series 2023 Bonds may be constructed by the Developer or funded by a future series of bonds.

As stated previously, the public infrastructure improvements included in the 2023 Project have a logical connection to the special and peculiar benefits received by the 2023A-1 Assessment Area, as without such improvements, the development of such properties within the 2023A-1 Assessment Area would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the designated lands within the 2023A-1 Assessment Area, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the lands within the 2023A-1 Assessment Area receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the assessment related to the financed cost of constructing the 2023A-1 Assessment Area.

In following the Master Report, this First Supplemental Report proposes to allocate the benefit associated with the 2023 Project to the different unit types or commercial uses proposed to be developed within the 2023A-1 Assessment Area in proportion to their density of development and intensity of use of infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Tables 4A, 4B, and 4C in the *Appendix* illustrates the ERU weights that are proposed to be assigned to the unit types or commercial uses contemplated to be developed within the 2023A-1 Assessment Area based on the densities of development and the intensities of use of infrastructure, total ERU counts for each unit type or commercial use, and the share of the benefit received by each unit type or commercial use.

The rationale behind the different ERU values is supported by the fact that generally and on average units with smaller lot sizes will use and benefit from the improvements which are part of the 2023 Project less than units with larger lot sizes, as, for instance, generally and on average units with smaller lot sizes will produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than units with larger lot sizes. Additionally, the value of the units with larger lot sizes is likely to appreciate by more in terms of dollars than that of the units with smaller lot sizes as a result of the implementation of the infrastructure improvements. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received by representatives of different unit types or commercial uses from the 2023A-1 Assessment Area.

Based on the ERU benefit allocation illustrated in Tables 4A, 4B, and 4C, Tables 5A and 5B in the *Appendix* present the allocation of the amount of 2023 Project costs allocated to the various unit types or commercial uses proposed to be developed within the 2023A-1 Assessment Area based on the ERU benefit allocation factors present in Tables 4A, 4B, and 4C. Further, Tables 5A and 5B illustrate the approximate costs that are projected to be financed with the Series 2023 Bonds, and the approximate costs of the portion of the 2023 Project costs to be contributed by the Developer, as the case may be. With the Series 2023 Bonds funding approximately \$49,012,917.93* in costs of the CIP, the Developer is anticipated to fund improvements valued at an estimated cost of \$12,152,197.93* which will not be funded with proceeds of the Series 2023 Bonds.

* Preliminary, subject to change.

Finally, Tables 6A and 6B in the *Appendix* present the apportionment of the bond assessments securing the Series 2023 Bonds (the "Series 2023 Bond Assessments") and also present the annual levels of the projected annual Series 2023 Bond Assessments per unit.

Amenities - No Series 2023 Bond Assessments will be allocated herein to any platted amenities or other platted common areas planned for the development. If owned by a homeowner's association, the amenities and common areas would be considered a common element for the exclusive benefit of certain property owners, and would not be subject to Series 2023 Bonds Assessments. If the amenities are owned by the District, then they would be governmental property not subject to the Series 2023 Bond Assessments and would be open to the general public, subject to District rules and policies.

Governmental Property - If at any time, any portion of the property within the District is sold or otherwise transferred to a unit of local, state, or federal government (without consent of such governmental unit to the imposition of Series 2023 Bond Assessments thereon), or similarly exempt entity, all future unpaid Series 2023 Bond Assessments for such tax parcel shall become due and payable immediately prior to such transfer.

Contributions - As referenced in the Master Report, Developer has opted to "buy down" the Series 2023 Bond Assessments on particular product types and/or lands using a contribution of cash, infrastructure or other consideration, and in order for Series 2023 Bond Assessments to reach certain target levels. The amount of such "buy down" for the Series 2023 Bond Assessments is identified in Tables 5A and 5B. Note that any "true-up," as described herein, may require a payment to satisfy "true-up" obligations as well as additional contributions to maintain such target assessment levels. Any amounts contributed by the Developer to pay down the Series 2023 Bond Assessments will not be eligible for "deferred costs" or any other form of repayment.

5.3 Assigning Series 2023 Bond Assessments

As the land within the 2023A-1 Assessment Area is not yet platted for its intended final use and the precise location of the various land use types by lot or parcel is unknown, the Series 2023A-1 Bond Assessments will initially be levied on all land within the 2023A-1 Assessment Area on an equal pro-rata gross acre basis. Thus, the Series 2023A-1 Bond Assessments in the estimated amount of

\$19,155,000* will be preliminarily levied on the Series 2023A-1 Assessment Area less the Future Phases Areas which totals approximately 250.15 +/- gross acres at the estimated rate of \$76,574.06* per gross acre.

As the land within the 2023A-2 Assessment Area is not yet platted for its intended final use and the precise location of the various land use types by lot or parcel is unknown, the Series 2023A-2 Bond Assessments will initially be levied on all land within the 2023A-2 Assessment Area on an equal pro-rata gross acre basis. Thus, the Series 2023A-2 Bond Assessments in the estimated amount of \$30,845,000* will be preliminarily levied on approximately 250.15 +/- gross acres at the estimated rate of \$123,306.02* per gross acre. As the land within the Future Phases Area is not yet platted for its intended final use and the precise location of the various land use types by lot or parcel is unknown, the Series 2023A-1 Bond Assessments will initially be levied on all land within the Future Phases Area on an equal pro-rata gross acre basis. Thus, the Series 2023A-1 Bond Assessments in the estimated amount of \$5,000,000 will be preliminarily levied on approximately 778.9 +/- gross acres at the estimated rate of \$6,419.31* per gross acre.

When the land is platted, the Series 2023 Bond Assessments will be allocated to each platted parcel on a first platted-first assigned basis based on the planned land use for that platted parcel as reflected in Tables 6A and 6B in the *Appendix*. Such allocation of Series 2023 Bond Assessments from unplatted gross acres to platted parcels will reduce the amounts of Series 2023 Bond Assessments levied on unplatted gross acres within the District.

A portion of the Series 2023A-1 Special Assessments in the initial principal amount of \$5,000,000* will initially be assigned to the 778.9 +/- gross acres which comprise the Future Phases Area. As the land within the Future Phases Area is not yet platted for its intended final use and the precise location of the various land use types by lot or parcel is unknown, such \$5,000,000* of initial Series 2023A-1 Special Assessments will initially be levied on all land within the Future Phases Area on an equal pro-rata gross acre basis at the approximate principal amount of \$6,419.31* per acre (the "Original Principal Per Acre Assignment"). At any point in time should the Future Phases Landowner choose to prepay a portion of the Series 2023A-1 Special Assessments assigned to a specific acreage within the Future Phases Area, the Future Phases Landowner would be

* Preliminary, subject to change.

required to prepay the Series 2023A-1 Special Assessments in the principal amount of \$30,000 per acre plus accrued interest.

As land within the Future Phases Area is platted, the Series 2023A-1 Special Assessments will be allocated to each platted parcel on a first platted, first assigned basis based on the planned land use for that parcel based on ERUs as reflected in Tables 6A and 6B of the *Appendix*. Such allocation of Series 2023 Bond Assessments from unplatted gross acres to platted parcels will reduce the amounts of Series 2023 Bond Assessments levied on unplatted gross acres within the District.

Transferred Property. In the event the Future Phases Landowner sells unplatted land (the “Transferred Property”) to the Developer or any other third party unaffiliated in any way with the Future Phases Landowner (the “Initial Purchaser”), the Series 2023A-1 Special Assessments will be assigned to such Transferred Property at the time of sale based on the maximum total numbers of ERUs assigned to that Transferred Property based on development rights assigned thereto, subject to review by the District’s methodology consultant, to ensure that any such assignment is reasonable, supported by current development rights and plans, and otherwise consistent with this Preliminary First Supplemental Special Assessment Methodology Report. The owner of the Transferred Property will be responsible for the total Series 2023 Bond Assessments applicable to the Transferred Property, regardless of the total number of ERUs ultimately actually platted. This total amount of Series 2023 Bond Assessments will be allocated to the Transferred Property at the time of the sale. Upon such assignment, the Series 2023A-1 Special Assessments will be assigned to such Transferred Property at a different principal amount per acre than the Original Principal Per Acre Assignment (the “New Principal Per Acre Assignment”).

At any point in time should the Initial Purchaser choose to prepay a portion of the Series 2023A-1 Special Assessments assigned to either the Future Phases Area or any Transferred Property therein, the Initial Purchaser would be required to prepay the Series 2023A-1 Special Assessments in the principal amount being the greater of: (i) \$30,000 per acre or (ii) the New Principal Per Acre Assignment, plus, in each case, applicable accrued interest.

