

*Gardens at Hammock Beach  
Community Development District*

*Agenda*

*May 17, 2024*

# AGENDA

# *Gardens at Hammock Beach*

## *Community Development District*

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219 East Livingston Street, Orlando, Florida 32801

Phone: 407-841-5524 – Fax: 407-839-1526

May 10, 2024

**Board of Supervisors**  
**Gardens at Hammock Beach**  
**Community Development District**

Dear Board Members:

The meeting of the Board of Supervisors of **Gardens at Hammock Beach Community Development District** will be held **Friday, May 17, 2024 at 9:00 AM** at the **Hilton Garden Inn Palm Coast/Town Center, 55 Town Center Blvd., Palm Coast, Florida**. **PLEASE NOTE THE TIME OF THE MEETING.** Following is the advance agenda for the meeting:

1. Roll Call
2. Public Comment Period
3. Approval of Minutes of the March 22, 2024 Meeting
4. Financing Matters – Phase 1-3 Tract
  - A. Consideration of Amended and Restated Master Engineer’s Report – Phase 1-3 Tract
  - B. Consideration of Supplemental Engineer’s Report – Phase 1-3 Tract
  - C. Consideration of Preliminary Supplemental Assessment Methodology Report for Phase 1-3 Tract
  - D. Consideration of Resolution 2024-02 Delegation Resolution for Assessment Area One (Series 2024-1)
    - i. Exhibit A: Form of First Supplemental Trust Indenture
    - ii. Exhibit B: Form of Contract of Purchase
    - iii. Exhibit C: Form of Preliminary Limited Offering Memorandum
    - iv. Exhibit D: Form of Continuing Disclosure Agreement
  - E. Consideration of Resolution 2024-03 Authorizing the District to Enter Into Agreements Related to the Series 2024-1 Bond Issuance
  - F. Consideration of Resolution 2024-04 Delegation Resolution for Assessment Area Two (Series 2024-2)
    - i. Exhibit A: Form of Second Supplemental Trust Indenture
    - ii. Exhibit B: Form of Contract of Purchase
    - iii. Exhibit C: Form of Preliminary Limited Offering Memorandum
    - iv. Exhibit D: Form of Continuing Disclosure Agreement
  - G. Consideration of Resolution 2024-05 Authorizing the District to Enter Into Agreements Related to the Series 2024-2 Bond Issuance
5. Consideration of Resolution 2024-06 Approving the Conveyance of Real Property and Improvements
6. Staff Reports
  - A. Attorney

- B. Engineer and Maintenance Report
- C. District Manager's Report
  - i. Balance Sheet and Income Statement
  - ii. Ratification of Funding Requests #30 - #31
  - iii. Presentation of Number of Registered Voters - 0
  - iv. Designation of **November 15, 2024** as the Landowners' Meeting Date
- 7. Other Business
- 8. Supervisor's Requests
- 9. Adjournment

The balance of the agenda will be discussed at the meeting. In the meantime, if you should have any questions, please do not hesitate to contact me.

Sincerely,

*Jeremy LeBrun*

Jeremy LeBrun  
District Manager

Enclosures



# MINUTES

MINUTES OF MEETING  
GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Gardens at Hammock Beach Community Development District was held on Friday, March 22, 2024 at 12:30 p.m. at the Hilton Garden Inn Palm Coast, 55 Town Center Boulevard, Palm Coast, Florida.

Present and constituting a quorum were:

Clint Smith	Chairman
David Lusby	Vice Chairman
William Livingston	Assistant Secretary

Also present was:

George Flint	District Manager
Jeremy LeBrun	GMS
Vincent Sullivan	District Counsel

*The following is a summary of the discussions and actions taken at the March 22, 2024 Gardens at Hammock Beach Community Development District's Meeting.*

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. LeBrun called the meeting to order at 12:30 p.m. A quorum was present.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

There being no comments, the next item followed.

**THIRD ORDER OF BUSINESS**

**Approval of Minutes of the July 21, 2023 Meeting**

Mr. LeBrun presented the minutes of the July 21, 2023 meeting, which were included in the agenda package. There were no corrections.

On MOTION by Mr. Smith seconded by Mr. Livingston with all in favor the Minutes of the July 23, 2023 Meeting were approved, as presented.
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**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2024-01  
Approving the Proposed Fiscal Year 2025  
Budget and Setting a Public Hearing**

Mr. LeBrun explained that the CDD was required to approve a Proposed Budget by June 15<sup>th</sup> of each year and set the date, place and time of the public hearing for final consideration. Resolution 2024-01, which was included in the agenda package, included Exhibit A, the Proposed Budget. The public hearing was scheduled for July 19, 2024 at 12:30 p.m. at this location. It was similar to last year’s budget, contemplating that the District would continue to operate under a Developer Funding Agreement in lieu of imposing assessments. Mr. Flint indicated that the budget was not binding on the Board. Mr. Smith was concerned about the postage. Mr. Flint pointed out that they try to limit the postage as much as possible.

On MOTION by Mr. Smith seconded by Mr. Lusby with all in favor Resolution 2024-01 Approving the Proposed Budget for Fiscal Year 2025 and Setting a Public Hearing for July 19, 2024 at 12:30 p.m. at this location was approved.

**FIFTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being no comments, the next item followed.

**B. Engineer**

There being no comments, the next item followed.

**C. District Manager’s Report**

**i. Balance Sheet and Income Statement**

Mr. LeBrun presented the Unaudited Financials through February 29, 2024, which were included in the agenda package. No action was required by the Board. Mr. Flint noted that there was \$694 in the Operating Account.

**ii. Ratification of Funding Requests #20 - #29**

Mr. LeBrun presented Funding Request #20 through #29, which was included in the agenda package and transmitted to the developer under the Developer Funding Agreement.

On MOTION by Mr. Smith seconded by Mr. Livingston with all in favor Funding Requests #20 - #29 was ratified.

**iii. CDD Ethics Training Requirement**

Mr. LeBrun reported that the Florida Legislature, recently enacted a law that all CDD Board Members must complete four hours of ethics training each year, covering topics including the Ethics Law, Sunshine Law, Board of Constitution and public records. Board Members were required to self-certify, starting in 2025, that they completed those four hours of training on their annual Form 1 Financial Disclosure Statement by July 1<sup>st</sup> of each year. The training would start on January 1, 2024. A Memorandum was provided to the Board, including links to resources that would assist the Board of Supervisors to meet that requirement, which would be sent to the Board via email, for Board Members to click on. Free videos and audio recordings would be available online to complete the training on The Florida Commission on Ethics website, to complete the requirement in 50-minute increments. Mr. Livingston questioned how many times they must go through this process, if they served on multiple Boards. Mr. Flint confirmed that they were only required to complete the four hours. Mr. LeBrun recommended that, once the Supervisors completed the training, they note the date and time that they completed it. No certificate would be issued. Mr. LeBrun also reminded the Board that their Form 1 was due this year, as of July 1, 2024 and must be filed electronically, for this year. A link for registration, would be sent to the Board, from the Florida Commission on Ethics, versus filing a hard copy with the Supervisor of Elections. Mr. LeBrun advised the Board Members to inform his office, if they did not receive their Form 1 by April. Mr. Flint pointed out that the Supervisor of Elections was no longer involved in the process.

**SIXTH ORDER OF BUSINESS**

**Other Business**

There being no comments, the next item followed.

**SEVENTH ORDER OF BUSINESS**

**Supervisor’s Request**

There being no comments, the next item followed.

**EIGHTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Smith seconded by Mr. Lusby with all in favor the meeting was adjourned.

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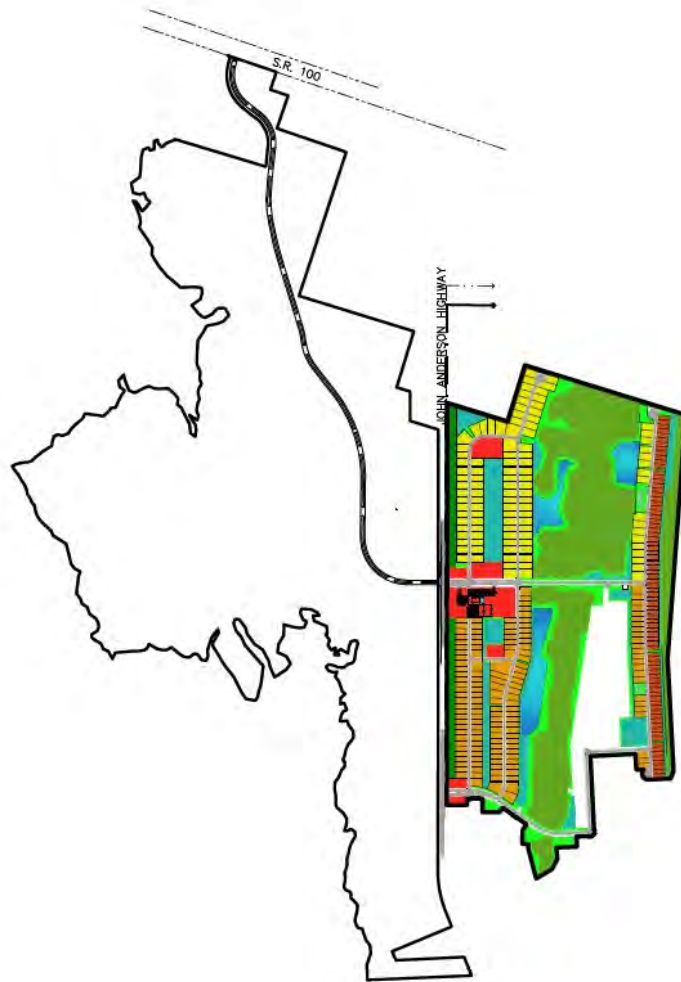
Secretary/Assistant Secretary

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Chairman/Vice Chairman

# SECTION IV

# SECTION A



# Gardens at Hammock Beach Community Development District

Amended and Restated Master Engineer's Report – Phase 1-3 Tract  
Prepared for Gardens at Hammock Beach Community Development District  
Flagler County Florida

Amended and Restated, April 2024

**SUBMITTED BY:**

**Parker Mynchenberg & Associates, Inc.**  
1729 Ridgewood Ave.  
Holly Hill, Florida 32117  
386-677-6891

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## EXHIBITS

EXHIBIT A .....	Location Map – Phase 1-3 Tract
EXHIBIT A-1.....	Legal Description – Phase 1-3 Tract
EXHIBIT A-2.....	Legal Description – District Boundary
EXHIBIT B .....	Master Site Plan – Phase 1-3 Tract
EXHIBIT C .....	Master Stormwater Plan – Phase 1-3 Tract
EXHIBIT D-1 .....	Master Potable Water System Plan – Phase 1-3 Tract
EXHIBIT D-2 .....	Master Sanitary Sewer System Plan – Phase 1-3 Tract
EXHIBIT D-3 .....	Master Reclaimed Water System Plan – Phase 1-3 Tract
EXHIBIT E .....	Opinion of Probable Construction Cost – Phase 1-3 Tract



# Gardens at Hammock Beach Community Development District

## Engineer’s Report

### 1. INTRODUCTION

#### 1.1 Description of Veranda Bay Community & the Phase 1-3 Tract

Veranda Bay (also referred to as the “Development”) is a 824.13 gross acres master planned, commercial/residential community located in Flagler County as shown on Location Map [Exhibit A](#). The Phase 1-3 Tract is part of the 824.13 acres and encompasses approximately 248.93 acres comprising the first three (3) phases of the Development located just east off the main entry of the Development at John Anderson Highway. The Phase 1-3 Tract legal description is attached, [Exhibit A-1](#). The Master Developer (“Developer”) is Palm Coast Intracoastal, LLC, based in Charlotte, North Carolina.

The Development is part of a Planned Unit Development (PUD) known as Hammock Beach River Club which allows for up to and including, but not limited to, 453 residential units and 230,694 square feet of commercial/retail/office/multi-family area and 100,000 square feet of specialty retail. The Phase 1-3 Tract consists of 335 single family lots and clubhouse amenity, associated roadway, sidewalk, drainage, water, sewer,

reuse, signage, and irrigation improvements. A land use summary of the Phase 1-3 Tract is presented in [Table 1](#).

The Gardens at Hammock Beach Community Development District (herein called the “District” or “CDD”) encompasses 953.37 gross acres of land and will construct, acquire, operate and/or maintain certain portions of the public infrastructure to support the Development. The legal description of the District Boundaries can be seen in [Exhibit A-2](#). The District will acquire or construct infrastructure in phases as necessary. The first three (3) phases of the Development include 335 lots within the Phase 1-3 Tract. The Phase 1-3 Tract includes 6 sub phases for which all or a portion of certain infrastructure improvements identified herein are expected to be financed from the proceeds of District special assessment revenue bonds. Construction of the first phases of the Development, part of the roadway infrastructure, and the overall grading for the Development will commence in late 2020. An inventory of the phasing has been presented in [Table 2](#) and [Table 3](#) together with the proposed unit mix of the single-family residential units for the Phase 1-3 Tract.

#### 1.2 Purpose of Report

The purpose of this report is to provide a description of the Phase 1-3 Tract, which will serve 248.93 gross acres of the District consisting of 335 single-family lots and the capital improvements to be constructed, acquired and/or financed by the District; and apportionment of the costs of the capital improvements (the Phase 1-3 Tract CIP”).

TABLE 1 - LAND USE SUMMARY	AREA (AC)
Residential Land	248.93

<b>TABLE 2 – PHASE 1-3 TRACT - PHASING SUMMARY</b>		
<b>PHASE</b>	<b>SINGLE FAMILY</b>	<b>AREA (AC.)</b>
<b>Phase 1</b>		
Sub-phase 1A (Intracoastal Direct & View)	56	90.4
Sub-phase 2A (Intracoastal Direct & View)	66	75.13
<b>Phase 2</b>		
Sub-phase 2B (Estate Lots)	65	21.8
Sub-phase 2C (Estate Lots)	59	16.9
<b>Phase 3</b>		
Sub-phase 1B (Estate Lots)	54	18.0
Sub-phase 1C (Estate Lots)	35	26.7
<b>TOTAL – Phase 1-3 Tract</b>	<b>335</b>	<b>248.93</b>

<b>TABLE 3 - LOT TYPES</b>					
<b>PHASE</b>	<b>SINGLE FAMILY</b>			<b>NO. UNITS</b>	<b>AREA (AC.)</b>
	<b>50'</b>	<b>60'</b>	<b>80'</b>		
Phase 1 - Sub-phase 1A	38		18	56	90.4
Phase 1 - Sub-phase 2A	42	24		66	75.13
Phase 2 - Sub-phase 2B		65		65	21.8
Phase 2 - Sub-phase 2C		59		59	16.9
Phase 3 - Sub-phase 1B			54	54	18.0
Phase 3 - Sub-phase 1C			35	35	26.7
<b>TOTAL – Phase 1-3 Tract</b>	<b>80</b>	<b>148</b>	<b>107</b>	<b>335</b>	<b>248.93</b>

## 2. DISTRICT BOUNDARY AND PHASE 1-3 TRACT PROPERTIES SERVED

### 2.1 District Boundary

The Master Site Plan - Phase 1-3 Tract, Exhibit B, identifies the location and boundary of the Phase 1-3 Tract included within the District. The Development Plan will provide for single family residential and associated amenities, and is located east of I-95 and south of SR 100 and east of John Anderson Highway in Flagler County.

### 2.2 Description of Properties Served - Phase 1-3 Tract

The Development is located within Section 13, 14, and 38, Township 12 South, Range 31 East all within Flagler County, Florida. The existing property consists of wooded area, open pasture land and forested wetland. The environmental areas associated with the Development have been reviewed and are to be part of Open Space/Conservation areas within a parcel. The terrain of the site slopes to the east with elevations ranging from EL. 2.0 to EL. 20.0 NAVD 88.