Upon any subsequent sale prior to platting of a portion of any previously Transferred Property to an unaffiliated third-party landowner (the “Subsequent Purchaser”) which may purchase a portion of such Transferred Property from the Initial Purchaser (the “Subsequently Transferred Property”), the Series 2023A-1 Special Assessments would also be assigned to the Subsequently

Transferred Property based on the maximum total numbers of ERUs assigned to that Subsequently Transferred Property based on the development rights assigned thereto. Upon such assignment, the Series 2023A-1 Special Assessments will be assigned to such Subsequently Transferred Property at a different principal amount per acre than the New Principal Per Acre Assignment (the "Subsequent Principal Per Acre Assignment"). The Subsequent Purchaser would be required to prepay the Series 2023A-1 Special Assessments in the principal amount of the Subsequent Principal Per Acre Assignment plus accrued interest.

Assignment of Series 2023A-2 Special Assessments. In the event any property within the 2023A-2 Assessment Area is sold prior to the Series 2023A-2 Bonds being fully drawn in the entire principal amount of \$30,845,000, the Series 2023A-2 Special Assessments will be assigned to such property at the time of sale based on the maximum total Series 2023A-2 Assessments planned to be assigned to such parcel based on the ERUs as set forth in Table 6B. Such maximum assignment of Series 2023A-2 Special Assessments shall be assigned to such property regardless of the total principal amount of Series 2023A-2 Special Assessments which have been drawn.

For example, as set forth in Table 6B, one acre of Non-Residential use land is anticipated to be assigned \$115,551.60 of Series 2023A-2 Special Assessments at platting or sale. Further to such example, if a 3-acre parcel of land planned for Non-Residential use is sold, and at the time of such sale, the Series 2023A-2 Bonds have been drawn down in the principal amount of \$20,000,000 (out of the total planned draw-down facility of \$30,845,000), such 3-acre parcel will still be assigned the maximum principal amount of \$115,551.60 Series 2023A-2 Special Assessments per acre, for a total principal assignment of \$346,654.80.

5.4 Lienability Test: Special and Peculiar Benefit to the Property

As first discussed in *Section 1.3*, Special Benefits and General Benefits, public infrastructure improvements undertaken by the District create special and peculiar benefits to certain properties within the 2023A-1 Assessment Area. The 2023 Project benefits assessable properties within the 2023A-1 Assessment Area and accrues to all such assessable properties on an ERU basis.

The public infrastructure improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property within the District. The special and peculiar benefits resulting from each improvement include, but are not limited to:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums;
- d. increased marketability and value of the property.

The improvements which are part of the 2023 Project make the land in the District developable and saleable and when implemented jointly as parts of the 2023 Project, provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of special and peculiar benefits received from the improvements is delineated in Tables 4A, 4B, and 4C (expressed as ERU factors) in the *Appendix*.

The apportionment of the Series 2023 Bond Assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2 initially* across all assessable property within the 2023A-1 Assessment Area (other than only \$5,000,000 in Series 2023 Bond Assessments will be assigned to the Future Phases Area) according to reasonable estimates of the special and peculiar benefits derived from the 2023 Project by different unit types.

5.6 True-Up Mechanism

The District's assessment program is predicated on the development of lots in a manner sufficient to include all of the planned ERUs as set forth in Table 1 in the *Appendix* ("Development Plan"). At such time as lands are to be platted (or re-platted) or site plans are to be approved (or re-approved), the plat or site plan (either, herein, "Proposed Plat") shall be presented to the District for a "true-up" review as follows:

- a. If a Proposed Plat within the 2023A-1 Assessment Area results in the same amount of ERUs (and thus Series 2023 Bond Assessments) able to be imposed on the "Remaining Unplatted Developable Lands" within the 2023A-1 Assessment Area (i.e., those remaining unplatted developable lands after the Proposed Plat is

recorded) as compared to what was originally contemplated under the Development Plan, then the District shall allocate the Series 2023 Bond Assessments to the product types being platted and the remaining property in accordance with this First Supplemental Report, and cause the Series 2023 Bond Assessments to be recorded in the District's Improvement Lien Book.

b. If a Proposed Plat within the 2023A-1 Assessment Area results in a greater amount of ERUs (and thus Series 2023 Bond Assessments) able to be imposed on the Remaining Unplatted Developable Lands within the 2023A-1 Assessment Area as compared to what was originally contemplated under the Development Plan, then the District may undertake a pro rata reduction of Series 2023 Bond Assessments for all assessed properties within the 2023A-1 Assessment Area, or may otherwise address such net decrease as permitted by law.

c. If a Proposed Plat within the 2023A-1 Assessment Area results in a lower amount of ERUs (and thus Series 2023 Bond Assessments) able to be imposed on the Remaining Unplatted Developable Lands within the 2023A-1 Assessment Area as compared to what was originally contemplated under the Development Plan, then the District shall require the landowner(s) of the lands encompassed by the Proposed Plat to pay a "True-Up Payment" equal to the difference between: (i) the Series 2023 Bond Assessments originally contemplated to be imposed on the lands subject to the Proposed Plat, and (ii) the Series 2023 Bond Assessments able to be imposed on the lands subject to the Proposed Plat, after the Proposed Plat (plus applicable interest, collection costs, penalties, etc.).

With respect to the foregoing true-up analysis, the District's methodology consultant, in consultation with the District Engineer and District Counsel, shall determine in his or her sole discretion what amount of ERUs (and thus Series 2023 Bond Assessments) are able to be imposed on the Remaining Unplatted Developable Lands within the 2023A-1 Assessment Area, taking into account a Proposed Plat, by reviewing: a) the original, overall development plan showing the number and type of units reasonably planned for the 2023A-1 Assessment Area, b) the revised, overall development plan showing the number and type of units reasonably planned for within the 2023A-1 Assessment Area, c) proof of the amount of entitlements for the Remaining Unplatted Developable Lands within the 2023A-1 Assessment Area, d) evidence of allowable zoning conditions that would enable those entitlements to be placed in accordance with the revised development plan, and e)

documentation that shows the feasibility of implementing the proposed development plan. Prior to any decision by the District not to impose a true-up payment, a supplemental methodology shall be produced demonstrating that there will be sufficient assessments to pay debt service on the applicable series of bonds and the District will conduct new proceedings under Chapters 170, 190 and 197, Florida Statutes upon the advice of District Counsel.

Any True-Up Payment shall become due and payable that tax year by the landowner of the lands subject to the Proposed Plat within the 2023A-1 Assessment Area, shall be in addition to the regular assessment installment payable for such lands, and shall constitute part of the debt assessment liens imposed against the Proposed Plat property until paid. A True-Up Payment shall include accrued interest on the applicable bond series to the interest payment date that occurs at least 45 days after the True-Up Payment (or the second succeeding interest payment date if such True-Up Payment is made within forty-five (45) calendar days before an interest payment date (or such other time as set forth in the supplemental indentures for the applicable bond series)).

All Series 2023 Bond Assessments levied run with the land, and such assessment liens include any True-Up Payments. The District will not release any liens on property for which True-Up Payments are due, until payment has been satisfactorily made. Further, upon the District's review of the final plat for the developable acres within the 2023A-1 Assessment Area, any unallocated Series 2023 Bond Assessments shall become due and payable and must be paid prior to the District's approval of that plat. This true-up process applies for both plats and/or re-plats.

Such review shall be limited solely to the function and the enforcement of the District's assessment liens and/or true-up agreements. Nothing herein shall in any way operate to or be construed as providing any other plat approval or disapproval powers to the District. For further detail on the true-up process, please refer to the True-Up Agreement and applicable assessment resolution(s).

5.7 Assessment Roll

Series 2023 Bond Assessments in the estimated amount of \$55,000,000,* plus interest and collection costs, are proposed to be levied over the areas described in Exhibit "A".

* Preliminary, subject to change

6.0 Additional Stipulations

6.1 Overview

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments related to the District's CIP. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this First Supplemental Report. For additional information on the Series 2023 Bonds structure and related items, please refer to the Offering Statement associated with this transaction.

Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.

7.0 Appendix

Table 1

Lake Flores

Community Development District

Development Plan

Product Type	Unit of Measurement	2023 Project Area	Future Area(s)	Total Number of Units
Residential				
<u>Phase N1</u>				
TH	Residential Unit	68	411	479
Twin Villa	Residential Unit	90	223	313
		158	634	792
<u>Phase 1B1</u>				
SF 42'	Residential Unit	66	238	304
SF 45'	Residential Unit	32	90	122
SF 50'	Residential Unit	77	649	726
SF 60'	Residential Unit	46	277	323
SF 80'	Residential Unit	21	82	103
		242	1,336	1,578
<u>Phase 1B2</u>				
SF 45'	Residential Unit	94	263	357
SF 50'	Residential Unit	54	455	509
SF 60'	Residential Unit	90	542	632
SF 80'	Residential Unit	27	105	132
		265	1,365	1,630
Total Residential		665	3,335	4,000
Non-Residential				
Multi-family	Net Acre	18.83		
Mixed Use	Net Acre	44.69		
Total Non-Residential		63.52	30.48	94.00

Table 2

Lake Flores

Community Development District

Capital Improvement Plan

Improvement	Total CIP Costs
Off-Site Improvements	\$5,600,000
Roadways/Curbing	\$59,841,960
Stormwater Management	\$53,068,040
Utilities (Water, Sewer, Reclaim)	\$60,924,600
Conservation/Mitigation	\$2,700,000
Hardscape/Landscape/Irrigation	\$22,000,000
Undergrounding of Electrical Conduit	\$3,428,571
Recreational Amenities	\$20,000,000
Master Professional Services	\$5,600,000
Contingency	\$46,632,634
Total	\$279,795,805

Capital Improvement Plan - 2023 Project

Improvement	Total CIP Costs
Stormwater Management	\$14,300,000
Roadways	\$9,700,000
Utilities (Water, Sewer, Reclaim)	\$13,400,000
Hardscape/ Landscape/ Irrigation	\$4,200,000
Undergrounding of Electrical Conduit	\$1,200,000
Offsite Improvements	\$6,600,000
Conservation/ Mitigation	\$3,300,000
Professional Services	\$2,400,000
Contingency	\$11,020,000
Total	\$66,120,000

Table 3A

Lake Flores

Community Development District

Preliminary Sources and Uses of Funds for the Bonds

		Series 2023A-1
Sources		
Bond Proceeds:		
	Par Amount	\$24,155,000.00
Total Sources		\$24,155,000.00
Uses		
Project Fund Deposits:		
	Project Fund	\$20,838,898.80
Other Fund Deposits:		
	Debt Service Reserve Fund	\$904,361.73
	Capitalized Interest Fund	\$1,685,314.48
Delivery Date Expenses:		
	Costs of Issuance	\$726,425.00
Total Uses		\$24,155,000.00

Table 3B

Lake Flores

Community Development District

Preliminary Sources and Uses of Funds for the Bonds

		Series 2023A-2
Sources		
Bond Proceeds:		
	Par Amount	\$30,845,000.00
	Original Issue Discount	-\$995,368.15
Total Sources		\$29,849,631.85
Uses		
Project Fund Deposits:		
	Project Fund	\$28,174,019.14
Other Fund Deposits:		
	Debt Service Reserve Fund	\$1,212,937.72
	Capitalized Interest Fund	\$0.00
Delivery Date Expenses:		
	Costs of Issuance	\$462,675.00
Total Uses		\$29,849,631.85

Table 4A

Lake Flores

Community Development District

Capital Improvement Plan Benefit Allocation - 2023 Project

Product Type	Total Number of Units / Acres	ERU Weight per Unit / Acre	Total ERU	Capital Improvement Plan Cost Allocation
Residential				
<u>Phase N1</u>				
TH	68	0.80	54.40	\$3,449,634.61
Twin Villa	90	0.82	73.80	\$4,679,835.19
	158		128.20	\$8,129,469.80
<u>Phase 1B1</u>				
SF 42'	66	0.84	55.44	\$3,515,583.51
SF 45'	32	0.90	28.80	\$1,826,277.15
SF 50'	77	1.00	77.00	\$4,882,754.87
SF 60'	46	1.20	55.20	\$3,500,364.53
SF 80'	21	1.60	33.60	\$2,130,656.67
	242		250.04	\$15,855,636.74
<u>Phase 1B2</u>				
SF 45'	94	0.90	84.60	\$5,364,689.12
SF 50'	54	1.00	54.00	\$3,424,269.65
SF 60'	90	1.20	108.00	\$6,848,539.30
SF 80'	27	1.60	43.20	\$2,739,415.72
	265		289.80	\$18,376,913.80
Total Residential	665		668.04	\$42,362,020.34
Non-Residential				
Multi-family	18.83	3.50	65.91	\$4,179,194.29
Mixed Use	44.69	3.50	156.42	\$9,918,650.70
Total Non-Residential	63.52		222.32	\$14,097,844.98
Total	728.52		890.36	\$56,459,865.32

Table 4B

Lake Flores

Community Development District

Capital Improvement Plan Benefit Allocation - Future Area(s)

Product Type	Total Number of Units / Acres	ERU Weight per Unit / Acre	Total ERU	Capital Improvement Plan Cost Allocation
Residential				
<u>Phase N1</u>				
TH	411	0.80	328.80	\$20,849,997.44
Twin Villa	223	0.82	182.86	\$11,595,591.64
	634		511.66	\$32,445,589.07
<u>Phase 1B1</u>				
SF 42'	238	0.84	199.92	\$12,677,407.20
SF 45'	90	0.90	81.00	\$5,136,404.48
SF 50'	649	1.00	649.00	\$41,154,648.22
SF 60'	277	1.20	332.40	\$21,078,282.08
SF 80'	82	1.60	131.20	\$8,319,707.01
	1,336		1,393.52	\$88,366,448.98
<u>Phase 1B2</u>				
SF 45'	263	0.90	236.70	\$15,009,715.31
SF 50'	455	1.00	455.00	\$28,852,642.44
SF 60'	542	1.20	650.40	\$41,243,425.58
SF 80'	105	1.60	168.00	\$10,653,283.36
	1,365		1,510.10	\$95,759,066.69
Total Residential	2,604		3,415.28	\$216,571,104.75
Non-Residential				
Mixed Use	30.48	3.50	106.68	\$6,764,834.93
Total Non-Residential	30.48		106.68	\$6,764,834.93
Total			3,521.96	\$223,335,939.68

Table 4C

Lake Flores

Community Development District

Capital Improvement Plan Benefit Allocation

Product Type	Total Number of Units / Acres	ERU Weight per Unit / Acre	Total ERU	Capital Improvement Plan Cost Allocation
Residential				
<u>Phase N1</u>				
TH	479	0.80	383.20	\$24,299,632.05
Twin Villa	313	0.82	256.66	\$16,275,426.83
	792		639.86	\$40,575,058.88
<u>Phase 1B1</u>				
SF 42'	304	0.84	255.36	\$16,192,990.71
SF 45'	122	0.90	109.80	\$6,962,681.63
SF 50'	726	1.00	726.00	\$46,037,403.10
SF 60'	323	1.20	387.60	\$24,578,646.61
SF 80'	103	1.60	164.80	\$10,450,363.68
	1,578		1,643.56	\$104,222,085.72
<u>Phase 1B2</u>				
SF 45'	357	0.90	321.30	\$20,374,404.43
SF 50'	509	1.00	509.00	\$32,276,912.09
SF 60'	632	1.20	758.40	\$48,091,964.89
SF 80'	132	1.60	211.20	\$13,392,699.08
	1,630		1,799.90	\$114,135,980.49
Total Residential	4,000		4,083.32	\$258,933,125.08
Non-Residential				
Multi-family	18.83	3.50	65.91	\$4,179,194.29
Mixed Use	75.17	3.50	263.10	\$16,683,485.63
Total Non-Residential	94.00		329.00	\$20,862,679.92
Total			4,412.32	\$279,795,805.00