## 3. PROPOSED PHASE 1-3 TRACT CAPITAL IMPROVEMNET PLAN

### 3.1 Summary of the Proposed Phase 1-3 Tract Infrastructure

The project infrastructure may generally consist of the following systems to serve the Phase 1-3 Tract:

- On-Site Master Public Roadway Improvements
- Water Distribution and Sanitary Sewer Collection Systems and Reuse Water Distribution and New Reuse Treatment Plant
- Off-Site and On-Site Master Public Roadway Improvement (turn lanes and sidewalk John Anderson Highway)
- Master Stormwater Management System

- Landscaping, in common areas
- Irrigation, in common areas
- Hardscape, in common areas
- Conservation Mitigation Areas
- Electrical Service System (Underground)

This infrastructure serves as a system of improvements benefitting all lands within the Phase 1-3 Tract. To the extent that the boundary of the District is amended from time to time, the District will consider amendments or supplementals to this report at such time.

TABLE 4 - PROPOSED FACILITIES	
Facilities/Systems	Proposed Ownership and Maintenance Entity
Sanitary Sewer Collection	City of Flagler Beach/CDD
Water Distribution	City of Flagler Beach/CDD
Reuse Water	City of Flagler Beach/CDD
Master Stormwater Management System	CDD
Electrical Service System	FPL
Conservation Mitigation	CDD
Landscaping/Irrigation/Hardscape Master Public Roads	CDD

### 3.2 Master Stormwater Management System

The Master Stormwater Management System for the Phase 1-3 Tract provides for the storm water runoff treatment and will treat and attenuate stormwater runoff that will be carried out through the use of manmade retention and detention systems and collected in inlets, pipes, curbs and paved and sodded surfaces to convey this runoff. These systems discharge to the adjacent wetland or Intracoastal Waterway. Flagler County and the St. Johns River Water Management District (SJRWMD)

regulate the design criteria for the District's stormwater management facilities. The Master Stormwater Management System will discharge through interconnected swales, pipes, ponds and canals to lakes within the Development. The Master Stormwater Management System will adhere to the design criteria of these agencies, which require that drainage systems be designed to attenuate a 25-year, 24-hour rainfall event to pre-development discharges. This criterion is typical for similar developments with positive outfalls.

The Master Stormwater Management System will also adhere to the requirements of SJRWMD and Flagler County, which requires that all building finished floor elevations be constructed minimum one-foot above the anticipated flood elevation for the 100-year, 24-hour storm event. The treatment of stormwater runoff will be provided in accordance with the design guidelines for dry and wet retention/detention systems as mandated by the SJRWMD and Flagler County. Stormwater runoff will be collected by curbs and stormwater conveyance surfaces with drainage inlets and an underground storm sewer pipe and open canal systems conveyed to the retention/detention areas. The overall drainage system is shown on the Master Stormwater Plan – Phase 1-3 Tract, [Exhibit C](#). The Master Stormwater Management System consists of various dry retention areas and ponds that collect runoff from the developed property. The District will finance the cost of stormwater collection and treatment systems, as well as the construction and/or maintenance of said retention areas. All of these improvements will be owned and maintained by the District.

### 3.3 Public Roadway Systems

The on-site public roadway improvements ("Roadway") associated within the Phase 1-3 Tract will be developed and funded, owned and maintained by the District for ownership and operation. The Roadway's system within the Development and each phase will consist of two (2) lane roads throughout each phase within the project with two (2) new entrances with turn lanes connected to John Anderson Highway. All of these roadways will consist of road surface with a minimum of twenty-four (24) foot pavement sections with curbs, single lanes to be 15 foot minimum. All the internal roadways will be public and maintained by CDD or HOA. The roadways will serve the different land uses within the Development.

Construction of the roadway pavement will consist of an asphaltic concrete surface with sidewalks, signing and striping, landscaping, lighting, and landscaped hardscape features.

The Phase 1-3 Tract will provide for the design and construction of an off-site roadway improvements providing turn lanes at road connections to John Anderson Highway. The roadway improvement will include right hand and left-hand turn lanes. These improvements will serve all of the phases within the District as the main entrances.

The on-site public roadways and the off-site public roadway improvements will be designed and constructed in accordance with the applicable Flagler County and Florida Department of Transportation (FDOT) standards. Please refer to [Exhibit B](#) for depiction of the roadway systems within and adjacent to the Phase 1-3 Tract.

The roadway improvements will include utilities that will run within the road right-of-way. The utilities within these roadways (described in 3.4) and any landscaping/hardscaping related to these roadways will be developed as part of the improvements to the District. A stormwater drainage facility (as described in 3.2) will also be provided for these improvements within the Master Stormwater Management System. The District will finance, own and maintain these improvements.

### 3.4 Water Distribution, Sanitary Sewer Collection, Reuse Water Distribution Systems and Reuse Treatment Plant

The Phase 1-3 Tract includes utilities within the right-of-way and adjacent utility easements of the proposed community infrastructure and internal streets. City of Flagler Beach Utilities will provide reuse water, potable water and wastewater services. The major trunk lines, collection systems and transmission mains to serve the District's various phases of the Phase 1-3 Tract are to be constructed or acquired by the District. The overall water distribution systems, sanitary sewer collection and reuse water lines are shown on the Master Utility Plan Phase 1-3 Tract Sheets, [Exhibits D1-D3](#).

The potable water facilities for the Phase 1-3 Tract will include both transmission and distribution mains along

with necessary valving, fire hydrants and water services to boundary lines or individual lots and Development parcels. It is currently estimated that these watermains of various sizes will be funded by the District.

The wastewater facilities for the Phase 1-3 Tract will include gravity collection sewer lines and mains. The two (2) new lift stations will be located within the District and will service the Development. These new lift stations will tie into the new 12" forcemain located on John Anderson Highway. A new reuse / irrigation wastewater treatment plant may be constructed to provide irrigation demand. It is currently estimated that these gravity collection systems forcemain and reuse irrigation wastewater treatment plant will be constructed, acquired or financed by the District.

Design of the wastewater collection system, reuse water system reuse irrigation wastewater treatment plant and the water distribution system for potable water and fire protection is in accordance with the criteria and guidelines of City of Flagler Beach, and the Florida Department of Environmental Protection (FDEP). Utility extension within John Anderson Highway will also be included as part of the infrastructure improvements for the Development. All of these improvements will be financed by the District and owned and maintained by the City of Flagler Beach.

### **3.5 Landscaping, Irrigation and Entry Features in Common Areas**

Landscaping, irrigation, entry features and walls at the entrances and along the outside boundary of the Phase 1-3 Tract will be provided by the District. The irrigation system will use reuse water as provided by City of Flagler Beach Utilities. The master reuse water mains to the various phases of Phase 1-3 Tract will be constructed or acquired by the District with District funds and subsequently turned over to City of Flagler Beach Utilities. Landscaping for the roadways will consist of sod, annual flowers, shrubs, ground cover and trees for the off-site intersection improvements for John Anderson Highway Roadways. Perimeter walls will be provided at the site entrances and perimeters. These items may be funded, owned and maintained by the District. Parks and community areas within each phase will be part of the facilities that may be financed and owned by the District.

### **3.6 Electrical Service (Underground)**

Florida Power and Light (FPL) will provide the electrical service to the Phase 1-3 Tract. The service will include the primary and secondary systems to serve the various land uses, sanitary lift stations and street lighting. The balance of the costs of providing electricity is expected to be at the expense of the Developer.

### **3.7 Conservation Areas**

The proposed Phase 1-3 Tract of the community will require mitigation of wetland communities for any impacts to the existing wetlands within the District and as part of the approvals for the Master Stormwater Management System. The District will fund the mitigation and conservation areas, as required, for approvals.

## **4. OPINION OF PROBABLE CONSTRUCTION COSTS**

Exhibit E presents a summary of the costs for the Phase 1-3 Tract infrastructure including roads, drainage, water, sewer, reuse, landscaping, entry feature, and electrical service (underground).

Costs for the Phase 1-3 Tract in Exhibit E are derived from expected quantities of the infrastructure multiplied by unit costs typical of the industry in East Central Florida. Included within these costs are technical services consisting of planning, land surveying, engineering, environmental permitting, soils and material testing related to such infrastructure. These services are necessary for the design, permitting and construction contract management for the Development infrastructure. The costs are exclusive of certain legal, administrative, financing, operations or maintenance services necessary to finance, construct, acquire and/or operate the Master Project infrastructure.

## **5. PERMITTING STATUS**

The Gardens at Hammock Beach CDD is located within Flagler County. The District is currently approved by the County as a Planned Unit Development. The District is within the City of Flagler Beach Utilities service area for

the sanitary sewer service, water distribution, and reuse water service.

The District is also located within the St Johns River Water Management District (SJRWMD) for stormwater management approvals.

Flagler County previously approved a Planned Unit Development, Preliminary Plat and Construction Plans for Sub-phases 1A, 1B, 1C, 2A, 2B, and 2C and Final Plat for Phase 1A and 2A for the community which allows Development as one single phase or in multiple phases. The Developer anticipates a phased approach and received approvals for Sub-phase 1A, Sub-phase 1B, Sub-phase 1C, Sub-phase 2A, Sub-phase 2B, Sub-phase 2C, which, in total, will consist of 335 single-family lots.

The Developer has obtained permit approvals for the following:

- FDEP Water Permit (#0080281-030-DSGP)
- FDEP Wastewater Permit (#0018857-024-DWC)
- SJRWMD ERP Permit (#80599-8)
- ACOE Permit (#SAJ-1996-00918)

The District Engineer will certify that all permits necessary to complete the Development have either been obtained or, in his expert opinion, will be obtained and there is no reason to believe that the necessary permits cannot be obtained for the entire Phase 1-3 Tract.

## 6. ENGINEER'S CERTIFICATION

It is our opinion that the costs of the Phase 1-3 Tract improvements proposed represent a system of improvements benefitting all developable property located within the District, are fair and reasonable and that the District-funded improvements are assessable improvements within the meaning of Chapter 190, F.S. We have no reason to believe that the Master Project cannot be constructed at the cost described in this report. We expect the improvements to be constructed or acquired by the District with bond proceeds, as indicated within this report. We believe that the District will be well served by the improvements discussed in this report.

I hereby certify that the foregoing is a true and correct copy of the Engineer's Report for Gardens at Hammock Beach Community Development District.

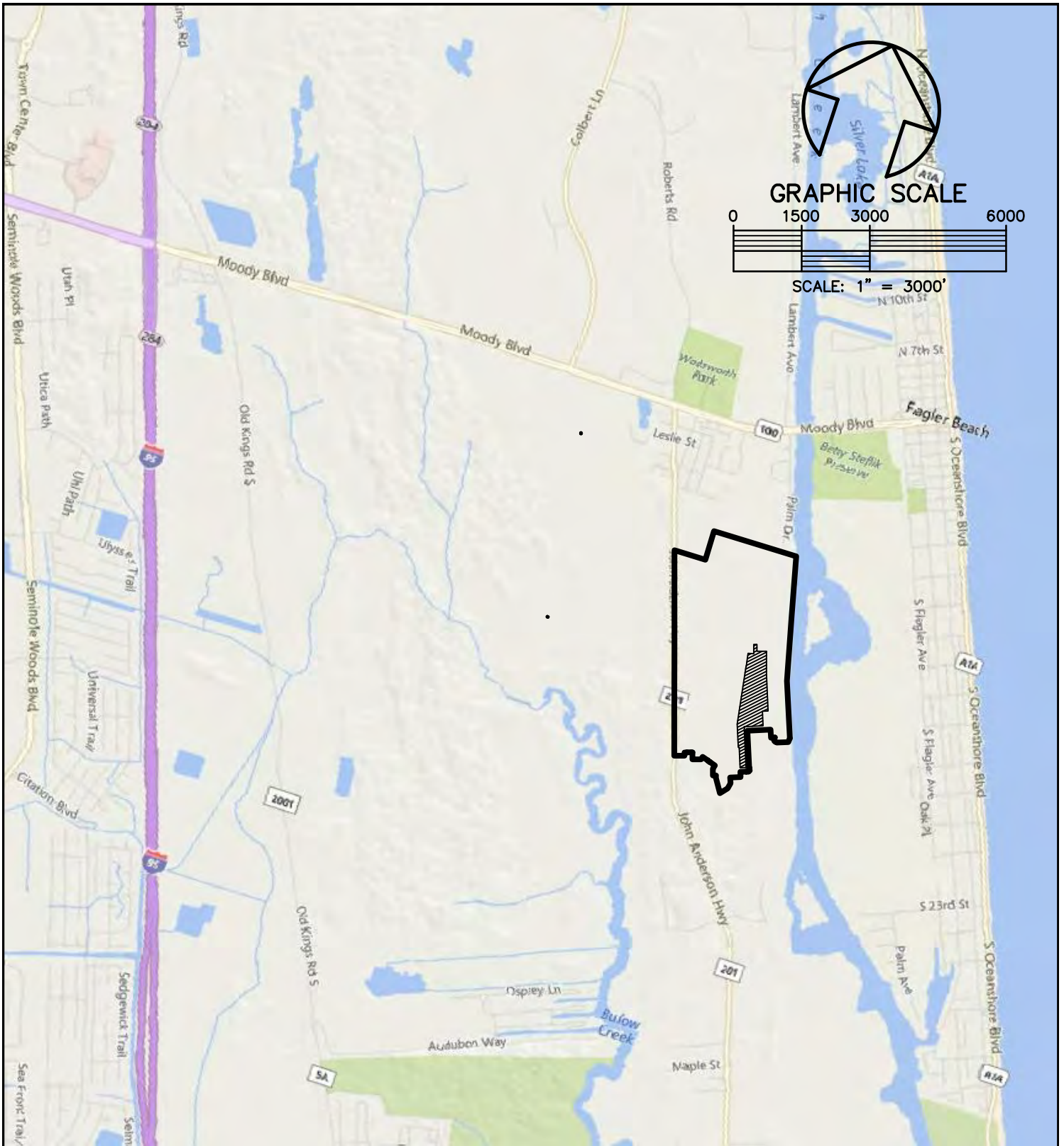


04-26-2024

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Parker Mynchenberg, P.E.  
Florida License No. 32645





**THE GARDENS  
LOCATION MAP - PHASE 1-3 TRACT**

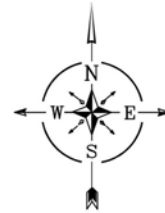
**PARKER MYNCHENBERG  
& ASSOCIATES, INC.**

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
1729 RIDGEWOOD AVENUE HOLLY HILL, FLORIDA 32117  
(386) 677-6891 FAX (386) 677-2114 E-MAIL: info@parkermynchenberg.com  
CERTIFICATE OF AUTHORIZATION NUMBER 00003910

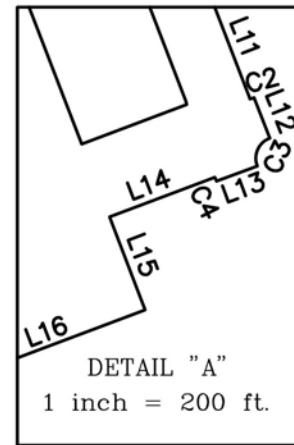
**EXHIBIT A**

4/22/2024

**MAP SHOWING SKETCH OF LEGAL**



( IN FEET )  
1 inch = 800 ft.



WESTERLY LINE OF HAW LOVER'S CREEK

NOTICE REGARDING INTRACOASTAL WATERWAY RIGHT OF WAY RECORDED APRIL 16, 1998 IN OFFICIAL RECORDS BOOK 611, PAGE 1739.

TRACT 791-3 PLAT # 3 GARDENS AT HAMMOCK BEACH PLAT BOOK 35, PAGE 80 \*\* NOT INCLUDED \*\*

SOUTHERLY LINE OF GARDENS AT HAMMOCK BEACH - A REPLAT  
UNPLATTED LANDS  
38-12-31-0000-02030-0000  
NOW OR FORMERLY ROWLAND, PETER G. & NAN  
OFFICIAL RECORDS BOOK 1384, PAGE 1371

GENERAL NOTES  
THIS IS A SKETCH AND LEGAL DESCRIPTION AND DOES NOT PURPORT TO BE A FIELD BOUNDARY SURVEY.