Table 5A

Lake Flores

Community Development District

Capital Improvement Plan Cost Allocation - 2023A-1

Product Type	Capital Improvement Plan Costs Allocation Based on ERU Method	Capital Improvement Plan Costs Contributed by the Developer	Capital Improvement Plan Costs Funded with Series 2023A-1 Bonds
Residential			
<u>Phase N1</u>			
TH	\$1,515,016.80	\$1,123,344.94	\$391,671.86
Twin Villa	\$2,055,298.53	\$914,842.27	\$1,140,456.26
	\$3,570,315.33	\$2,038,187.21	\$1,532,128.12
<u>Phase 1B1</u>			
SF 42'	\$1,543,980.36	\$585,997.10	\$957,983.26
SF 45'	\$802,067.72	\$304,414.08	\$497,653.64
SF 50'	\$2,144,417.16	\$813,884.86	\$1,330,532.30
SF 60'	\$1,537,296.46	\$583,460.32	\$953,836.14
SF 80'	\$935,745.67	\$355,149.76	\$580,595.91
	\$6,963,507.37	\$2,642,906.12	\$4,320,601.25
<u>Phase 1B2</u>			
SF 45'	\$2,356,073.92	\$650,573.43	\$1,705,500.49
SF 50'	\$1,503,876.97	\$415,259.64	\$1,088,617.34
SF 60'	\$3,007,753.94	\$830,519.27	\$2,177,234.67
SF 80'	\$1,203,101.58	\$332,207.71	\$870,893.87
	\$8,070,806.41	\$2,228,560.04	\$5,842,246.37
Total Residential	\$18,604,629.11	\$6,909,653.37	\$11,694,975.75
<u>Non-Residential</u>			
Multi-family	\$1,835,426.14	\$519,616.90	\$1,315,809.24
Mixed Use	\$4,356,091.05	\$1,233,227.79	\$3,122,863.26
Total Non-Residential	\$6,191,517.19	\$1,752,844.69	\$4,438,672.50
Total	\$24,796,146.30	\$8,662,498.06	\$16,133,648.25

Table 5B

Lake Flores

Community Development District

Capital Improvement Plan Cost Allocation - 2023A-2

Product Type	Capital Improvement Plan Costs Allocation Based on ERU Method	Capital Improvement Plan Costs Contributed by the Developer	Capital Improvement Plan Costs Funded with Series 2023A-2 Bonds
Residential			
<u>Phase N1</u>			
TH	\$1,934,617.81	-\$26,416.89	\$1,961,034.70
Twin Villa	\$2,624,536.66	\$46,489.62	\$2,578,047.04
	\$4,559,154.47	\$20,072.74	\$4,539,081.74
<u>Phase 1B1</u>			
SF 42'	\$1,971,603.15	\$142,123.34	\$1,829,479.81
SF 45'	\$1,024,209.43	\$73,830.31	\$950,379.12
SF 50'	\$2,738,337.71	\$197,393.52	\$2,540,944.19
SF 60'	\$1,963,068.07	\$141,508.08	\$1,821,559.99
SF 80'	\$1,194,911.00	\$86,135.36	\$1,108,775.65
	\$8,892,129.37	\$640,990.61	\$8,251,138.76
<u>Phase 1B2</u>			
SF 45'	\$3,008,615.20	\$474,835.18	\$2,533,780.02
SF 50'	\$1,920,392.68	\$303,086.29	\$1,617,306.39
SF 60'	\$3,840,785.36	\$606,172.58	\$3,234,612.79
SF 80'	\$1,536,314.14	\$242,469.03	\$1,293,845.11
	\$10,306,107.38	\$1,626,563.08	\$8,679,544.31
Total Residential	\$23,757,391.22	\$2,287,626.42	\$21,469,764.80
Non-Residential			
Multi-family	\$2,343,768.14	\$356,345.14	\$1,987,423.00
Mixed Use	\$5,562,559.65	\$845,728.32	\$4,716,831.33
Total Non-Residential	\$7,906,327.79	\$1,202,073.46	\$6,704,254.33
Total	\$31,663,719.01	\$3,489,699.88	\$28,174,019.14

Table 6A

Lake Flores

Community Development District

Bond Assessments Apportionment - Series 2023A-1

Product Type	Total Number of Units / Acres	Capital Improvement Plan Cost Allocation	Total Series 2023A-1 Bond Assessments Apportionment	Series 2023A-1 Bond Assessments Apportionment per Unit	Annual Series 2023A-1 Bond Assessments Debt Service per Unit*	Annual Series 2023A-1 Bond Assessments Debt Service per Unit**
Residential						
<u>Phase N1</u>						
TH	68	\$1,515,016.80	\$907,997.45	\$13,352.90	\$999.86	\$1,075.12
Twin Villa	90	\$2,055,298.53	\$1,321,937.46	\$14,688.19	\$1,099.85	\$1,182.63
	158	\$3,570,315.33	\$2,229,934.90			
<u>Phase 1B1</u>						
SF 42'	66	\$1,543,980.36	\$1,110,427.46	\$16,824.66	\$1,259.83	\$1,354.65
SF 45'	32	\$802,067.72	\$576,845.44	\$18,026.42	\$1,349.82	\$1,451.42
SF 50'	77	\$2,144,417.16	\$1,542,260.37	\$20,029.36	\$1,499.80	\$1,612.68
SF 60'	46	\$1,537,296.46	\$1,105,620.42	\$24,035.23	\$1,799.75	\$1,935.22
SF 80'	21	\$935,745.67	\$672,986.34	\$32,046.97	\$2,399.67	\$2,580.29
	242	\$6,963,507.37	\$5,008,140.03			
<u>Phase 1B2</u>						
SF 45'	94	\$2,356,073.92	\$1,976,897.38	\$21,030.82	\$1,574.79	\$1,693.32
SF 50'	54	\$1,503,876.97	\$1,261,849.39	\$23,367.58	\$1,749.76	\$1,881.46
SF 60'	90	\$3,007,753.94	\$2,523,698.78	\$28,041.10	\$2,099.71	\$2,257.76
SF 80'	27	\$1,203,101.58	\$1,009,479.51	\$37,388.13	\$2,799.62	\$3,010.34
	265	\$8,070,806.41	\$6,771,925.07			
Total Residential	665	\$18,604,629.11	\$14,010,000.00			
Non-Residential						
Multi-family	18.83	\$1,835,426.14	\$1,525,194.43	\$80,998.11	\$6,065.13	\$6,521.64
Mixed-Use	44.69	\$4,356,091.05	\$3,619,805.57	\$80,998.11	\$6,065.13	\$6,521.64
Total Non-Residential	63.52	\$6,191,517.19	\$5,145,000.00			
Future Area(s) Land	778.90		\$5,000,000.00	\$6,419.31	\$480.68	\$516.86
Total		\$24,796,146.30	\$24,155,000.00			

* Principal and interest only - excludes costs of collection and early payment discount allowance

** Included costs of collection (estimated at 3%) and early payment discount allowance (estimated at 4%)

Table 6B

Lake Flores

Community Development District

Bond Assessments Apportionment - Series 2023A-2

Product Type	Total Number of Units / Acres	Capital Improvement Plan Cost Allocation	Total Series 2023A-2 Bond Assessments Apportionment	Series 2023A-2 Bond Assessments Apportionment per Unit	Annual Series 2023A-2 Bond Assessments Debt Service per Unit*	Annual Series 2023A-2 Bond Assessments Debt Service per Unit**
Residential						
<u>Phase N1</u>						
TH	68	\$1,934,617.81	\$2,146,946.62	\$31,572.74	\$2,483.11	\$2,670.01
Twin Villa	90	\$2,624,536.66	\$2,822,453.58	\$31,360.60	\$2,466.43	\$2,652.07
	158	\$4,559,154.47	\$4,969,400.20			
<u>Phase 1B1</u>						
SF 42'	66	\$1,971,603.15	\$2,002,919.95	\$30,347.27	\$2,386.73	\$2,566.38
SF 45'	32	\$1,024,209.43	\$1,040,477.89	\$32,514.93	\$2,557.21	\$2,749.69
SF 50'	77	\$2,738,337.71	\$2,781,833.26	\$36,127.70	\$2,841.35	\$3,055.21
SF 60'	46	\$1,963,068.07	\$1,994,249.30	\$43,353.25	\$3,409.61	\$3,666.25
SF 80'	21	\$1,194,911.00	\$1,213,890.88	\$57,804.33	\$4,546.15	\$4,888.34
	242	\$8,892,129.37	\$9,033,371.27			
<u>Phase 1B2</u>						
SF 45'	94	\$3,008,615.20	\$2,773,989.90	\$29,510.53	\$2,320.92	\$2,495.62
SF 50'	54	\$1,920,392.68	\$1,770,631.85	\$32,789.48	\$2,578.80	\$2,772.91
SF 60'	90	\$3,840,785.36	\$3,541,263.70	\$39,347.37	\$3,094.56	\$3,327.49
SF 80'	27	\$1,536,314.14	\$1,416,505.48	\$52,463.17	\$4,126.09	\$4,436.65
	265	\$10,306,107.38	\$9,502,390.94			
Total Residential	665	\$23,757,391.22	\$23,505,162.41			
Non-Residential						
Multi-family	18.83	\$2,343,768.14	\$2,175,836.62	\$115,551.60	\$9,087.82	\$9,771.85
Mixed Use	44.69	\$5,562,559.65	\$5,164,000.98	\$115,551.60	\$9,087.82	\$9,771.85
Total Non-Residential	63.52	\$7,906,327.79	\$7,339,837.59			
Total		\$31,663,719.01	\$30,845,000.00			

* Principal and interest only - excludes costs of collection and early payment discount allowance

** Included costs of collection (estimated at 3%) and early payment discount allowance (estimated at 4%)

Exhibit “A”

Series 2023 Bond Assessments in the amount of \$55,000,000* are proposed to be levied over the area as described below:

* Preliminary, subject to change.

LAKE FLORES

COMMUNITY DEVELOPMENT DISTRICT

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September ~~11~~¹⁴, 2023

Lake Flores Community Development District
Cortez75W Investors, LLC
c/o Jon Kessler, FMSbonds, Inc.

Via Email

Re: Lake Flores Community Development District – Special Assessment Bonds, Series 2023 – NON-BINDING SUMMARY OF TERMS

Gentlemen:

Following our recent discussions, we are pleased to provide you with this Summary of Terms, which describes the general terms and conditions pursuant to which PHCC LLC (d/b/a Preston Hollow Community Capital) (“PHCC”) would be willing to consider funding the above-referenced project through the purchase of tax-exempt bonds on the terms described herein. This Non-Binding Summary of terms is intended to be the framework for documents to be prepared. Documents will be presented to the District Board on or about September 14th. Once approved, the District and PHCC may enter into a purchase agreement. This Summary of Terms is intended to be non-binding on both parties.

OVERVIEW OF FINANCING

1. Overview:

The Lake Flores Community Development District (the “**District**”) is located in west Manatee County, Florida (the “**County**”). The District’s boundaries include approximately 1,178 acres of land. The District is planned to contain a mixed-use master planned community to be known as “Lake Flores” (the “**Development**”), which, at build-out, is expected to include up to 6,500 new homes, 3 million square feet of retail, office or industrial space, and ~500 hotel rooms. Cortez75W Investors, LLC (“**Sponsor**”) own Phase 1 of the land in the District and have contracted to buy the remaining acreage from LF Manatee LLC.

The initial phase of the Development encompasses the western 402 acres of property and is planned for 1,063 single family lots, 18 acres planned for multi-family, and 47 acres planned for commercial mixed-use (“**Phase 1**”). The balance of the Development encompasses the eastern 779 acres of property (“**Future Phases**”). See **Exhibit A** hereto.

Phase 1 is expected to be developed in two phases. The initial phase (“**Phase 1B**”) is expected to consist of 665 single family lots, 18 acres planned for multi-family, and 47 acres planned for commercial mixed-use. The second phase (“**Phase 1C**”) is expected to consist of 398 single family lots. Phase 1A is an undeveloped mitigation area. The financing described in this non-binding summary of terms relates only to Phase 1B and shall not encumber Phase 1C or the Future Phases of the Development, unless specifically provided.

The District proposes to issue up to ~\$55 million of special assessment bonds in two series to fund public infrastructure costs with respect to Development Phase 1B, as follows:

- a. The District is expected to issue Series 2023A-1 Bonds a/k/a “**Long Term Bonds**” and Series 2023A-2 Bonds a/k/a “**Short Term Bonds**” (together, the “**2023 Bonds**”) in the approximate total amount of \$55,000,000 to fund public infrastructure costs relating to Development Phase 1B. The 2023A-1 Bonds / Long Term Bonds will be secured by special assessments levied in the amount

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of ~\$~~17,585,000~~17,380,000 on the Development Phase 1B property and ~\$5,000,000 levied on Future Phases. The 2023A-2 Bonds / Short Term Bonds will be secured by special assessments levied in the amount of ~\$~~32,415,000~~32,620,000 on the Development Phase 1B property. For the avoidance of doubt, the Future Phases landowner shall be permitted to pay off the 2023A-1 Bonds encumbering its property at any time in accordance with the methodology described in Exhibit C, and, if repaid by the Landowner of the Future Phases, the District shall then be permitted to issue new bonds encumbering the Future Phases.

- b. The District may additionally issue bonds in the future to fund public infrastructure for future phases (e.g., Development Phase 1C and Future Phases of the Development). Any future development phases (e.g., Development Phase 1C or Future Phases) and associated future bonds are outside the scope of this Summary of Terms.

This Summary of Terms describes the proposed terms of the 2023 Bonds. See **Exhibit B** hereto for a summary of the numbers, sources/uses, and related matters relating to the 2023 Bonds.

- 2. Key Parties:**
- Issuer:** Lake Flores Community Development District
 - Sponsor:** Cortez75W Investors, LLC
 - Bond Counsel:** Greenberg Traurig
 - Broker/Dealer:** FMSbonds, Inc.
 - Bond Purchaser:** PHCC LLC (d/b/a Preston Hollow Community Capital)

2023 BOND TERMS*

- 3. Closing Date:** PHCC contemplates a closing on the 2023 Bonds on or before October 15, 2023. To be discussed further with the District and the Sponsor.

4. Series Specific Bond Terms* :

	2023A-1 Long Term Bonds	2023A-2 Short Term Bonds
a. <u>Bond Series:</u>		
b. <u>Par Amount:</u>	<p>\$22,585,000<u>22,380,000</u></p> <p>(final sizing to be agreed to by Sponsor, District and PHCC prior to closing based on the Final Yield and the final per lot assessment amount which may not exceed \$40 per front foot)</p>	<p>\$32,415,000<u>32,620,000</u></p>
c. <u>Funding Structure:</u>	Fully funded at closing	<p>Drawdown structure allows for 6 draws at option of District as and when needed to fund Development Costs — the amount per draw may vary, but not more than one draw per</p>

* Preliminary, subject to change.

~~quarter~~4-6 quarterly draws in accordance with an agreed upon draw schedule, which will set forth minimum amounts for each draw. The District will have the option to increase the minimum amount of one or more draws in increments of \$1,000,000, such incremental increases having the effect of reducing the amount of the final draw.

d. Pricing Methodology:

The yield on each series of the 2023 Bonds will be a fixed rate yield (the "Final Yield") set on the pricing date (i.e., the date that the District Board meets to approve a bond award resolution (and other documents) and thereby authorizes the sale of the 2023 Bonds). The Final Yield will be based on a spread to 30-year AAA Municipal Market Data ("MMD") Index (the "Tax Exempt Index"), provided, however, that the Series 2023 Bonds shall be issued in compliance with Section 215.84(3), Florida Statutes and other applicable law. Below are the steps that will be taken to finalize the pricing:

- i. For each series of the 2023 Bonds, the coupon and price for each series will be set at pricing so that the yield to maturity for each series is equal to the applicable yields set forth herein. The price will be as close as possible to the levels set forth below in the example (100.000 and 96.737, respectively for the 2023A-1 and 2023A-2 Bonds) so that the coupon in 1/8% increments is set at a level to achieve the applicable yield for each series.
- ii. The Final Rate will be set on the Pricing Date which will be on or about _____

4. Series Specific Bond Terms^{*(continued)}:

e. Yield Spread:

252.5 bps (provided, however, that the yield spread shall be subject to decrease so the overall yield does not exceed 6.375%)

280 bps

d. ~~f.~~ Coupon, Price and Yield if Priced in Current Market (as of MMD pricing date of 8/21/23):

6.375% at 100.000 to yield 6.375%

6.50% at 96.737 to yield 6.750%

e. ~~g.~~ Final Maturity Year:

~~30~~30 years plus capitalized interest period to be determined by Sponsor and District

30 years plus capitalized interest period to be determined by Sponsor and District

f. ~~h.~~ Optional Redemption:

Callable prior to maturity at par plus accrued interest at the option of the District on and

Non-callable

*Preliminary, subject to change.