SEE SHEET 2 OF 3 FOR LEGAL  
SEE SHEET 3 OF 3 FOR LINE AND CURVE TABLES

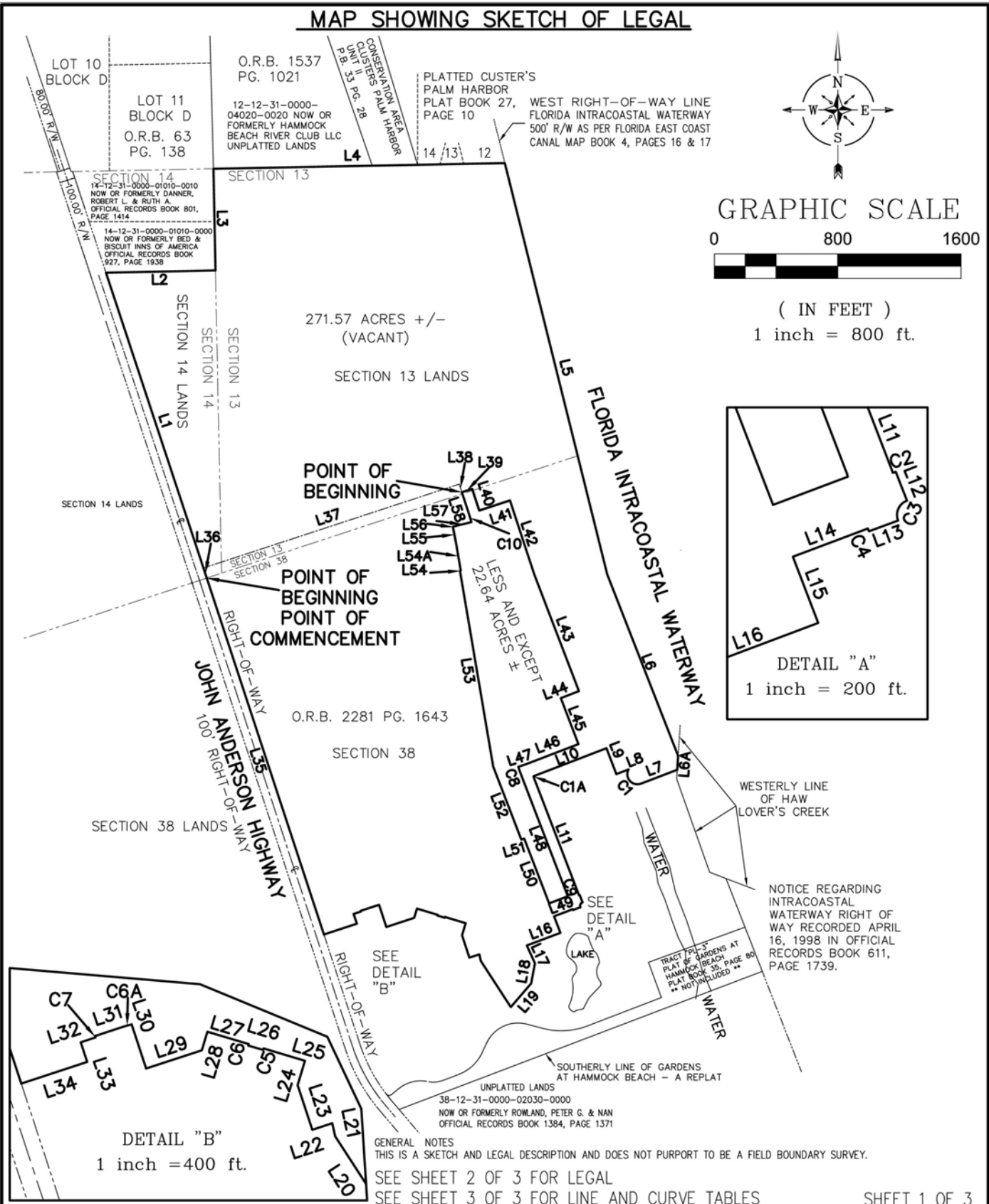
SHEET 1 OF 3

**B. H. AND ASSOCIATES**  
PROFESSIONAL LAND SURVEYORS L.B. #7800

21 Utility Drive Suite 21 B Palm Coast, Florida 32137 OFFICE (386) 283-4561 CELL (904) 631-5484

**LEGAL DESCRIPTION - PHASE 1-3 TRACT**

4/22/2024  
1 OF 3





## MAP SHOWING SKETCH OF LEGAL

A portion of Sections 13, 14 and 38, Township 12 South, Range 31 East, Flagler County, Florida, and being more particularly described as follows: Commence at the intersection of the East right of way line of John Anderson Highway (State Road 201 and 100 foot right of way) and the North line of said Section 38; thence North 18°15'20" West along said East right of way line, a distance of 2087.24 feet to the Southwest corner of those lands as described in Official Records Book 927, page 1938 of the public records of said County and said point also being a Northwest corner of those lands in Official Records Book 2281, page 1643 of said public records; thence North 88°47'24" East, along the Southerly line of said lands as described in Official Records Book 927, page 1938 and also along a Northerly line of said lands described in Official Records Book 2281, page 1643, a distance of 710.39 feet to the Southeast corner of said lands described in Official Records Book 927, page 1938; thence North 01°09'12" West, along the Easterly line of said lands as described in Official Records Book 927, page 1938 and also along the easterly line of those lands as described in Official Records Book 801, page 1414 of said public records, a distance of 660.12 feet to the Northeast corner of said lands and said point also being the Northwest corner of said lands as described in Official Records Book 2281, page 1643 and said point also being on the North line of said Section 13; thence North 88°54'24" East, along said North line of Section 13 and also along the Northerly line of said lands as described in Official Records Book 2281, page 1643, a distance of 1890.40 feet to a point on the West right of way line of Florida Intracoastal Waterway; thence along said West right of way line the following three courses: South 13°58'25" East, a distance of 2749.94 feet; thence South 21°17'55" East, a distance of 1265.37 feet; thence South 03°54'39" West, a distance of 90.51 feet; thence South 69°00'58" West, departing from said West right of way line, a distance of 250.79 feet to the point of curve of a curve concave to the Northeast and having a radius of 65.00 feet and a central angle of 140°24'30"; thence Northwesterly along said curve an arc distance of 159.29 feet and subtended by a chord bearing of North 41°16'28" West and a chord distance of 122.32 feet to a point on said curve; thence South 69°00'06" West, a distance of 85.08 feet; thence North 20°54'52" West, a distance of 180.00 feet; thence South 69°00'06" West, a distance of 503.11 feet; to the point of curve of a curve concave to the Southeast and having a radius of 5.00 feet and a central angle of 90°00'00" thence Southwesterly along said curve an arc distance of 7.85 feet and subtended by a chord bearing of South 24°00'06" West and a chord distance of 7.07 feet to a point on said curve; thence South 20°59'54" East, a distance of 822.65 feet to a point on a curve of a curve concave to the Northeast and having a radius of 25.00 feet and a central angle of 11°10'11"; thence Southeasterly along said curve an arc distance of 4.87 feet and subtended by a chord bearing of North 74°57'14" East and a chord distance of 4.87 feet to a point on said curve; thence South 21°21'56" East, a distance of 50.00 feet to a point on a curve of a curve concave to the Southeast and having a radius of 25.00 feet and a central angle of 90°22'02"; thence Southwesterly along said curve an arc distance of 39.43 feet and subtended by a chord bearing of South 24°11'07" West and a chord distance of 35.47 feet to a point on said curve; thence South 69°44'10" West, a distance of 50.00 feet to a point on a curve of a curve to the Southwest and having a radius of 25.00 feet and a central angle of 11°10'11"; thence Northwesterly along said curve an arc distance of 4.87 feet and subtended by a chord bearing of North 26°34'59" West and a chord distance of 4.87 feet to a point on said curve; thence South 69°22'08" West, a distance of 129.58 feet; thence South 20°51'44" East, a distance of 115.00 feet; thence South 69°22'08" West, a distance of 232.49 feet; thence South 24°30'13" East, a distance of 127.26 feet; thence South 10°41'45" West, a distance of 133.22 feet; thence South 40°42'12" West, a distance of 202.16 feet; thence North 32°58'38" West, a distance of 357.54; thence North 12°24'49" West, a distance of 43.38 feet; thence South 71°49'46" West, a distance of 68.04 feet; thence North 18°10'14" West, a distance of 152.62 feet; thence North 16°36'36" East, a distance of 82.23 feet; thence North 73°23'24" West, a distance of 139.49 feet to a point on a curve of a curve concave to the Southeast and having a radius of 25.00 feet and a central angle of 11°32'13"; thence Southeasterly along said curve an arc distance of 5.03 feet and subtended by a chord bearing of South 22°22'42" West and a chord distance of 5.03 feet to a point on said curve; thence North 73°23'24" West, a distance of 50.00 feet to a point on a curve of a curve concave to the West and having a radius of 25.00 feet and a central angle of 11°32'13"; thence Northerly along said curve an arc distance of 5.03 and subtended by a chord bearing of North 10°50'29" East and a chord distance of 5.03 feet to a point on said curve; thence North 73°23'24" West, a distance of 139.49 feet; thence South 16°36'36" West, a distance of 62.75 feet; thence South 71°49'46" West, a distance of 190.07 feet; thence North 18°10'14" West, a distance of 150.73 feet to a point on a curve concave to the South and having a radius of 355.00 feet and a central angle of 04°50'36"; thence Westerly along said curve an arc distance of 30.01 feet and subtended by a chord bearing of South 74°15'04" West and a chord distance of 30.00 feet to the point of tangency of said curve; thence South 71°49'46" West, a distance of 94.52 feet to a point on a curve of a curve concave to the East and having a radius of 25.00 feet and a central angle of South 11°32'08" East; thence Southerly along said curve an arc distance of 5.03 feet and subtended by a chord bearing of South 12°24'05" East and a chord distance of 5.02 feet to a point on said curve; thence South 71°49'46" West, a distance of 50.00 feet; thence South 18°10'14" East, a distance of 67.00 feet; thence South 71°49'46" West, a distance of 225.00 feet to the intersection with the aforementioned East right of way line of John Anderson Highway; thence North 18°10'14" West, along said right of way line, a distance of 2435.54 feet to the Point of Beginning.

Containing 271.57 acres, more or less.

Less and except the following described lands:

A portion of Sections 13 and 38, Township 12 South, Range 31 East, Flagler County, Florida, and being more particularly described as follows: Commence at the intersection of the East right of way line of John Anderson Highway (State Road 201 and 100 foot right of way) and the North line of said Section 38; thence North 18°15'20" West along said East right of way line, a distance of 68.78 feet; thence North 71°49'46" East, departing from said right of way line, a distance of 1745.68 feet; thence South 18°10'12" East, a distance of 55.02 feet to the Point of Beginning; thence North 71°49'46" East, a distance of 70.00 feet; thence South 18°10'12" East, a distance of 148.42 feet; thence North 71°49'48" East, a distance of 209.59 feet; thence South 18°10'12" East, a distance of 502.20 feet; thence South 20°54'52" East, a distance of 814.45 feet; thence South 69°05'08" West, a distance of 125.41 feet; thence South 20°54'33" East, a distance of 320.03 feet; thence South 69°00'06" West, a distance of 366.35 feet; thence South 71°51'35" West, a distance of 50.81 feet to a point on a curve of a curve concave Easterly and having a radius of 900.00 feet and having a central angle of 02°51'29"; thence Southerly along said curve an arc distance of 44.90 feet and subtended by a chord bearing of South 19°34'09" East and a chord distance of 44.89 feet to the point of tangency of said curve; thence South 20°59'54" East, a distance of 850.17 feet to the point of curve of a curve concave Westerly and having a radius of 25.00 feet and a central angle of 11°54'15"; thence Southerly along said curve an arc distance of 5.19 feet and subtended by a chord bearing of South 15°02'46" East and a chord distance of 5.18 feet to a point on said curve; thence South 69°22'08" West, a distance of 129.47 feet; thence North 20°59'54" West, a distance of 449.86 feet; thence South 73°36'50" West, a distance of 20.06 feet; thence North 20°59'54" West, a distance of 507.49 feet; thence North 09°38'09" West, a distance of 1286.08 feet; thence North 47°26'49" East, a distance of 5.96 feet; thence North 09°38'09" West, a distance of 191.11 feet; thence North 11°08'27" West, a distance of 92.64 feet; thence North 01°46'27" East, a distance of 6.94 feet; thence North 76°19'23" East, a distance of 122.43 feet to a point on a curve of a curve concave Westerly and having a radius of 955.00 feet and a central angle of 03°20'16"; thence Northerly along said curve an arc distance of 55.63 feet and subtended by a chord bearing of North 16°30'04" West and a chord distance of 55.62 feet to the point of tangency of said curve; thence North 18°10'12" West, a distance of 148.42 feet to the Point of Beginning. Containing 22.64 acres, more or less.

### LEGEND

O.R.B. OFFICIAL RECORDS BOOK

GENERAL NOTES

THIS IS A SKETCH AND LEGAL DESCRIPTION AND DOES NOT PURPORT TO BE A FIELD BOUNDARY SURVEY.

SHEET 2 OF 3

## B. H. AND ASSOCIATES

PROFESSIONAL LAND SURVEYORS L.B. #7800

21 Utility Drive Suite 21 B Palm Coast, Florida 32137 OFFICE (386) 283-4561 CELL (904) 631-5484

BEARING DATUM BASED ON EASTERLY RIGHT OF WAY OF JOHN ANDERSON HIGHWAY N 18°15'20"W

COMPUTER FILE NAME: GARDENS PLAT BNDRY LESS.DWG

DATE MARCH 02, 2020

FILE NO.: 040118B

**EXHIBIT A-1**

**LEGAL DESCRIPTION - PHASE 1-3 TRACT**

4/22/2024  
2 OF 3

**MAP SHOWING SKETCH OF LEGAL**

LINE TABLE

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	N 18°15'20" W	2087.24'	L30	N 18°10'14" W	150.73'
L2	N 88°47'24" E	710.39'	L31	S 71°49'46" W	94.52'
L3	N 01°09'12" W	660.12'	L32	S 71°49'46" W	50.00'
L4	N 88°54'24" E	1890.40'	L33	S 18°10'14" E	67.00'
L5	S 13°58'25" E	2749.94'	L34	S 71°49'46" W	225.00'
L6	S 21°17'55" E	1265.37'	L35	N 18°10'14" W	2435.54'
L6A	S 03°54'39" W	90.51'	L36	N 18°15'20" W	68.78'
L7	S 69°00'58" W	250.79'	L37	N 71°49'46" E	1745.68'
L8	S 69°00'06" W	85.08'	L38	S 18°10'12" E	55.02'
L9	N 20°54'52" W	180.00'	L39	N 71°49'46" E	70.00'
L10	S 69°00'06" W	503.11'	L40	S 18°10'12" E	148.42'
L11	S 20°59'54" E	822.65'	L41	N 71°49'48" E	209.59'
L12	S 21°21'56" E	50.00'	L42	S 18°10'12" E	502.20'
L13	S 69°44'10" W	50.00'	L43	S 20°54'52" E	814.45'
L14	S 69°22'08" W	129.58'	L44	S 69°05'08" W	125.41'
L15	S 20°51'44" E	115.00'	L45	S 20°54'33" E	320.03'
L16	S 69°22'08" W	232.49'	L46	S 69°00'06" W	366.35'
L17	S 24°30'13" E	127.26'	L47	S 71°51'35" W	50.81'
L18	S 10°41'45" W	133.22'	L48	S 20°59'54" E	850.17'
L19	S 40°42'12" W	202.16'	L49	S 69°22'08" W	129.47'
L20	N 32°58'38" W	357.54'	L50	N 20°59'54" W	449.86'
L21	N 12°24'49" W	43.38'	L51	S 73°36'50" W	20.06'
L22	S 71°49'46" W	68.04'	L52	N 20°59'54" W	507.49'
L23	N 18°10'14" W	152.62'	L53	N 09°38'09" W	1286.08'
L24	N 16°36'36" E	82.23'	L54	N 47°26'49" E	5.96'
L25	N 73°23'24" W	139.49'	L54A	N 09°38'09" W	191.11'
L26	N 73°23'24" W	50.00'	L55	N 11°08'27" W	92.64'
L27	N 73°23'24" W	139.49'	L56	N 01°46'27" E	6.94'
L28	S 16°36'36" W	62.75'	L57	N 76°19'23" E	122.43'
L29	S 71°49'46" W	190.07'	L58	N 18°10'12" W	148.42'

CURVE TABLE

CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE
C1	65.00'	159.29'	122.32'	N 41°16'28" W	140°24'30"
C1A	5.00'	7.85'	7.07'	S 24°00'06" W	90°00'00"
C2	25.00'	4.87'	4.87'	N 74°57'14" E	11°10'11"
C3	25.00'	39.43'	35.47'	S 24°11'07" W	90°22'02"
C4	25.00'	4.87'	4.87'	N 26°34'59" W	11°10'11"
C5	25.00'	5.03'	5.03'	S 22°22'42" W	11°32'13"
C6	25.00'	5.03'	5.03'	N 10°50'29" E	11°32'13"
C6A	355.00'	30.01'	30.00'	S 74°15'04" W	4°50'36"
C7	25.00'	5.03'	5.02'	S 12°24'05" E	11°32'08"
C8	900.00'	44.90'	44.89'	S 19°34'09" E	2°51'29"
C9	25.00'	5.19'	5.18'	S 15°02'46" E	11°54'15"
C10	955.00'	55.63'	55.62'	N 16°30'04" W	3°20'16"

LEGEND

O.R.B. OFFICIAL RECORDS BOOK

GENERAL NOTES

THIS IS A SKETCH AND LEGAL DESCRIPTION AND DOES NOT PURPORT TO BE A FIELD BOUNDARY SURVEY.

SHEET 3 OF 3

**B. H. AND ASSOCIATES**

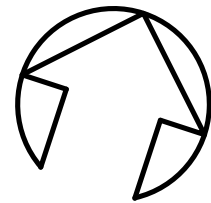
PROFESSIONAL LAND SURVEYORS L.B. #7800

21 Utility Drive Suite 21 B Palm Coast, Florida 32137 OFFICE (386) 283-4561 CELL (904) 631-5484

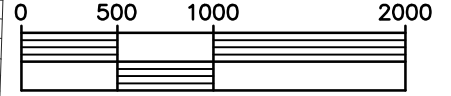
**EXHIBIT A-1**

**LEGAL DESCRIPTION - PHASE 1-3 TRACT**

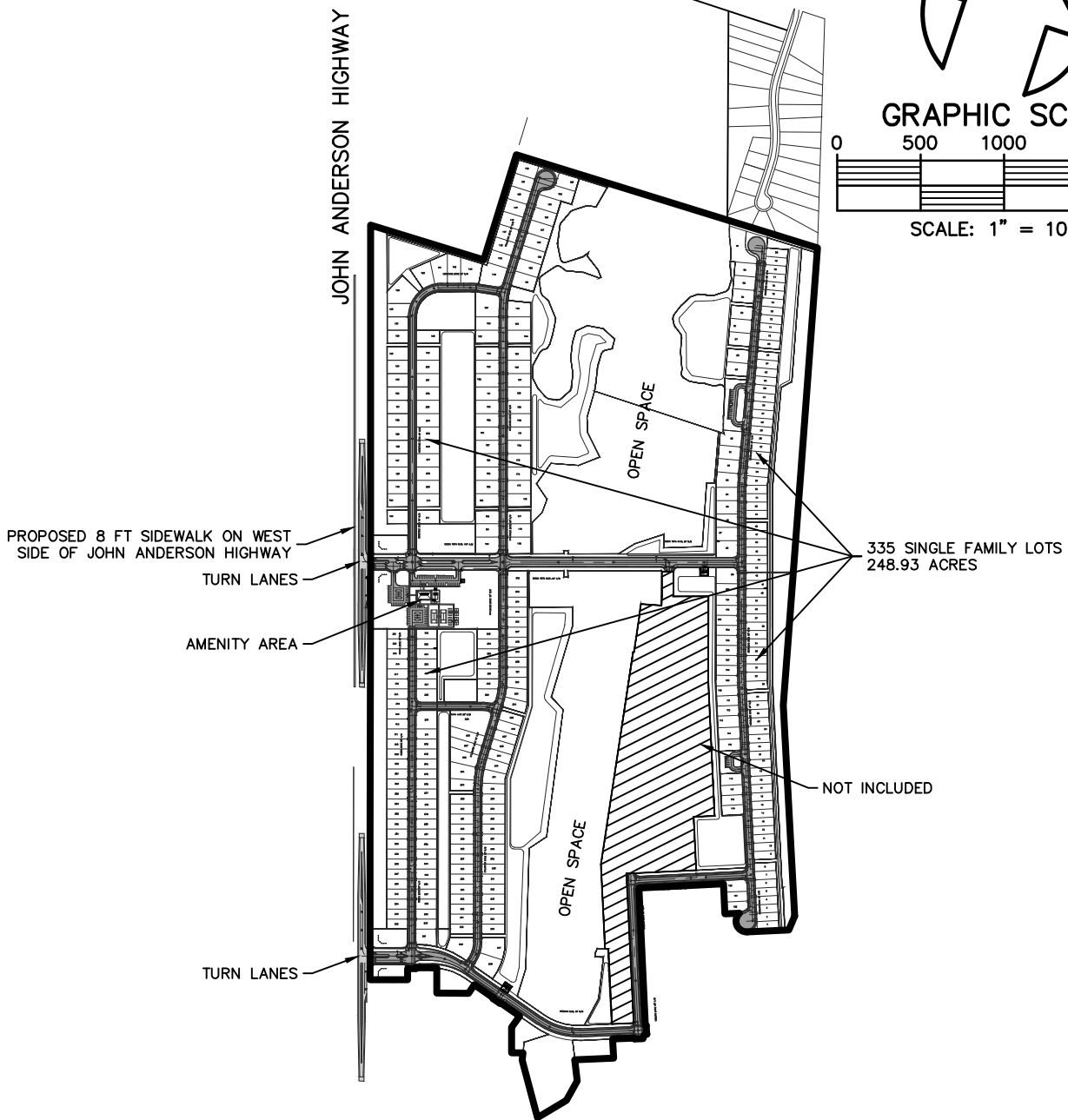
4/22/2024  
3 OF 3



GRAPHIC SCALE



SCALE: 1" = 1000'



# THE GARDENS MASTER SITE PLAN - PHASE 1-3 TRACT

## PARKER MYNCHENBERG & ASSOCIATES, INC.

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
1729 RIDGEWOOD AVENUE HOLLY HILL, FLORIDA 32117  
(386) 677-6891 FAX (386) 677-2114 E-MAIL: info@parkermynchenberg.com  
CERTIFICATE OF AUTHORIZATION NUMBER 00003910

### EXHIBIT B

4/22/2024

EXHIBIT A-2  
DISTRICT BOUNDARY

A PORTION OF LOTS 1, 3, 7, 8 AND 9 AND ALL OF LOTS 4, 10, 11 AND 12 BLOCK C, BUNNELL DEVELOPMENT COMPANY'S LAND AS RECORDED IN PLAT BOOK 1, PAGE 1 IN THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA. TOGETHER WITH A PORTION OF GOVERNMENT SECTIONS 13, 14, 38 AND 39, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA. (SITUATED IN GOVERNMENT SECTIONS 11, 14, 38 AND 39, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA) BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF JOHN ANDERSON HIGHWAY (STATE ROAD 201) AND THE NORTH LINE OF SAID SECTION 38-12-31; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE NORTH 18°15'00" WEST, A DISTANCE OF XXXXX FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE NORTH 18°15'00" EAST, A DISTANCE OF 329.53 FEET; THENCE DEPARTING SAID WEST RIGHT-OF-WAY LINE NORTH 88°47'52" EAST, A DISTANCE OF 814.95 FEET TO A POINT ON THE WEST LINE OF SECTION 13-12-31; THENCE ALONG SAID WEST SECTION LINE NORTH 01°13'40" WEST, A DISTANCE OF 661.23 FEET TO A POINT ON THE NORTH LINE OF SECTION 13-12-31; THENCE ALONG SAID NORTH SECTION LINE NORTH 88°56'18" EAST, A DISTANCE OF 1,890.40 FEET TO THE POINT ON THE WEST RIGHT-OF-WAY LINE OF FLORIDA INTRACOASTAL WATERWAY; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE THE FOLLOWING TWO COURSES: SOUTH 13°59'25" EAST, A DISTANCE OF 2,750.14 FEET; THENCE SOUTH 21°17'55" EAST, A DISTANCE OF 1,265.83 FEET; THENCE DEPARTING SAID WEST RIGHT-OF-WAY LINE AND ALONG THE WESTERLY LINE OF THE HISTORIC CHANNEL OF HAW LOVER CREEK, SOUTH 03°54'35" WEST, A DISTANCE OF 148.38 FEET; THENCE SOUTH 19°27'08" EAST, A DISTANCE OF 643.95 FEET; THENCE SOUTH 68°58'53" EAST, A DISTANCE OF 113.53 FEET TO A POINT ON THE AFORESAID INTRACOASTAL RIGHT-OF-WAY; THENCE SOUTH 21°17'55" EAST A DISTANCE OF 647.50 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY, SOUTH 69°10'09" WEST, A DISTANCE OF 2,520.12 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF JOHN ANDERSON HIGHWAY (STATE ROAD 201); THENCE ALONG SAID EAST RIGHT-OF-WAY LINE SOUTH 40°21'41" EAST, A DISTANCE OF 737.69 FEET; THENCE DEPARTING SAID WEST RIGHT-OF-WAY LINE SOUTH 69°18'47" WEST, A DISTANCE OF 1,540.02 FEET; THENCE NORTH 20°41'22" WEST, A DISTANCE OF 995.98 FEET; THENCE NORTH 24°04'44" WEST, A DISTANCE OF 1,618.01 FEET; THENCE NORTH 86°17'06" WEST, A DISTANCE OF 2,604.28 FEET; THENCE NORTH 60°57'10" WEST, A DISTANCE OF 341.50 FEET; THENCE NORTH 43°23'02" WEST, A DISTANCE OF 2,172.87 FEET; THENCE NORTH 30°47'31" EAST, A DISTANCE OF 1,526.35 FEET; THENCE NORTH 45°51'15" EAST, A DISTANCE OF 902.38 FEET; THENCE NORTH 40°14'18" WEST, A DISTANCE OF 1,732.75 FEET; THENCE NORTH 06°10'40" WEST, A DISTANCE OF 189.68 FEET; THENCE NORTH 00°15'33" WEST, A DISTANCE OF 614.90 FEET; THENCE NORTH 88°32'16" EAST, A DISTANCE OF 257.93 FEET; THENCE NORTH 01°27'08" WEST, A DISTANCE OF 1,087.72 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE ROAD NO. 100; THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE SOUTH 89°29'03" EAST, A DISTANCE OF 959.81 FEET; THENCE DEPARTING SAID SOUTH RIGHT-OF-WAY LINE SOUTH 00°30'57" WEST, A DISTANCE OF 210.01 FEET; THENCE SOUTH 89°29'03" EAST, A DISTANCE OF 210.00 FEET; THENCE SOUTH 00°30'57" WEST, A DISTANCE OF 389.92 FEET; THENCE SOUTH 89°28'38" EAST, A DISTANCE OF 822.42 FEET; THENCE SOUTH 00°06'48" EAST, A DISTANCE OF 1,704.61 FEET; THENCE NORTH 88°51'12" EAST, A DISTANCE OF 1,350.55 FEET; THENCE SOUTH 01°10'32" EAST, A DISTANCE OF 660.84 FEET; THENCE NORTH 88°37'17" EAST, A DISTANCE OF 158.75 FEET; THENCE SOUTH 18°14'40" EAST, A DISTANCE OF 330.09 FEET; THENCE NORTH 88°50'11" EAST, A DISTANCE OF 330.04 FEET TO THE POINT OF BEGINNING.

CONTAINING 953.37 ACRES, MORE OR LESS.

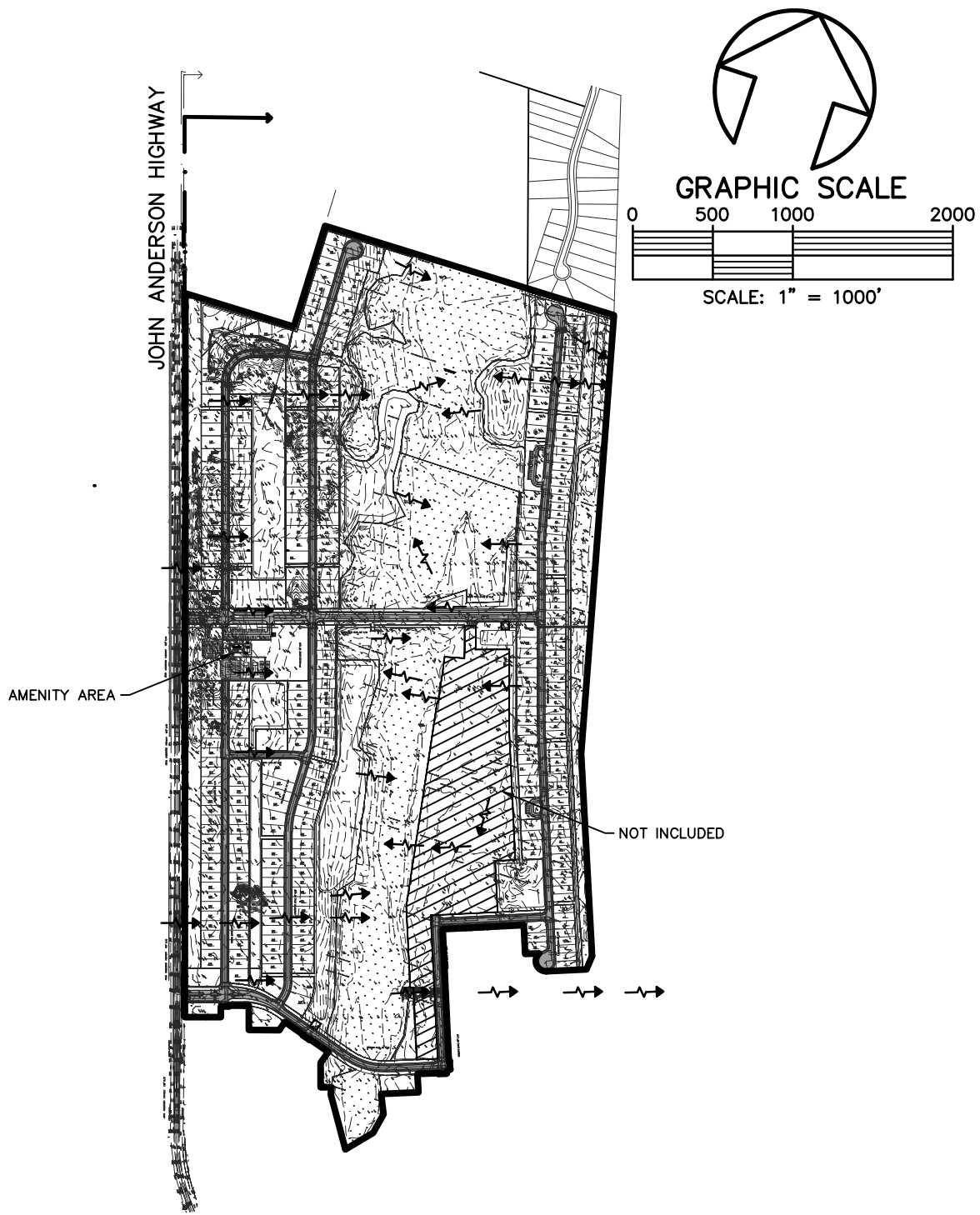
**THE GARDENS  
LEGAL DESCRIPTION - DISTRICT BOUNDARY**