	<p>after fifteen (15) years after issuance (not applicable to the \$5 mm<u>5MM</u> of bonds secured by the Future Phases of the Development which shall be subject to payoff or refinancing<u>prepayment</u> by the Landowner at any time as<u>in accordance with the methodology</u> described below<u>in Exhibit C).</u></p>	
<p><u>g.</u> i. <u>Mandatory Sinking Fund Redemption:</u></p>	<p>Yes, per Structure section below</p>	<p>1/0 for 30<u>5</u> years with bullet repayment on month<u>360 interest only period (inclusive of the two year capitalized interest period) and amortizing thereafter.</u></p>
<p><u>h.</u> i. <u>Extraordinary Early Redemption:</u></p>	<p>Industry standard (e.g., upon prepayments by landowners)</p>	<p>Upon prepayments by landowners or upon sale to homebuilder, the allocable lien related to such sale to be called and prepaid at par</p>
<p><u>i.</u> k. <u>Bond Minimum Denominations:</u></p>	<p>Initial sale of \$100,000 or more with \$5,000 denominations</p>	
<p><u>j.</u> l. <u>Form of Sale to PHCC:</u></p>	<p>Underwritten or privately placed by FMS</p>	

[continued on next page]

5. Payment Terms:* Structure:

2023A-1 Bonds / Long Term Bonds:

- Interest only period to be determined at later date by Sponsor and District
- Interest is paid semi-annually; ~~simple accrual on interest between interest payment dates~~
- Principal is payable as follows:
 - Annually, pursuant to mandatory sinking fund redemption
 - Pursuant to extraordinary early redemption (quarterly) in connection with special assessment prepayments

2023A-2 Bonds / Short-Term Bonds:

- Interest only period to be determined at later date by Sponsor and District
- Interest is paid semi-annually; ~~simple accrual on interest between interest payment dates~~
- Principal is payable as follows:
 - At maturity
 - Pursuant to extraordinary early redemption (i) from time to time upon required prepayment of special assessments in connection with land sales to homebuilders and (ii) quarterly in connection with other prepayments

SECURITY FOR THE 2023 BONDS AND ACCOUNTS

6. Reserves: **Bond Debt Service Reserve Fund:**

- 2023A-1 Bonds / Long Term Bonds. The Series 2023A-1 Bonds will be secured by the 2023A-1 debt service reserve fund, funded at closing in an amount equal to 50% of the lesser-of three-part DSRF test for tax-exempt bonds from proceeds of 2023A-1 Bonds. Once all land subject to the Series A-1 Bonds, excluding the portion allocated to the Future Phases, has been sold to third parties (homebuilders and commercial developers) and all A-2 Bonds have been redeemed, the A-1 DSRF shall release to ~~20~~25% MADS. The excess generated shall be used to reimburse Developer for costs not previously reimbursed [to be addressed in Acquisition Agreement]. The estimated amount of the 2023A-1 debt service reserve fund to be funded at closing is shown on Exhibit B.
- 2023A-2 Bonds / Short Term Bonds. The Series 2023A-2 Bonds will be secured by the 2023A-2 debt service reserve fund, funded at closing in an amount equal to 50% of the lesser-of three-part DSRF test for tax-exempt bonds from proceeds of 2023A-2 Bonds. **Capitalized Interest:** Capitalized interest amount to be determined by Sponsor and District. The estimated amount of the 2023A-2 debt

* Preliminary, subject to change.

service reserve fund to be funded at closing is shown on Exhibit B



- 7. Security for the 2023 Bonds:** 2023A-1 Bonds / Long Term Bonds. The 2023A-1 Bonds will be secured by approximately (i) ~~\$17,585,000~~17,380,000 of special assessments on the Development Phase 1B property, \$5,000,000 of special assessments on the Future Phases, and (iii) other standard/customary pledged funds under the bond indenture (*i.e.*, DSRF) and collateral securing CDD bonds (*i.e.*, collateral assignment of development rights, contracts, etc.). The special assessments are the scheduled interest and principal payments per the bond amortization schedule and the bond documents.
- 2023A-2 / Short Term Bonds. The 2023A-2 Bonds will be secured by approximately (i) ~~\$32,415,000~~32,620,000 of special assessments on the Development Phase 1B property, , and (ii) other standard/customary pledged funds under the bond indenture (*i.e.*, DSRF) and collateral securing CDD bonds (*i.e.*, collateral assignment of development rights, contracts, etc.). Such assessments to be prepaid upon sale to builders/third parties. The special assessments are the scheduled interest and principal payments per the bond amortization schedule and the bond documents.
- 8. Additional Bonds:** The District may incur additional indebtedness secured on parity with the 2023 Bonds only with the consent of the Bondholder Representative. PHCC, Sponsor, and the District to further refine the additional bonds test during the documentation stage. If at any time PHCC fails to fund a properly submitted draw request, the District may redeem all or a portion of the Outstanding Series 2023A-1 Bonds and/or the Series 2023A-2 Bonds, at a Redemption Price equal to the principal amount of Outstanding Series 2023A-1 Bonds and/or Series 2023A-2 Bonds, plus accrued interest to the applicable redemption date ~~less any issuance costs incurred by the District or Sponsor due to the need to refinance the bonds following a default by PHCC due to a failure to fund a properly submitted draw request.~~ Additionally, at the option of the District, the District may issue new bonds or obtain alternative financing, including but not limited to bank financing, on parity with any outstanding 2023 Bonds. Notwithstanding the foregoing, the District may take such action and incur additional indebtedness on parity with any outstanding 2023 Bonds without the consent of the Bondholder Representative in the event of a default by PHCC. Nothing herein precludes Sponsor or District from pursuing any available remedies at law or in equity in the event of default by PHCC.
- 9. Bondholder Representative:** Certain consents, approvals, enforcement rights, and other rights under the bond documents will be vested in a Bondholder Representative authorized under the bond indentures relating to each series of 2023 Bonds. The Bondholder Representative will be appointed by the holders of a majority in aggregate principal amount of the 2023 Bonds. PHCC will be the initial Bondholder Representative. So long as PHCC and its affiliates own at least 25% of the aggregate principal amount outstanding of the 2023 Bonds, PHCC will remain as Bondholder Representative. If PHCC and its affiliates own less than 25% of the aggregate principal amount outstanding of the 2023 Bonds, PHCC will remain as Bondholder Representative until removed by the holders of a majority in aggregate principal amount outstanding of the 2023 Bonds.
- 10. Bond Pooling Program:** The 2023 Bond Indenture will include provisions to the effect that the District understands and acknowledges that owners of the 2023 Bonds will have the right to sell, transfer and assign their 2023 Bonds to (a) a joint powers authority or other similar state governmental entity (an “**Authority**”) that has established a program to issue from time

to time bonds, notes or other evidences of indebtedness (“**Authority Bonds**”), the proceeds of which are used to purchase or otherwise acquire obligations such as the 2023 Bonds, or (b) a commercial bank acting as trustee (the “**Authority Trustee**”) for such Authority Bonds, that, upon such sale, transfer and assignment, debt service payments on the 2023 Bonds will be pledged to the payment of and as security for such Authority Bonds and that such Authority or such Authority Trustee, as applicable, as an owner of the 2023 Bonds, will be entitled to exercise such rights as are granted to the owners of the 2023 Bonds under the 2023 Bond Indenture. ~~{Bond Pooling Program to be discussed with PHCC.}~~

OTHER BOND MATTERS

- 11. Offering Document:** In connection with the issuance of the 2023 Bonds, a complete offering document describing the 2023 Bonds and the security therefor, the Sponsor, the Development, the District, and related matters will be delivered and posted on Electronic Municipal Market Access (“EMMA”). Copies of the assessment report/methodology and third party reports (*i.e.*, engineer’s report, Special Tax Report, Market Study, if any, Appraisal, if any, etc.) to be attached as appendices to the offering document.
- 12. Continuing Disclosure:** District and Sponsor to comply with Rule 15c2-12, regardless of any exemptions thereto, by entering into a Continuing Disclosure Agreement (“**CDA**”). Quarterly and annual reporting TBD but contemplated to be in customary form.
- Pursuant to the CDA, the Bondholder Representative shall have the right (but not the obligation), with prior written notice to Sponsor and the District, to post directly on EMMA or to provide to the Dissemination Agent for posting on EMMA any information or documentation (or a summary thereof) that it receives from Sponsor any other person following the issuance of the Series 2023 Bonds regarding the Sponsor, the Development and the financing thereof.
- 13. Exchange of Term Bonds for Serial and/or Term Bonds:** With the written consent of 100% of the beneficial holders of a particular series of 2023 Bonds presented for exchange, the Trustee shall exchange all such bonds of a particular series to be exchanged for two or more serial and/or term Bonds (the “**Modified Bonds**”) as directed by such beneficial holders. The annual and overall debt service on the Modified Bonds shall be no greater than the annual and overall debt service on the exchanged bonds, nor shall there be any additional obligations incurred by Sponsor or District in relation to the Modified Bonds. The Modified Bonds shall be issued in book-entry form with DTC, and the expenses associated with reissuance, obtaining new CUSIP numbers and DTC registration, bond counsel and other opinions, and the reasonable fees of the Trustee (trustee fees not to exceed \$5,000), shall be paid by the holders of the 2023 Bonds to be exchanged. For the avoidance of doubt, such an exchange of bonds as is described in this section shall not change any of the District or Sponsor’s financial or other obligations without the District or Sponsor’s prior written consent.

CLOSING AND FUNDING CONDITIONS AND OTHER MATTERS

- 14. Legal Opinions:** Appropriate legal opinions in a form acceptable to, and addressed to, PHCC will be required from District’s Counsel, Bond Counsel, Counsel to FMS, and Sponsor’s Counsel. Such opinions to address, collectively, lien perfection, due authority, validity, enforceability, tax-exemption, securities law exemption, and 10b-5 matters.
- 15. Closing and Funding Conditions:** Closing and funding of the 2023 Bonds transaction will be subject to satisfaction of standard and customary closing and funding conditions including completion of property-level due diligence and delivery of required documentation.

TERMS AND CONDITIONS RELATED TO THIS SUMMARY OF TERMS

16. Terms Non-Exhaustive: The terms and conditions described in this Summary of Terms are not intended to be an inclusive or exhaustive list of the conditions that may be attached to any approvals of the proposed transaction. All dates, reserve amounts, and other figures and amounts have been estimated based upon information available as of the date hereof; however, the parties acknowledge that they are subject to possible adjustment prior to closing.

The terms of the 2023 Bonds described herein will be memorialized in mutually acceptable definitive written agreements and documents. The transactions described herein are contingent upon PHCC’s satisfactory review, credit underwriting, and approval of due diligence documentation with respect to the Development and the 2023 Bonds.

17. Transaction Costs: It is anticipated that all costs relating to the transaction contemplated herein, including the following costs (collectively, the “**Transaction Costs**”), will be paid or reimbursed with proceeds of the 2023 Bonds at closing: (i) fees and costs of Bond Counsel, District’s Counsel, Counsel to FMS, PHCC Counsel, Sponsor Counsel, District Assessment Consultant, District Engineer, and other counsel and professionals working on the financing transactions described in this Summary of Terms; and (ii) District and Trustee fees and costs.

Notwithstanding the foregoing, in the event that the District or the Sponsor terminates this Summary of Terms or the transactions contemplated hereby otherwise fail to close for any reason other than termination of this Summary of Terms or other default by PHCC, the Sponsor shall pay all Transaction Costs. In the event of termination of this Summary of Terms or other default by PHCC, Sponsor shall pay all Transaction Costs except costs of PHCC Counsel, PHCC, and other counsel and professionals working directly for PHCC on the financing transactions described in this Summary of Terms.

~~**18. Confidentiality:** The Sponsor, PHCC and, to the extent permitted by law, the District, each agrees that this Summary of Terms and the terms hereof are confidential, and that it shall not disclose or transmit (or permit or cause to be disclosed or transmitted) any copy or content hereof, in whole or in part, to any person or other party, except to its legal counsel, accountants and advisors on a “need to know” basis and who have agreed to maintain the confidentiality of this Summary of Terms.~~

~~**19. Governing Law:** This Summary of Terms and the bond documents will be governed by, construed, and enforced in accordance with Florida law.~~

18. 20. PHCC Acting as Principal; Not a Municipal or Other Advisor: The contemplated transaction and financing is an arm’s length, commercial transaction in which PHCC will be acting solely as a principal and for its own interest. PHCC is a sophisticated institutional investor with experience in providing financing and purchasing obligations similar to the 2023 Bonds described in this Summary of Terms. Please be advised that this letter is delivered solely in PHCC’s capacity as a prospective purchaser of 100% of the 2023 Bonds, and PHCC (i) is not, and is not acting as, a financial advisor, underwriter, letter of credit provider, or municipal advisor to the District, the County, the Sponsor, or any other party, and (ii) has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 or otherwise to any party with respect to the Transaction, the financing contemplated hereby, and the discussions, undertakings and procedures relating thereto.



[Signature page follows]

Thank you for this opportunity. We look forward to discussing this Summary of Terms with you. If you have any questions, please do not hesitate to call.

Sincerely,
PHCC LLC (d/b/a Preston Hollow Community Capital)
By: _____
Name: Ramiro Albarran
Title: Managing Director, Co-Head of Originations

ACKNOWLEDGED AND AGREED:

SPONSOR:

CORTEZ75W INVESTORS, LLC

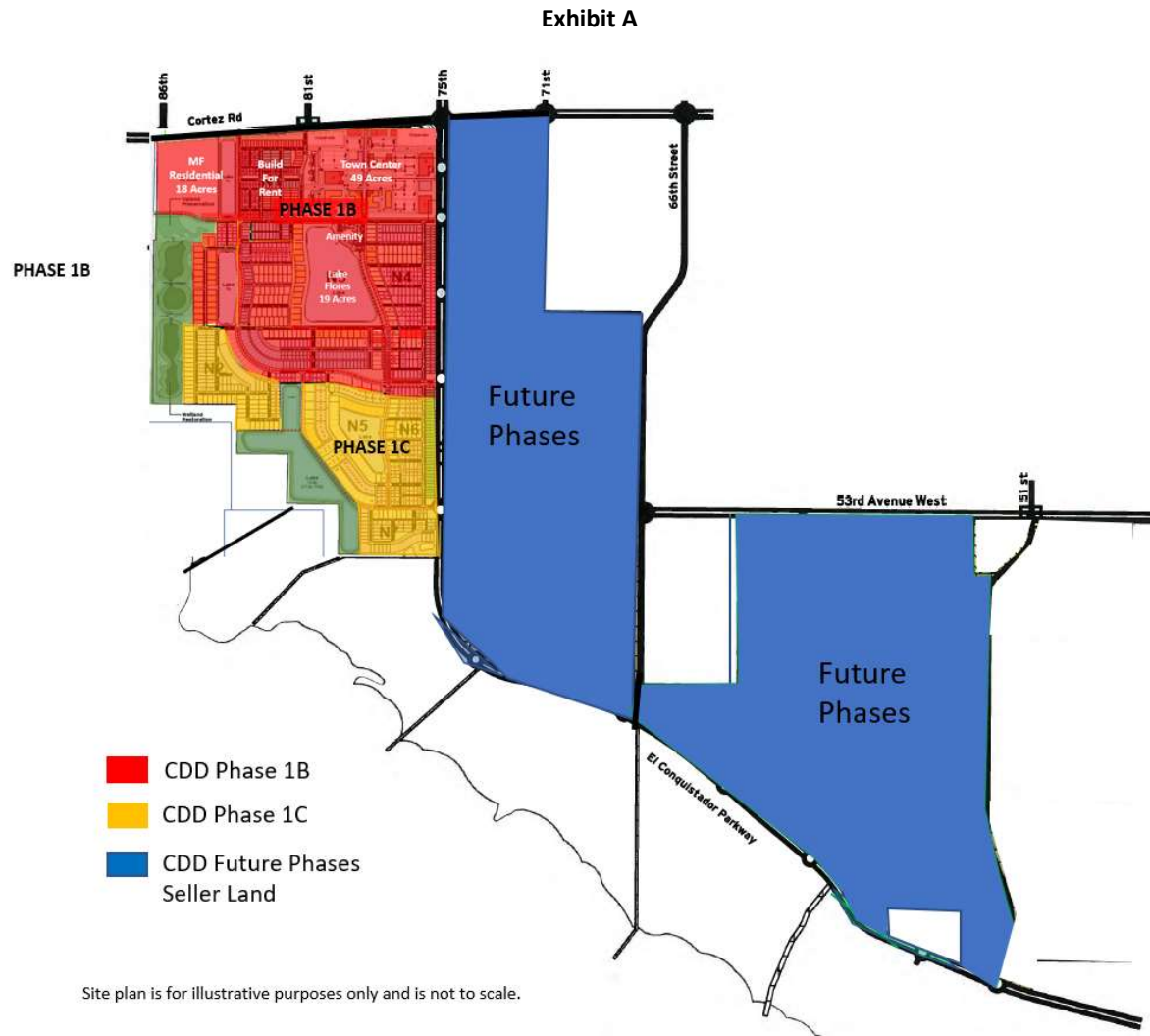
By: _____
Name: _____
Title: _____
Date: _____

DISTRICT:

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

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Exhibit B

Summary Numbers

(Modified graphics)