**PARKER MYNCHENBERG  
& ASSOCIATES, INC.**

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
1729 RIDGEWOOD AVENUE HOLLY HILL, FLORIDA 32117  
(386) 677-6891 FAX (386) 677-2114 E-MAIL: info@parkermynchenberg.com  
CERTIFICATE OF AUTHORIZATION NUMBER 00003910

**EXHIBIT A2**

04/22/2024



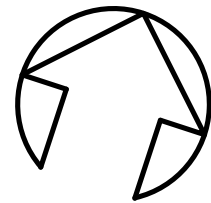
**THE GARDENS  
 MASTER STORMWATER PLAN - PHASE 1-3 TRACT**

**PARKER MYNCHENBERG  
 & ASSOCIATES, INC.**

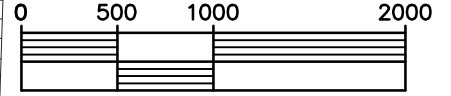
PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
 1729 RIDGEWOOD AVENUE HOLLY HILL, FLORIDA 32117  
 (386) 677-6891 FAX (386) 677-2114 E-MAIL: info@parkermynchenberg.com  
 CERTIFICATE OF AUTHORIZATION NUMBER 00003910

**EXHIBIT C**

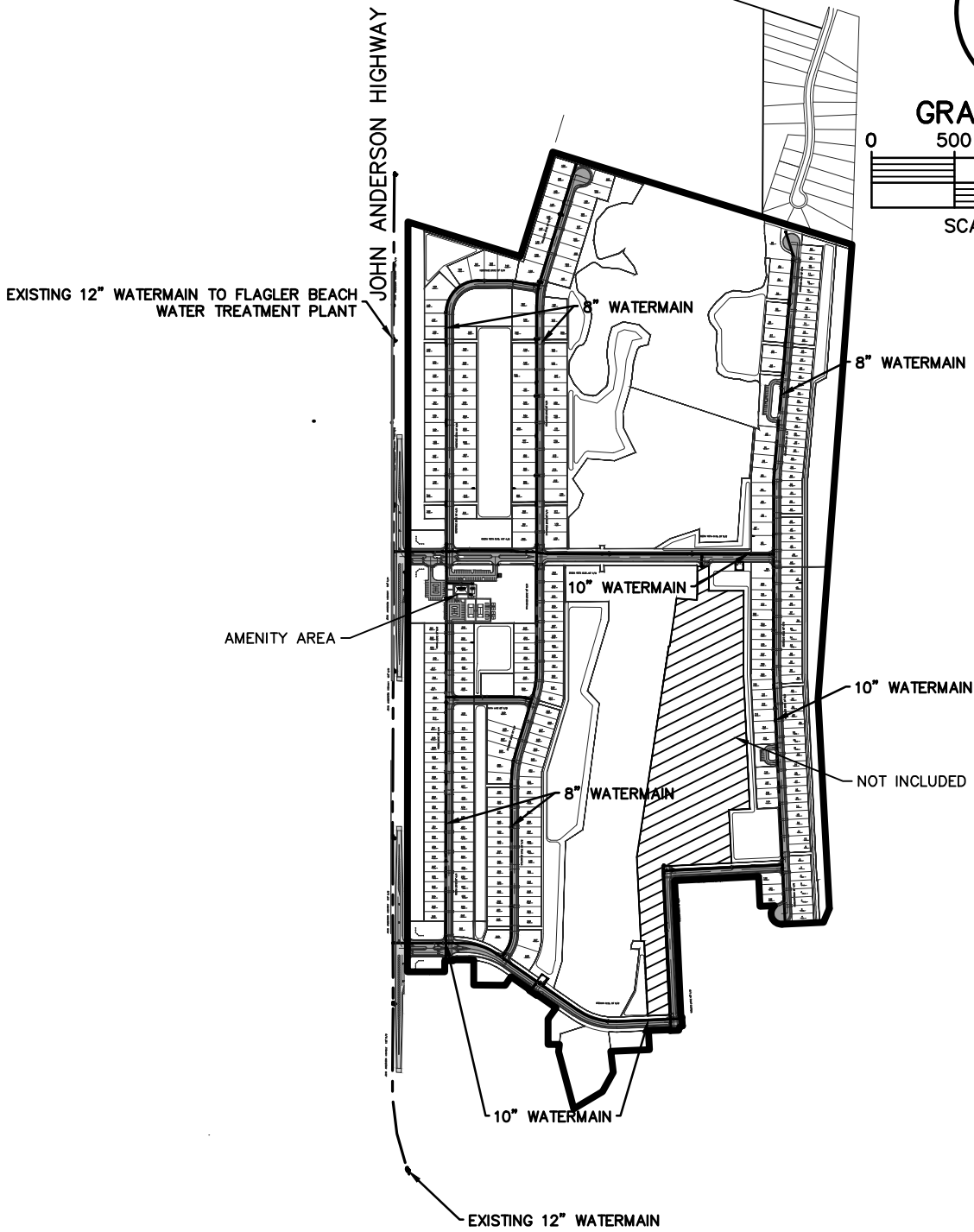
4/22/2024



GRAPHIC SCALE



SCALE: 1" = 1000'



# THE GARDENS MASTER POTABLE WATER SYSTEM PLAN - PHASE 1-3 TRACT

## PARKER MYNCHENBERG & ASSOCIATES, INC.

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
1729 RIDGEWOOD AVENUE HOLLY HILL, FLORIDA 32117  
(386) 677-6891 FAX (386) 677-2114 E-MAIL: info@parkermynchenberg.com  
CERTIFICATE OF AUTHORIZATION NUMBER 00003910

### EXHIBIT D-1

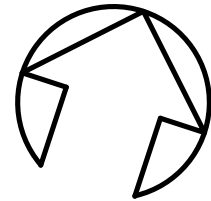
4/22/2024

CITY OF FLAGLER BEACH  
WASTE WATER TREATMENT PLANT

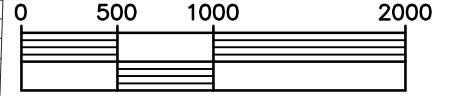
EXISTING 6" FORCEMAIN TO  
FLAGLER BEACH WWTP

12" PROPOSED FORCEMAIN  
TO FLAGLER BEACH WWTP

JOHN ANDERSON HIGHWAY



GRAPHIC SCALE



SCALE: 1" = 1000'

PROPOSED 12" FORCEMAIN

AMENITY AREA

8" GRAVITY  
SEWER

8" GRAVITY SEWER

8" FORCEMAIN

PROPOSED LIFT  
STATION #1

8" GRAVITY SEWER

NOT INCLUDED

8" GRAVITY  
SEWER

PROPOSED LIFT  
STATION #2

6" FORCEMAIN

PROPOSED 12" FORCEMAIN

EXISTING 6" FORCEMAIN

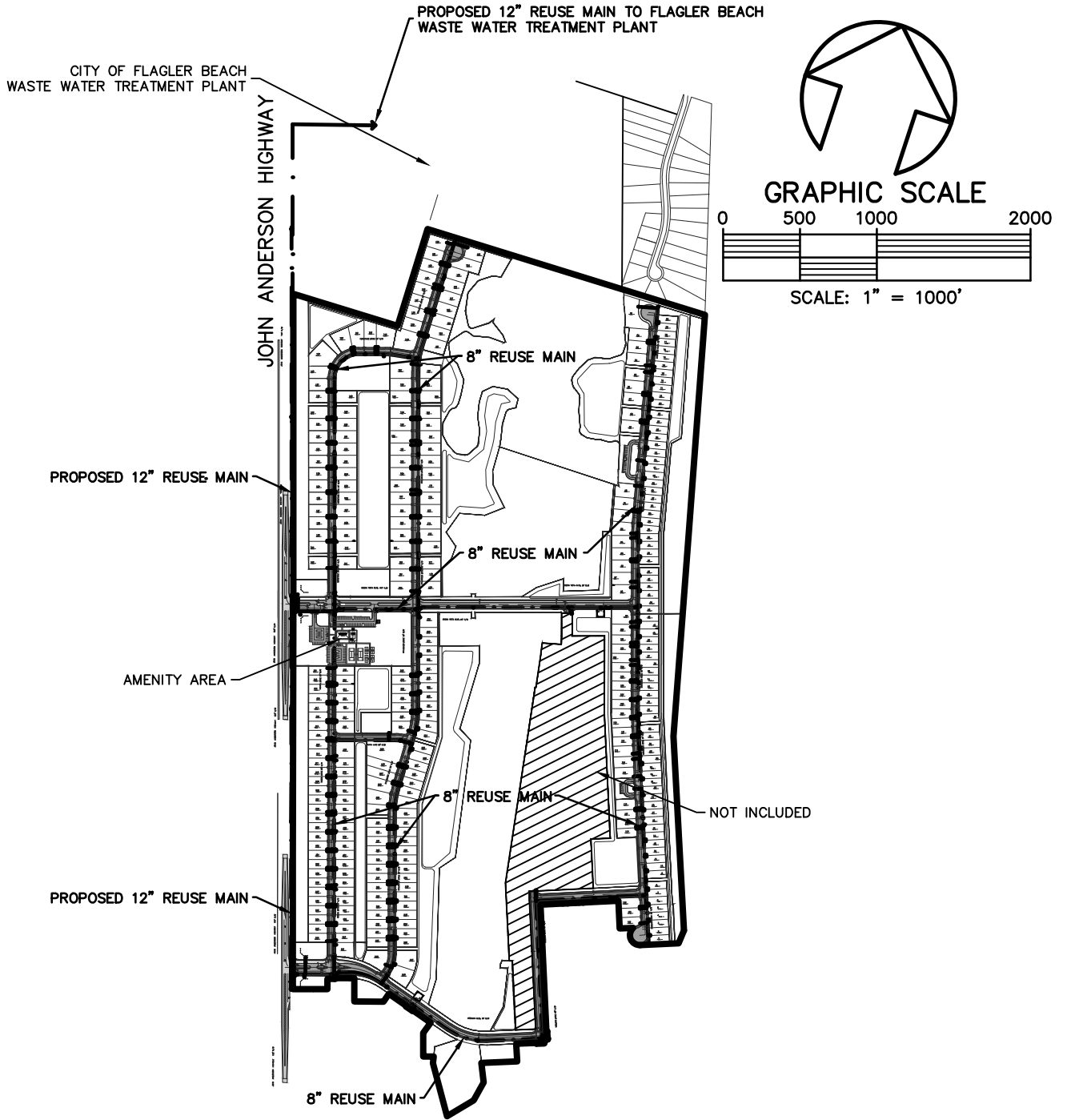
# THE GARDENS MASTER SANITARY SEWER SYSTEM PLAN - PHASE 1-3 TRACT

## PARKER MYNCHENBERG & ASSOCIATES, INC.

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
1729 RIDGEWOOD AVENUE HOLLY HILL, FLORIDA 32117  
(386) 677-6891 FAX (386) 677-2114 E-MAIL: info@parkermynchenberg.com  
CERTIFICATE OF AUTHORIZATION NUMBER 00003910

### EXHIBIT D-2

4/22/2024



**THE GARDENS**  
**MASTER RECLAIMED WATER SYSTEM PLAN - PHASE 1-3 TRACT**

**PARKER MYNCHENBERG**  
**& ASSOCIATES, INC.**

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
 1729 RIDGEWOOD AVENUE HOLLY HILL, FLORIDA 32117  
 (386) 677-6891 FAX (386) 677-2114 E-MAIL: info@parkermynchenberg.com  
 CERTIFICATE OF AUTHORIZATION NUMBER 00003910

**EXHIBIT D-3**

4/22/2024



## EXHIBIT E

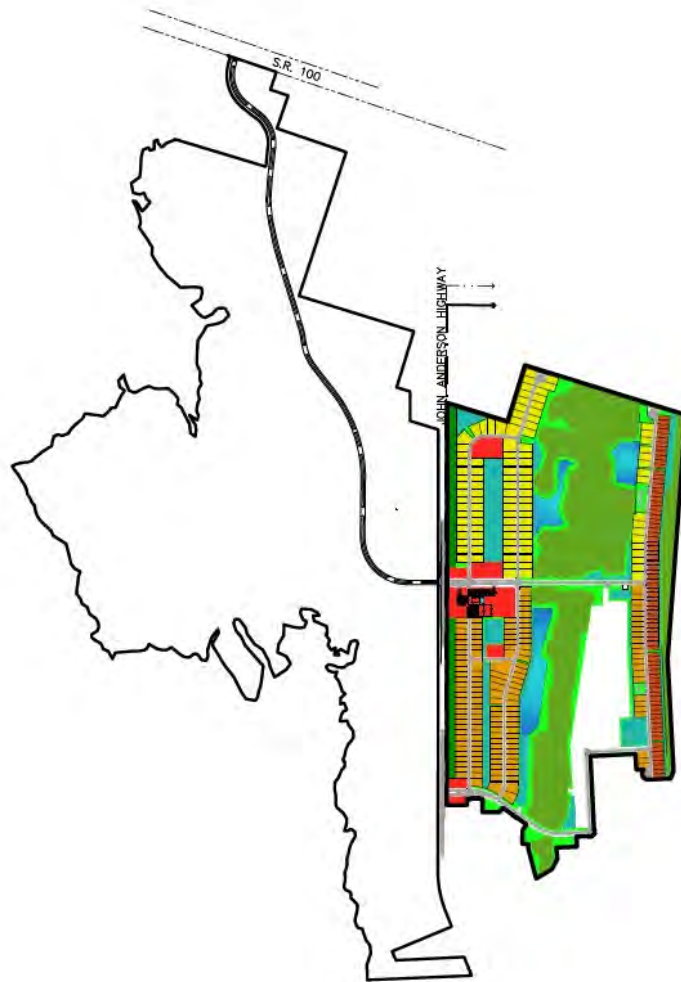
### Opinion of Probable Construction Cost – Phase 1-3 Tract

<b>Improvement</b>	<b>Total</b>
<b>Utilities Systems</b>	
Water System	\$ 1,600,000.00
Sanitary Sewer System	\$ 2,000,000.00
Reuse Water System	\$ 1,500,000.00
Reuse Water Treatment Plant	\$ 4,000,000.00
<b>Stormwater Management System</b>	\$ 2,000,000.00
<b>Electrical Service</b>	\$ 400,000.00
<b>Conservation Mitigation</b>	\$ 300,000.00
<b>Onsite Public Roadway Systems</b>	\$ 2,300,000.00
<b>Offsite Public Roadway Systems</b>	\$ 800,000.00
<b>Landscaping/Hardscaping/Irrigation</b>	\$ 700,000.00
<b>Recreational Areas</b>	\$ 1,200,000.00
<b>Professional Fees</b>	\$ 1,200,000.00
<b>Inspection Survey Testing</b>	\$ 350,000.00
<b>Subtotal Costs</b>	<b>\$ 18,350,000.00</b>
<b>Contingency (10%)</b>	\$ 1,835,000.00
<b>TOTAL ESTIMATED COSTS</b>	<b>\$ 20,185,000.00</b>

Prepared by Parker Mynchenberg & Associates, Inc.

July 12, 2022

# SECTION B



# Gardens at Hammock Beach Community Development District

Supplemental Engineer's Report – Phase 1-3 Tract  
Prepared for Gardens at Hammock Beach Community Development District  
Flagler County Florida

April 2024

**SUBMITTED BY:**

**Parker Mynchenberg & Associates, Inc.**

1729 Ridgewood Ave.  
Holly Hill, Florida 32117  
386-677-6891

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## **EXHIBITS**

EXHIBIT A .....	Location Map – Phase 1-3 Tract
EXHIBIT B .....	Site Plan/Phasing Plan – Phase 1-3 Tract
EXHIBIT C .....	Legal Description – Assessment Area One
EXHIBIT D.....	Legal Description – Assessment Area Two

# Gardens at Hammock Beach Community Development District

## Supplemental Engineer's Report

### 1. INTRODUCTION

#### 1.1 Description of the Phase 1-3 Tract

This document is a supplement (“First Supplement”) to the Master Engineer’s Report prepared by Parker Mynchenberg dated July 12, 2022 (“Master Engineer’s Report”), as amended and restated in [April 2024] (“First Supplement,” together with the Master Engineer’s Report, the “Engineer’s Report”). The Master Engineer’s Report and the First Supplement identify the infrastructure necessary to support development of the Phase 1-3 Tract (the “Phase 1-3 CIP”) and intended to be funded in part by the Gardens of Hammock Beach Community Development District (the “District”).

Veranda Bay (the “Development”) is an intracoastal waterfront community located within the boundaries of the District, which encompasses 953.37 gross acres. The Phase 1-3 Tract encompasses approximately 248.93 gross acres and is planned to include 335 single-family residential units comprising the first three (3) phases of the Development located just east off the main entry of the Development at John Anderson Highway. This First Supplement does not add any additional infrastructure to the Phase 1-3 CIP but does adjust the costs for the Phase 1-3 Tract infrastructure based on price escalation. The Series 2024-1 Bonds and Series 2024-2 Bonds (together, the “Series 2024 Bonds”) will be issued to construct and/or acquire a portion of the Phase 1-3 CIP.

#### 1.2 Assessment Areas

The first three (3) phases of the Development include 335 lots and is divided into various sections including (i) Phase 1, 122 direct intracoastal and intracoastal view custom estate homesites that front the Intracoastal Waterway (ii) Phase 2, 124 homes situated just east off the main entry road of the Development and (iii) Phase 3, an additional eighty-nine (89) custom estate homesites situated just west off the main entry road of the Development. The site plan/phasing plan can be seen in [Exhibit B](#).

Proceeds of the Series 2024 Bonds will fund a portion of the Phase 1-3 CIP. To date, two (2) assessment areas have been established to facilitate the development and financing of the initial phases of the Development, including (i) Assessment Area One, comprising the 211-custom estate homesites in Phases 1 and 3 and (ii) Assessment Area Two, comprising the 124 homes in Phase 2. The portion of the Phase 1-3 CIP expected to be funded, in part, by the Series 2024-1 Bonds, is referred to as the “Assessment Area One CIP” and generally corresponds with the development of Assessment Area One. Further, the portion of the Phase 1-3 CIP expected to be funded, in part, by the Series 2024-2 Bonds, is referred to as the “Assessment Area Two CIP” and generally corresponds with the development of Assessment Area Two. A summary of the Assessment Areas has been presented in [Table 1](#).

<b>TABLE 1 – Assessment Areas</b>	<b>Units</b>
<b>Assessment Area One</b>	
Phase 1 (Intracoastal Direct & View)	122
Phase 3 (Estate Lots)	89
<b>Sub-Total</b>	<b>211</b>
<b>Assessment Area Two</b>	
Phase 2, (Estate Lots)	124
<b>Sub-Total</b>	<b>124</b>
<b>Total</b>	<b>335</b>

Further, an inventory of the phasing has been presented in [Table 2](#) and [Table 3](#) together with the proposed unit mix of the single-family residential units for the Phase 1-3 Tract.

<b>TABLE 2 – PHASE 1-3 TRACT - PHASING SUMMARY</b>		
<b>PHASE</b>	<b>SINGLE FAMILY</b>	<b>AREA (AC.)</b>
<b>Phase 1</b>		
Sub-phase 1A (Intracoastal Direct & View)	56	90.4
Sub-phase 2A (Intracoastal Direct & View)	66	75.13
<b>Phase 2</b>		
Sub-phase 2B (Estate Lots)	65	21.8
Sub-phase 2C (Estate Lots)	59	16.9
<b>Phase 3</b>		
Sub-phase 1B (Estate Lots)	54	18.0
Sub-phase 1C (Estate Lots)	35	26.7
<b>TOTAL – Phase 1-3 Tract</b>	<b>335</b>	<b>248.93</b>

<b>TABLE 3 - LOT TYPES</b>					
<b>PHASE</b>	<b>SINGLE FAMILY</b>			<b>NO. UNITS</b>	<b>AREA (AC.)</b>
	<b>50'</b>	<b>60'</b>	<b>80'</b>		
Phase 1 - Sub-phase 1A	38		18	56	90.4
Phase 1 - Sub-phase 2A	42	24		66	75.13
Phase 2 - Sub-phase 2B		65		65	21.8
Phase 2 - Sub-phase 2C		59		59	16.9
Phase 3 - Sub-phase 1B			54	54	18.0
Phase 3 - Sub-phase 1C			35	35	26.7
<b>TOTAL – Phase 1-3 Tract</b>	<b>80</b>	<b>148</b>	<b>107</b>	<b>335</b>	<b>248.93</b>

## 2. Phase 1-3 Capital Improvement Program

The overall capital improvement plan for the Phase 1-3 Tract will be built in a series of phases. Table 4 presents a summary of the costs for the Phase 1-3 Tract infrastructure including roads, drainage, water, sewer, reuse, landscaping, entry feature, and electrical service (underground). As referenced herein, the Assessment Area One CIP” generally corresponds with the development of Phases 1 and 3 of the Development and Assessment Area Two CIP” and generally corresponds with the development of Phase 2 of the Development.

<b>TABLE 4 – Construction Costs – Phase 1-3 Tract</b>				
<b>Improvement</b>	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>	<b>Total</b>
Utilities Systems				
Water System	\$1,059,606	\$900,881	\$461,906	\$2,422,393
Sanitary Sewer System	\$1,512,611	\$1,316,738	\$675,127	\$3,504,477
Reuse Water System	\$1,128,544	\$959,500	\$491,962	\$2,580,006
Stormwater Management System	\$609,867	\$517,621	\$264,013	\$1,391,501
Electric Service	\$181,300	\$154,143	\$79,033	\$414,477
Conservation Mitigation	\$220,907	\$317,252	\$161,021	\$699,180
Onsite Public Roadway Systems	\$2,668,542	\$2,261,671	\$1,148,538	\$6,078,752
Offsite Public Roadway Systems	\$468,578	\$398,390	\$204,265	\$1,071,233
Landscaping/Hardscaping/Irrigation	\$257,566	\$218,985	\$112,280	\$588,831
Recreational Areas	\$117,153	\$99,605	\$51,070	\$267,828
Professional Fees	\$170,069	\$172,857	\$124,067	\$466,994
Inspection Survey Testing	\$151,230	\$128,577	\$65,925	\$345,732
Miscellaneous	\$325,914	\$276,201	\$140,231	\$742,346
<b>Subtotal Costs</b>	<b>\$8,871,887</b>	<b>\$7,722,422</b>	<b>\$3,979,439</b>	<b>\$20,573,750</b>
Contingency (10%)		\$772,242	\$397,944	\$1,170,186
<b>Total Estimated Costs</b>	<b>\$8,871,887</b>	<b>\$8,494,665</b>	<b>\$4,377,383</b>	<b>\$21,743,936</b>

## 3. PERMITTING STATUS UPDATE

The Gardens at Hammock Beach CDD is located within Flagler County. The District is currently approved by the County as a Planned Unit Development. The District is within the City of Flagler Beach Utilities service area for the sanitary sewer service, water distribution, and reuse water service.

The District is also located within the St Johns River Water Management District (SJRWMD) for stormwater management approvals.

The Developer has obtained permit approvals for the following:

- FDEP Water Permit (#0080281-030-DSGP)
- FDEP Wastewater Permit (#0018857-024-DWC)
- SJRWMD ERP Permit (#80599-8)
- ACOE Permit (#SAJ-1996-00918)

Further, Flagler County previously approved a Planned Unit Development, Preliminary Plat and Construction Plans for Sub-phases 1A, 1B, 1C, 2A, 2B, and 2C and Final Plat for Phase 1A, 1B, 1C and 2A, for the community. The Developer anticipates a phased approach and received approvals for Sub-phase 1A, Sub-phase 1B, Sub-phase 1C, Sub-phase 2A, Sub-phase 2B, Sub-phase 2C, which, in total, will consist of 335 single-family lots. The District Engineer certifies that all designs, permits and authorizations necessary to complete the Phase 1-3 Tract have been obtained.

## 4. ENGINEER'S CERTIFICATION

It is our opinion that the costs of the Phase 1-3 Tract improvements proposed represent a system of improvements benefitting all developable property located within the District, are fair and reasonable and that the District-funded improvements are assessable improvements within the meaning of Chapter 190, F.S. We have no reason to believe that the Master Project cannot be constructed at the cost described in this report. We expect the improvements to be constructed or acquired by the District with bond proceeds, as indicated within this report. We believe that the District will be well served by the improvements discussed in this report.

I hereby certify that the foregoing is a true and correct copy of the Engineer's Report for Gardens at Hammock Beach Community Development District.

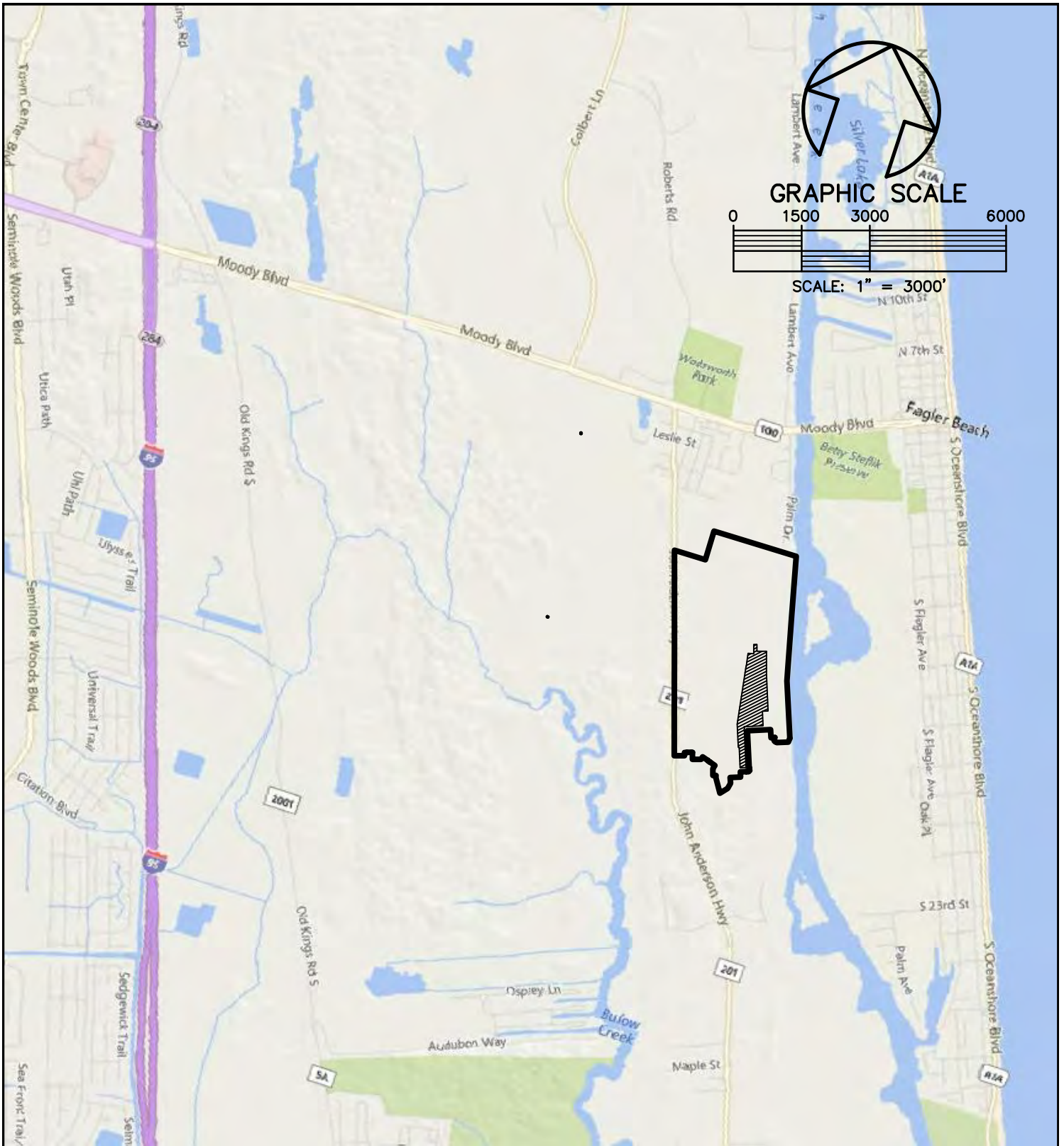


04-26-2024

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Parker Mynchenberg, P.E.  
Florida License No. 32645





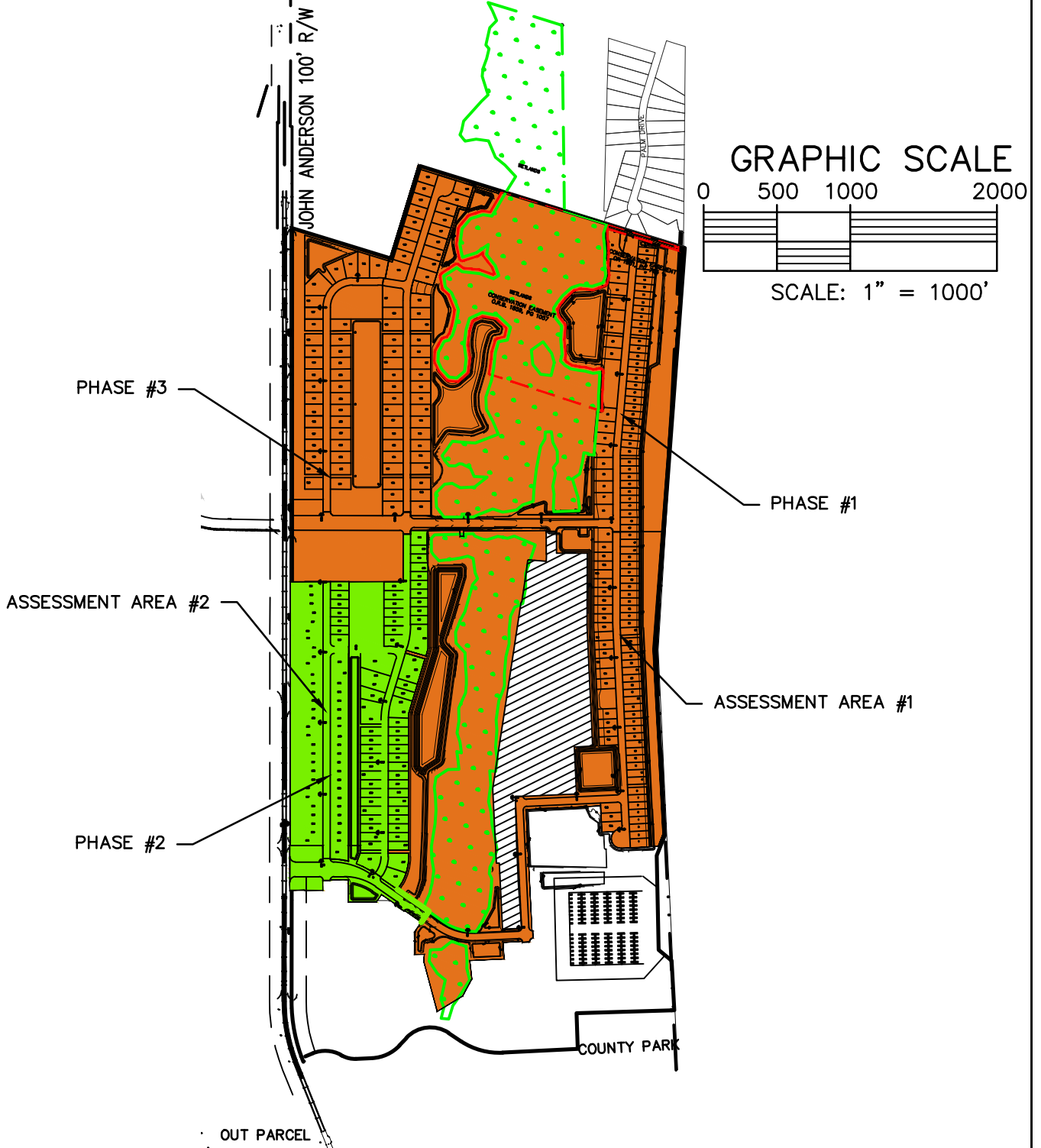
**THE GARDENS  
LOCATION MAP - PHASE 1-3 TRACT**