LAKE NOTES
Assumptions & Summary

GENERAL ASSUMPTIONS		
Financial Close		9/1/2023
Principal Month		5/1/2024
Proceeds - Series A-1		\$32,600,850
Proceeds - Series A-2		\$27,872,324
Total Proceeds		\$60,473,174
IRREVOCABLE BOND ASSUMPTIONS		
	2023A-1	2023A-2
Coupon	6.375%	6.500%
Purchase Price	100.000	98.737
Yield	6.375%	6.750%
Term	32 Years	32 Years
DS Escalation	0.00%	0.00%
Cap-1 Years	1.7 Years	1.7 Years
Cap-1 Years	1.7 Years	1.7 Years
Cap-1 End Date	5/1/2025	5/1/2025
Cap-1 End Date	5/1/2025	5/1/2025
DSRF % of Par	3.70%	3.00%
DSRF % of Par	3.70%	3.00%
COI (% of Par)	1.50%	0.00%
COI (% of Par)	1.50%	0.00%
UWD (% of Par)	1.50%	1.50%
UWD (% of Par)	1.50%	1.50%
Return on DSRF Investment	4.50%	4.50%
Return on DSRF Investment	4.50%	4.50%
Number of Draws		4
Number of Draws		4

SOURCES OF FUNDS			
	PROCS		TOTALS
Series	2023A-1	2023A-2	
Taxable / Tax Exempt	T/E	T/E	
Coupon	6.375%	6.500%	
Purchase Price	100.000	98.737	
Maturity	5/1/2055	5/1/2055	
Call Date	9/1/2038	--	
SOURCES OF FUNDS			
Par	\$ 22,800,000	\$ 32,600,000	\$ 55,400,000
Issued (Discount) / Premium	\$ -	\$ (1,066,440)	\$ (1,066,440)
Investment Earnings	\$ 132,659	\$ 203,578	\$ 336,237
TOTAL SOURCES	\$ 22,832,659	\$ 31,737,138	\$ 54,569,797
USES OF FUNDS			
Project Fund	\$ 18,608,850	\$ 27,872,111	\$ 46,480,961
Project Fund	\$ 18,611,061	\$ 27,852,004	\$ 46,463,065
Cap-1	\$ 2,377,875	\$ 1,994,525	\$ 4,372,400
Cap-1	\$ 2,377,875	\$ 1,969,825	\$ 4,347,700
DSRF	\$ 847,244	\$ 1,298,967	\$ 2,146,211
DSRF	\$ 847,244	\$ 1,222,429	\$ 2,069,673
COI	\$ 350,000	\$ -	\$ 350,000
COI	\$ 350,000	\$ -	\$ 350,000
UWD	\$ 335,700	\$ 489,300	\$ 825,000
UWD	\$ 335,700	\$ 477,900	\$ 813,600
Rounding	\$ -	\$ 4,229	\$ 4,229
Rounding	\$ -	\$ -	\$ -
TOTAL USES	\$ 22,519,660	\$ 31,759,127	\$ 54,278,787
TOTAL USES	\$ 22,521,879	\$ 31,022,330	\$ 53,544,210

Lake Flores

Assumptions & Summary

GENERAL ASSUMPTIONS

Financial Close	9/1/2023
Principal Month	5/1/2024
Proceeds - Series A-1	\$18,608,850
Proceeds - Series A-2	\$27,972,111
Total Proceeds	\$46,580,962

PHCC BOND ASSUMPTIONS

	2023A-1	2023A-2
Coupon	6.375%	6.500%
Purchase Price	100.000	96.737
Yield	6.375%	6.750%
Term	32 Years	32 Years
DS Escalation	0.00%	0.00%
Cap-I Years	1.7 Years	1.7 Years
Cap-I End Date	5/1/2025	5/1/2025
DSRF % of Par	3.79%	3.98%
COI (% of Par)	1.56%	0.00%
UWD (% of Par)	1.50%	1.50%
Return on DSRF Investment	4.50%	4.50%
Number of Draws		4

SOURCES & USES

Series	PHCC		TOTALS
	2023A-1	2023A-2	
<i>Taxable / Tax-Exempt</i>	T/E	T/E	
<i>Coupon</i>	6.375%	6.500%	
<i>Purchase Price</i>	100.000	96.737	
<i>Maturity</i>	5/1/2055	5/1/2055	
<i>Call Date</i>	9/1/2038	-	
SOURCES OF FUNDS			
Par	\$ 22,380,000	\$ 32,620,000	\$ 55,000,000
Issue (Discount) / Premium	\$ -	\$ (1,064,448)	\$ (1,064,448)
Investment Earnings	\$ 139,669	\$ 203,575	\$ 343,244
TOTAL SOURCES	\$ 22,519,669	\$ 31,759,127	\$ 54,278,796
USES OF FUNDS			
Project Fund	\$ 18,608,850	\$ 27,972,111	\$ 46,580,962
Cap-I	\$ 2,377,875	\$ 1,994,525	\$ 4,372,400
DSRF	\$ 847,244	\$ 1,298,962	\$ 2,146,205
COI	\$ 350,000	\$ -	\$ 350,000
UWD	\$ 335,700	\$ 489,300	\$ 825,000
Rounding	\$ -	\$ 4,229	\$ 4,229
TOTAL USES	\$ 22,519,669	\$ 31,759,127	\$ 54,278,796

Exhibit C

Description of Prepayment Methodology relating to the Future Phases

A portion of the Series 2023A-1 Special Assessments in the initial principal amount of \$5,000,000 will initially be assigned to the 778.9 gross acres which comprise the Future Phases Area. As the land within the Future Phases Area is not yet platted for its intended final use and the precise location of the various land use types by lot or parcel is unknown, such \$5,000,000 of Series 2023A-1 Special Assessments will initially be levied on all land within the Future Phases Area on an equal pro-rata gross acre basis at the approximate principal amount of \$6,419.31 per acre (the “**Original Principal Per Acre Assignment**”). At any point in time should the Future Phases Landowner or the Developer choose to prepay a portion of the Series 2023A-1 Special Assessments assigned to a specific acreage within the Future Phases Area, the Future Phases Landowner would be required to prepay the Series 2023A-1 Special Assessments in the principal amount of \$30,000 per acre plus accrued interest.

As land within the Future Phases Area is platted, the Series 2023A-1 Special Assessments will be allocated to each platted parcel on a first platted, first assigned basis based on the planned land use for that parcel based on ERUs (as defined herein).

In the event the Developer or the Future Phases Landowner sells unplatted land (the “**Transferred Property**”) to a third party unaffiliated in any way with the Future Phases Landowner or Developer (the “**Initial Purchaser**”), the Series 2023A-1 Special Assessments will be assigned to such Transferred Property at the time of sale based on the maximum total numbers of ERUs assigned to that Transferred Property based on development rights assigned thereto. Upon such assignment, the Series 2023A-1 Special Assessments will be assigned to such Transferred Property at a different principal amount per acre than the Original Principal Per Acre Assignment (the “**New Principal Per Acre Assignment**”).

At any point in time should the Initial Purchaser choose to prepay a portion of the Series 2023A-1 Special Assessments assigned to either the Future Phases Area or any Transferred Property therein, the Initial Purchaser would be required to prepay the Series 2023A-1 Special Assessments in the principal amount being the greater of: (i) \$30,000 per acre or (ii) the New Principal Per Acre Assignment, plus, in each case, applicable accrued interest.

Upon any subsequent sale prior to platting of a portion of any previously Transferred Property to an unaffiliated third-party landowner (the “**Subsequent Purchaser**”) which may purchase a portion of such Transferred Property from the Initial Purchaser (the “**Subsequently Transferred Property**”), the Series 2023A-1 Special Assessments would also be assigned to the Subsequently Transferred Property based on the maximum total numbers of ERUs assigned to that Subsequently Transferred Property based on the development rights assigned thereto. Upon such assignment, the Series 2023A-1 Special Assessments will be assigned to such Subsequently Transferred Property at a different principal amount per acre than the New Principal Per Acre Assignment (the “**Subsequent Principal Per Acre Assignment**”). The Subsequent Purchaser would be required to prepay the Series 2023A-1 Special Assessments in the principal amount of the Subsequent Principal Per Acre Assignment plus accrued interest.

Summary report: Litera Compare for Word 11.0.0.61 Document comparison done on 9/14/2023 2:55:53 PM	
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Intelligent Table Comparison: Active	
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Delete	58
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<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	6
<u>Table moves to</u>	0
Table moves from	0
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Embedded Excel	0
Format changes	0
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