**PARKER MYNCHENBERG  
& ASSOCIATES, INC.**

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
1729 RIDGEWOOD AVENUE HOLLY HILL, FLORIDA 32117  
(386) 677-6891 FAX (386) 677-2114 E-MAIL: info@parkermynchenberg.com  
CERTIFICATE OF AUTHORIZATION NUMBER 00003910

**EXHIBIT A**

4/22/2024



**THE GARDENS  
SITE PLAN/PHASING PLAN - PHASE 1-3 TRACT**

**PARKER MYNCHENBERG  
& ASSOCIATES, INC.**

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
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CERTIFICATE OF AUTHORIZATION NUMBER 00003910

**EXHIBIT B**

04/22/2024

**PHASE 1**

**PHASE 1A**

A PORTION OF SECTIONS 13,14 AND 38, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: FOR A POINT OF BEGINNING, COMMENCE AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY (STATE ROAD 201) AND THE NORTH LINE OF SAID SECTION 38; THENCE NORTH 18°15'20" WEST ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 228.50 FEET; THENCE NORTH 71°44'40" EAST, DEPARTING FROM SAID RIGHT OF WAY LINE, A DISTANCE OF 225.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 85.01 FEET; THENCE NORTH 71°54'56" EAST, A DISTANCE OF 50.00 FEET TO A POINT ON CURVE OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 89°54'30"; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 39.23 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 63°12'59" EAST AND A CHORD DISTANCE OF 35.33 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 445.00 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°04'07"; THENCE NORTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 39.30 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 26°47'43" EAST AND A CHORD DISTANCE OF 35.38 FEET TO A POINT ON SAID CURVE; THENCE NORTH 71°44'40" EAST, A DISTANCE OF 50.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 20.14 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°27'07"; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCES OF 5.00 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 23°58'54" EAST AND A CHORD DISTANCE OF 4.99 FEET TO A POINT ON SAID CURVE; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 139.50 FEET; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 260.49 FEET; THENCE SOUTH 71°44'40" WEST, A DISTANCE OF 140.00 FEET; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 20.00 FEET; THENCE NORTH 71°44'40" EAST, A DISTANCE OF 140.00 FEET; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 960.00 FEET; THENCE SOUTH 71°44'40" WEST, A DISTANCE OF 140.00 FEET; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 20.00 FEET; THENCE NORTH 71°44'40" EAST, A DISTANCE OF 140.00 FEET; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 244.38 FEET; THENCE SOUTH 78°03'28" WEST, A DISTANCE OF 137.96 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 475.00 FEET AND A CENTRAL ANGLE OF 10°47'20"; THENCE NORTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 89.44 FEET AND BEING SUBTENDED BY A CHORD BEARING OF NORTH 06°32'52" WEST; AND CHORD DISTANCE OF 89.31 FEET TO A POINT ON SAID CURVE; THENCE NORTH 86°59'44" EAST, A DISTANCE OF 140.07 FEET; THENCE NORTH 01°09'12" WEST, A DISTANCE OF 568.36 FEET; THENCE NORTH 88°50'48" EAST, A DISTANCE OF 63.62 FEET; THENCE NORTH 01°07'10" WEST, A DISTANCE OF 161.55 FEET; THENCE NORTH 88°54'24" EAST, A DISTANCE OF 176.36 FEET; THENCE NORTH 11°52'10" EAST, A DISTANCE OF 25.29 FEET; THENCE NORTH 13°13'08" EAST, A DISTANCE OF 0.37 FEET; TO THE INTERSECTION WITH THE NORTH LINE OF SAID SECTION 13 AND SAID LINE ALSO BEING THE NORTHERLY LINE OF THOSE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 2281 PAGE 1643 AND RECORDED IN THE PUBLIC RECORDS OF SAID COUNTY; THENCE NORTH 88°54'24" EAST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 1304.54 FEET TO THE POINT ON THE WEST RIGHT OF WAY LINE OF FLORIDA INTRACOASTAL WATERWAY; THENCE ALONG SAID WEST RIGHT OF WAY LINE SOUTH 13°58'25" EAST, A DISTANCE OF 1950.55 FEET; THENCE SOUTH 71°49'48" WEST, DEPARTING FROM SAID RIGHT OF WAY LINE, A DISTANCE OF 334.12 FEET; THENCE NORTH 18°10'12" WEST, A DISTANCE OF 3.02 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'02"; THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 39.27 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 63°10'13" WEST AND A CHORD DISTANCE OF 35.36 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 149.59 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 50.00 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 50.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 50.00 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 134.59 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'00"; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 39.27 FEET AND BEING SUBTENDED BY A CHORD BEARING OF SOUTH 26°49'46" WEST AND A CHORD DISTANCE OF 35.36 FEET TO A POINT ON SAID CURVE; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 70.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 5.00 FEET AND A CENTRAL ANGLE OF 90°00'00"; THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 7.85 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 63°10'14" WEST AND A CHORD DISTANCE OF 7.07 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 557.17 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 40.00 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 25.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE 40.00 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 337.90 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°32'14"; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 12°24'08" EAST AND A CHORD DISTANCE OF 5.03 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 20.01 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 50.00 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 325.00 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 770.00 FEET TO THE INTERSECTION WITH THE AFOREMENTIONED WEST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY; THENCE NORTH 18°10'14" WEST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 331.23 FEET TO THE POINT OF BEGINNING. CONTAINING 90.40 ACRES, MORE OR LESS.

**THE GARDENS  
LEGAL DESCRIPTION - ASSESSMENT AREA ONE**

**PARKER MYNCHENBERG  
& ASSOCIATES, INC.**

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
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CERTIFICATE OF AUTHORIZATON NUMBER 00003910

**EXHIBIT C**  
1 OF 3  
04/22/2024

**PHASE 1**

**PHASE 2A**

A PORTION OF SECTIONS 13 AND 38, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY (STATE ROAD 201 AND A 100 FOOT RIGHT OF WAY) AND THE NORTH LINE OF SAID SECTION 38; THENCE SOUTH 18°10'14" EAST ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 2131.23 FEET; TO THE POINT OF BEGINNING; THENCE NORTH 71°49'46" EAST, DEPARTING FROM SAID RIGHT OF WAY LINE, A DISTANCE OF 225.00 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 87.31 FEET; THENCE NORTH 72°11'12" EAST, A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 10°55'26"; HENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 4.77 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 23°37'58" EAST AND A CHORD DISTANCE OF 4.76 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO SOUTH AND HAVING A RADIUS OF 495.00 FEET AND A CENTRAL ANGLE OF 14°32'52"; THENCE EASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 125.68 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 78°18'07" EAST AND A CHORD DISTANCE OF 125.35 FEET TO A POINT ON SAID CURVE; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 106.49 FEET; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 80.00 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 50.30 FEET; THENCE SOUTH 02°02'07" WEST, A DISTANCE OF 77.22 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 495.00 FEET AND A CENTRAL ANGLE OF 16°23'29"; THENCE EASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 141.61 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 79°46'17" EAST AND A CHORD DISTANCE OF 141.13 FEET TO A POINT ON SAID CURVE AND ALSO ON A CURVE OF A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°55'36"; THENCE NORTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.20 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 22°34'24" EAST AND A CHORD DISTANCE OF 5.19 FEET TO A POINT ON SAID CURVE; THENCE SOUTH 73°28'41" EAST, A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°32'13"; THENCE SOUTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 AND SUBTENDED BY A CHORD BEARING OF SOUTH 10°50'29" WEST AND A CHORD DISTANCE OF 5.03 FEET TO A POINT ON SAID CURVE; THENCE SOUTH 73°23'24" EAST, A DISTANCE OF 139.49 FEET; THENCE NORTH 16°36'36" EAST, A DISTANCE OF 18.72 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 365.00 FEET AND A CENTRAL ANGLE OF 34°46'50"; THENCE NORTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 221.57 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 00°46'49" WEST AND A CHORD DISTANCE OF 218.18 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 24.44 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 140.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 20.00 FEET; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 140.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 935.73 FEET; THENCE NORTH 01°32'26" WEST, A DISTANCE OF 384.95 FEET; THENCE SOUTH 88°27'34" WEST, A DISTANCE OF 140.00 FEET; THENCE NORTH 01°32'26" WEST, A DISTANCE OF 20.00 FEET; THENCE NORTH 88°27'34" EAST, A DISTANCE OF 140.00 FEET; THENCE NORTH 01°32'26" WEST, A DISTANCE OF 49.29 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 809.39 FEET THENCE NORTH 71°49'46" EAST, A DISTANCE OF 218.41 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 40.00 FEET; NORTH 71°49'46" EAST, A DISTANCE OF 25.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 40.00 FEET; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 557.17 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 5.00 FEET AND A CENTRAL ANGLE OF 90°00'00"; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 7.85 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 63°10'14" EAST AND A CHORD DISTANCE OF 7.07 FEET TO A POINT ON SAID CURVE; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 70.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'00"; THENCE NORTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 39.27 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 26°49'46" EAST AND A CHORD DISTANCE OF 35.36 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 134.59 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 50.00 FEET; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 50.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 50.00 FEET; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 149.59 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'02"; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 39.27 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 63°10'13" EAST AND A CHORD DISTANCE OF 35.36 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 18°10'12" EAST A DISTANCE OF 3.02 FEET; THENCE NORTH 71°49'48" EAST, A DISTANCE OF 334.12 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF FLORIDA INTRACOASTAL WATERWAY; THENCE ALONG SAID WEST RIGHT OF WAY LINE THE FOLLOWING THREE COURSES: SOUTH 13°58'25" EAST, A DISTANCE OF 799.39 FEET; THENCE SOUTH 21°17'55" EAST, A DISTANCE OF 1265.37 FEET; THENCE SOUTH 03°54'39" WEST, A DISTANCE OF 90.51 FEET; THENCE SOUTH 69°00'58" WEST, DEPARTING FROM SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 250.79 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 65.00 FEET AND A CENTRAL ANGLE OF 104°20'30"; THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 159.29 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 41°16'28" WEST AND A CHORD DISTANCE OF 122.32 FEET TO A POINT ON SAID CURVE; THENCE SOUTH 69°00'06" WEST, A DISTANCE OF 85.08 FEET; THENCE NORTH 20°54'52" WEST, A DISTANCE OF 180.00 FEET; THENCE SOUTH 69°00'06" WEST, A DISTANCE OF 503.11 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 5.00 FEET AND A CENTRAL ANGLE OF 90°00'00"; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 7.85 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 24°00'06" WEST AND A CHORD DISTANCE OF 7.07 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 20°59'54" EAST, A DISTANCE OF 822.65 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°10'11"; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 4.87 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 74°57'14" EAST AND A CHORD DISTANCE OF 4.87 FEET TO A POINT ON SAID CURVE; THENCE SOUTH 21°21'56" EAST, A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°22'02"; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 39.43 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 24°11'07" WEST AND A CHORD DISTANCE OF 35.47 FEET TO A POINT ON SAID CURVE; THENCE SOUTH 69°44'10" WEST, A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE OF A CURVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°10'11"; THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 4.87 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 26°34'59" WEST AND A CHORD DISTANCE OF 4.87 FEET TO A POINT ON SAID CURVE; THENCE SOUTH 69°22'08" WEST, A DISTANCE OF 129.58 FEET; THENCE SOUTH 20°51'44" EAST, A DISTANCE OF 115.00 FEET; THENCE SOUTH 69°22'08" WEST, A DISTANCE OF 232.49 FEET; THENCE SOUTH 24°30'13" EAST, A DISTANCE OF 127.26 FEET; THENCE SOUTH 10°41'45" WEST, A DISTANCE OF 133.22 FEET; THENCE SOUTH 40°42'12" WEST, A DISTANCE OF 202.16 FEET; THENCE NORTH 32°58'38" WEST, A DISTANCE OF 357.54; THENCE NORTH 12°24'49" WEST, A DISTANCE OF 43.38 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 68.04 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 152.62 FEET; THENCE NORTH 16°36'36" EAST, A DISTANCE OF 82.23 FEET; THENCE NORTH 73°23'24" WEST, A DISTANCE OF 139.49 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°32'13"; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 22°22'42" WEST AND A CHORD DISTANCE OF 5.03 FEET TO A POINT ON SAID CURVE; THENCE NORTH 73°23'24" WEST, A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°32'13"; THENCE NORTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 AND SUBTENDED BY A CHORD BEARING OF NORTH 10°50'29" EAST AND A CHORD DISTANCE OF 5.03 FEET TO A POINT ON SAID CURVE; THENCE NORTH 73°23'24" WEST, A DISTANCE OF 139.49 FEET; THENCE SOUTH 16°36'36" WEST, A DISTANCE OF 62.75 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 190.07 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 150.73 FEET TO A POINT ON A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 355.00 FEET AND A CENTRAL ANGLE OF 04°50'36"; THENCE WESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 30.01 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 74°15'04" WEST AND A CHORD DISTANCE OF 30.00 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 94.52 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF SOUTH 11°32'08" EAST; THENCE SOUTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 12°24'05" EAST AND A CHORD DISTANCE OF 5.02 FEET TO A POINT ON SAID CURVE; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 50.00 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 67.00 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 225.00 FEET TO THE INTERSECTION WITH THE AFOREMENTIONED EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY; THENCE NORTH 18°10'14" WEST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 304.31 FEET; TO THE POINT OF BEGINNING.

CONTAINING 97.66 ACRES, MORE OR LESS

Less and except the following described lands:

A portion of Sections 13 and 38, Township 12 South, Range 31 East, Flagler County, Florida, and being more particularly described as follows: Commence at the intersection of the East right of way line of John Anderson Highway (State Road 201 and 100 foot right of way) and the North line of said Section 38; thence North 18°15'20" West along said East right of way line, a distance of 68.78 feet; thence North 71°49'46" East, departing from said right of way line, a distance of 1745.68 feet; thence South 18°10'12" East, a distance of 55.02 feet to the Point of Beginning; thence North 71°49'46" East, a distance of 70.00 feet; thence South 18°10'12" East, a distance of 148.42 feet; thence North 71°49'48" East, a distance of 209.59 feet; thence South 18°10'12" East, a distance of 502.20 feet; thence South 20°54'52" East, a distance of 814.45 feet; thence South 69°05'08" West, a distance of 125.41 feet; thence South 20°54'33" East, a distance of 320.03 feet; thence South 69°00'06" West, a distance of 366.35 feet; thence South 71°51'35" West, a distance of 50.81 feet to a point on a curve of a curve concave Easterly and having a radius of 900.00 feet and having a central angle of 02°51'29"; thence Southerly along said curve an arc distance of 44.90 feet and subtended by a chord bearing of South 19°34'09" East and a chord distance of 44.89 feet to the point a tangency of said curve; thence South 20°59'54" East, a distance of 850.17 feet to the point of curve of a curve concave Westerly and having a radius of 25.00 feet and a central angle of 11°54'15"; thence Southerly along said curve an arc distance of 5.19 feet and subtended by a chord bearing of South 15°02'46" East and a chord distance of 5.18 feet to a point on said curve; thence South 69°22'08" West, a distance of 129.47 feet; thence North 20°59'54" West, a distance of 449.86 feet; thence South 73°36'50" West, a distance of 20.06 feet; thence North 20°59'54" West, a distance of 507.49 feet; thence North 09°38'09" West, a distance of 1286.08 feet; thence North 47°26'49" East, a distance of 5.96 feet; thence North 09°38'09" West, a distance of 191.11 feet; thence North 11°08'27" West, a distance of 92.64 feet; thence North 01°46'27" East, a distance of 6.94 feet; thence North 76°19'23" East, a distance of 122.43 feet to a point on a curve of a curve concave Westerly and having a radius of 955.00 feet and a central angle of 03°20'16"; thence Northerly along said curve an arc distance of 55.63 feet and subtended by a chord bearing of North 16°30'04" West and a chord distance of 55.62 feet to the point of tangency of said curve; thence North 18°10'12" West, a distance of 148.42 feet to the Point of Beginning. Containing 22.64 acres, more or less.

**THE GARDENS  
LEGAL DESCRIPTION - ASSESSMENT AREA ONE**

**PARKER MYNCHENBERG  
& ASSOCIATES, INC.**

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS  
1729 RIDGEWOOD AVENUE HOLLY HILL, FLORIDA 32117  
(386) 677-6891 FAX (386) 677-2114 E-MAIL: info@parkermynchenberg.com  
CERTIFICATE OF AUTHORIZATION NUMBER 00003910

**EXHIBIT C**

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04/22/2024

**PHASE 3**

**PHASE 1B**

A PORTION OF SECTIONS 13, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY (STATE ROAD 201 AND 100 FOOT RIGHT OF WAY) AND THE SOUTH LINE OF SECTION 14 OF SAID TOWNSHIP 12 SOUTH, RANGE 31 EAST.; THENCE NORTH 18°15'20" WEST ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 228.50 FEET; THENCE NORTH 71°44'40" EAST, DEPARTING FROM SAID RIGHT OF WAY LINE, A DISTANCE OF 225.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 85.01 FEET; THENCE NORTH 71°54'56" EAST, A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 89°54'30"; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 39.23 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 63°12'59" EAST AND A CHORD DISTANCE OF 35.33 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 330.04 FEET TO THE POINT OF BEGINNING; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 259.99 FEET; THENCE NORTH 71°44'40" EAST, A DISTANCE OF 140.00 FEET; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 20.00 FEET; THENCE SOUTH 71°44'40" WEST, A DISTANCE OF 140.00 FEET; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 960.00 FEET; THENCE NORTH 71°44'40" EAST, A DISTANCE OF 140.00 FEET; THENCE NORTH 18°15'20" WEST, A DISTANCE 20.00 FEET; THENCE SOUTH 71°44'40" WEST, A DISTANCE OF 140.00 FEET; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 309.49 FEET; THENCE NORTH 11°30'49" WEST, A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 325.00 FEET AND A CENTRAL ANGLE OF 02°07'45"; THENCE EASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 12.08 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 79°33'04" EAST AND A CHORD DISTANCE OF 12.08 FEET TO A POINT ON SAID CURVE; THENCE NORTH 06°55'48" WEST, A DISTANCE OF 122.14 FEET; THENCE NORTH 01°09'12" WEST, ALONG THE EASTERLY LINE AND ITS SOUTHERLY PROLONGATION OF SAID LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 927, PAGE 1938 OF THE PUBLIC RECORDS OF SAID COUNTY AND ALSO ALONG THE EASTERLY LINE OF THOSE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 801, PAGE 1414 OF SAID PUBLIC RECORDS, A DISTANCE OF 685.12 FEET TO THE NORTHEAST CORNER OF SAID LANDS AND SAID POINT ALSO BEING THE NORTHWEST CORNER OF THOSE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 2281, PAGE 1643 OF SAID PUBLIC RECORDS AND SAID POINT ALSO BEING ON THE NORTH LINE OF SAID SECTION 13; THENCE NORTH 88°54'24" EAST, ALONG SAID NORTHERLY LINE OF SAID SECTION 13 AND ALSO ALONG THE NORTHERLY LINE OF SAID LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 2281, PAGE 1643, A DISTANCE OF 585.86 FEET; THENCE NORTH 13°3'08" EAST, DEPARTING FROM SAID SECTION 13, A DISTANCE OF 0.37 FEET; THENCE SOUTH 11°52'10" WEST, A DISTANCE OF 25.29 FEET; THENCE SOUTH 88°54'24" WEST, A DISTANCE OF 176.36 FEET; THENCE SOUTH 01°07'10" EAST, A DISTANCE OF 161.55 FEET; THENCE SOUTH 88°50'48" WEST, A DISTANCE OF 63.62 FEET; THENCE SOUTH 01°09'12" EAST, A DISTANCE OF 568.36 FEET; THENCE SOUTH 86°59'44" WEST, A DISTANCE OF 140.07 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 475.00 FEET AND HAVING A CENTRAL ANGLE OF 10°47'20"; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 89.44 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 06°32'52" EAST AND A CHORD DISTANCE OF 89.31 FEET TO A POINT ON SAID CURVE; THENCE NORTH 78°03'28" EAST, A DISTANCE OF 137.95 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 244.38 FEET; THENCE SOUTH 71°44'40" WEST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 960.00 FEET; THENCE SOUTH 71°44'40" WEST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 20.00 FEET; THENCE NORTH 71°44'40" EAST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 260.48 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 139.50 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°26'00"; THENCE NORTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 4.99 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 23°59'27" WEST AND A CHORD DISTANCE OF 4.98 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 20.15 FEET; THENCE SOUTH 71°44'40" WEST, A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET AND HAVING A CENTRAL ANGLE OF 90°04'06"; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 39.30 FEET AND BEING SUBTENDED BY A CHORD BEARING OF SOUTH 26°47'43" WEST AND A CHORD DISTANCE OF 35.38 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 114.96 FEET TO THE POINT OF BEGINNING.

**PHASE 1C**

A PORTION OF SECTIONS 13, AND 14, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY (STATE ROAD 201 AND 100 FOOT RIGHT OF WAY) AND THE SOUTH LINE OF SAID SECTION 14; THENCE NORTH 18°15'20" WEST ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 228.50 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 18°15'20" WEST ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 1858.74 FEET TO THE SOUTHWEST CORNER OF THOSE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 927, PAGE 1938 OF THE PUBLIC RECORDS OF SAID COUNTY AND SAID POINT ALSO BEING A NORTHWEST CORNER OF THOSE LANDS IN OFFICIAL RECORDS BOOK 2281, PAGE 1643 OF SAID PUBLIC RECORDS; THENCE NORTH 88°47'24" EAST, ALONG THE SOUTHERLY LINE OF SAID LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 927, PAGE 1938 AND ALSO ALONG A NORTHERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2281, PAGE 1643, A DISTANCE OF 710.39 FEET TO THE SOUTHEAST CORNER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 927, PAGE 1938; THENCE SOUTH 01°09'12" EAST, A DISTANCE OF 25.00 FEET; THENCE SOUTH 06°55'48" EAST, A DISTANCE OF 122.14 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 325.00 FEET AND A CENTRAL ANGLE OF 02°07'45"; THENCE WESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 12.08 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 79°33'04" WEST AND A CHORD DISTANCE OF 12.08 FEET TO A POINT ON SAID CURVE; THENCE SOUTH 11°30'49" EAST, A DISTANCE OF 50.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 309.49 FEET; THENCE NORTH 71°44'40" EAST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 20.00 FEET; THENCE SOUTH 71°44'40" WEST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 960.00 FEET; THENCE NORTH 71°44'40" EAST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 20.00 FEET; THENCE SOUTH 71°44'40" WEST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°15'20" EAST, A DISTANCE OF 259.99 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 330.04 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 89°55'04"; THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 39.23 FEET AND BEING SUBTENDED BY A CHORD BEARING OF NORTH 63°12'41" WEST AND A CHORD DISTANCE OF 35.33 FEET TO A POINT ON SAID CURVE; THENCE SOUTH 71°54'56" WEST, A DISTANCE OF 50.00 FEET; THENCE NORTH 18°15'20" WEST, A DISTANCE OF 85.01FEET; THENCE SOUTH 71°44'40" WEST, A DISTANCE OF 225.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 26.73 ACRES, MORE OR LESS.

**THE GARDENS  
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PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS

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CERTIFICATE OF AUTHORIZATION NUMBER 00003910

**EXHIBIT C**

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**PHASE 2**

**PHASE 2B**

A PORTION OF SECTIONS 13 AND 38, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY (STATE ROAD 201 AND A 100 FOOT RIGHT OF WAY) AND THE NORTH LINE OF SAID SECTION 38; THENCE SOUTH 18°10'14" EAST ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 331.23 FEET; THENCE NORTH 71°49'46" EAST, DEPARTING FROM SAID RIGHT OF WAY LINE, A DISTANCE OF 400.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 71°49'46" EAST, A DISTANCE OF 370.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 325.00 FEET; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 50.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 20.01 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°32'14"; THENCE NORTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 12°24'08" WEST AND A CHORD DISTANCE OF 5.03 FEET TO A POINT ON SAID CURVE; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 119.50 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 809.39 FEET; THENCE SOUTH 01°32'26" WEST, A DISTANCE OF 49.29 FEET; THENCE SOUTH 88°27'34" WEST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 01°32'26" EAST, A DISTANCE OF 20.00 FEET; THENCE NORTH 88°27'34" EAST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 01°32'26" EAST, A DISTANCE OF 384.95 FEET; SOUTH 18°10'14" EAST, A DISTANCE OF 935.73 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 20.00 FEET; THENCE NORTH 71°49' 46" EAST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 24.44 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 365.00 FEET AND A CENTRAL ANGLE OF 34°46'50"; THENCE SOUTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 221.57 FEET AND SUBTENDED BY CHORD BEARING OF SOUTH 00°46'49" EAST AND A CHORD DISTANCE OF 218.18 FEET TO THE POINT OF TANGENT OF SAID CURVE; THENCE SOUTH 16°36'36" WEST, A DISTANCE OF 18.72 FEET; THENCE NORTH 73°23'24" WEST, A DISTANCE OF 139.49 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°32'13"; THENCE NORTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 10°50'29" EAST AND A CHORD DISTANCE OF 5.03 FEET TO A POINT ON SAID CURVE; THENCE NORTH 73°28'41" WEST, A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 12°16'44"; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.36 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 22°44'58" WEST AND A CHORD DISTANCE OF 5.35 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 495.00 AND A CENTRAL ANGLE OF 16°23'29"; THENCE WESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 141.61 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 79°46'17" WEST AND A CHORD DISTANCE OF 141.13 FEET TO A POINT ON SAID CURVE; THENCE NORTH 02°02'07" EAST, A DISTANCE OF 77.22 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 50.30 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 80.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 1800.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 21.82 ACRES, MORE OR LESS.

**PHASE 2C**

A PORTION OF SECTION 38, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY (STATE ROAD 201 AND A 100 FOOT RIGHT OF WAY) AND THE NORTH LINE OF SAID SECTION 38; THENCE SOUTH 18°10'14" EAST ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 331.23 FEET TO THE POINT OF BEGINNING; THENCE NORTH 71°49'46" EAST, DEPARTING FROM SAID RIGHT OF WAY LINE, A DISTANCE OF 400.00 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 1906.48 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 495.00 FEET AND A CENTRAL ANGLE OF 14°32'52"; THENCE WESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 125.68 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 78°18'07" WEST AND A CHORD DISTANCE OF 125.35 FEET TO A POINT OF A CURVE OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 10°55'26"; THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 4.77 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 23°37'58" WEST AND A CHORD DISTANCE OF 4.76 FEET; THENCE; THENCE SOUTH 72°11'12" WEST, A DISTANCE OF 50.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 87.31 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 225.00 FEET TO THE INTERSECTION WITH THE AFOREMENTIONED EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY; THENCE NORTH 18°10'14" WEST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 1800.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 16.91 ACRES, MORE OR LESS.

**THE GARDENS  
LEGAL DESCRIPTION - ASSESSMENT AREA TWO**

**PARKER MYNCHENBERG  
& ASSOCIATES, INC.**

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS

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CERTIFICATE OF AUTHORIZATION NUMBER 00003910

**EXHIBIT D**

04/22/2024

# SECTION C

**PRELIMINARY SUPPLEMENTAL  
ASSESSMENT METHODOLOGY  
FOR THE  
PHASE 1-3 TRACT**

**FOR  
GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT**

**Date: May 17, 2024**

**Prepared by**

**Governmental Management Services - Central Florida, LLC  
219 E. Livingston Street  
Orlando, FL 32801**



Volume 2 - 5/14/2024



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**GMS-CF, LLC does not represent the Gardens at Hammock Beach Community Development District as a Municipal Advisor or Securities Broker nor is GMS-CF, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, GMS-CF, LLC does not provide the Gardens at Hammock Beach Community Development District with financial advisory services or offer investment advice in any form.**

## **1.0 Introduction**

The Gardens at Hammock Beach Community Development District is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes (the “District”), as amended. The District plans to issue approximately \$12,950,000 of tax exempt bonds in one or more series (the “Series 2024 Bonds” or “Bonds”) for the purpose of financing certain infrastructure improvements within an assessment area within the District (herein the “Phase 1-3 Tract”), more specifically described in the Supplemental Engineer’s Report dated April 2024 prepared by Parker Mynchenberg & Associates, Inc. as may be amended and supplemented from time to time (the “Engineer’s Report”). The District anticipates the construction of infrastructure improvements consisting of improvements that benefit property owners within the Phase 1-3 Tract within the District.

### **1.1 Purpose**

This Supplemental Assessment Methodology Report for the Phase 1-3 Tract (the “Supplemental Report”) supplements the Amended & Restated Master Assessment Methodology Report dated May 17, 2024 and provides for an assessment methodology for allocating the debt to be incurred by the District to benefiting properties in the Phase 1-3 Tract within the District. This Supplemental Report allocates the debt to properties based on the special benefits each receives from the Phase 1-3 Tract Capital Improvement Plan (“Phase 1-3 Tract CIP”). This Supplemental Report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes with respect to special assessments and is consistent with our understanding of case law on this subject.

The District intends to impose non ad valorem special assessments on the benefited lands within the Phase 1-3 Tract within the District based on this Supplemental Report. It is anticipated that all of the proposed special assessments will be collected through the Uniform Method of Collection described in Chapter 197.3632, Florida Statutes or any other legal means available to the District. It is not the intent of this Supplemental Report to address any other assessments, if applicable, that may be levied by the District, a homeowner’s association, or any other unit of government.

### **1.2 Background**

The District consists of 953.37 acres and the proposed Development is envisioned to include approximately 824.13 acres, and the development program currently envisions approximately 453 residential units, 230,694 square feet of commercial/retail/office/multi-family area, and 100,000 square feet of specialty retail (herein the “Development”) in Flagler County, Florida. The Phase 1-3 Tract is located within the Development and consists of 248.93 acres, and is envisioned to include 335 residential units (herein the “Phase 1-3 Tract Development Program”). The Phase 1-3

Tract Development Program is depicted in Table 1. It is recognized that such land use plan may change, and this report will be modified accordingly.

The improvements contemplated by the District in the Phase 1-3 Tract CIP will provide facilities that benefit certain property within the District. The Phase 1-3 Tract CIP is delineated in the Engineer's Report. Specifically, the District may construct and/or acquire certain water systems, sanitary sewer systems, reuse water systems, stormwater management systems, electrical service, conservation mitigation, onsite public roadway systems, offsite public roadway systems, landscaping/hardscaping/irrigation, recreational areas, professional fees and inspection survey testing. The acquisition and construction costs are summarized in Table 2.

The assessment methodology is a four-step process.

1. The District Engineer must first determine the public infrastructure improvements and services that may be provided by the District and the costs to implement the Phase 1-3 Tract CIP.
2. The District Engineer determines the assessable acres that benefit from the District's Phase 1-3 Tract CIP.
3. A calculation is made to determine the funding amounts necessary to acquire and/or construct the Phase 1-3 Tract CIP.
4. This amount is initially divided equally among the benefited properties on a prorated gross acreage basis. Ultimately, as land is platted, this amount will be assigned to each of the benefited properties based on the number of platted units.

### **1.3 Special Benefits and General Benefits**

Improvements undertaken by the District create special and peculiar benefits to the property, different in kind and degree than general benefits, for properties within its borders as well as general benefits to the public at large.

However, as discussed within this 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 Phase 1-3 Tract within the District. The implementation of the Phase 1-3 Tract CIP enables properties within its boundaries to be developed. Without the District's Phase 1-3 Tract CIP, there would be no infrastructure to support development of land within the Phase 1-3 Tract of the District. Without these improvements, development of the property within the District would be prohibited by law.

There is no doubt that the general public and property owners outside of the Phase 1-3 Tract within the District will benefit from the provision of the District's Phase 1-3

Tract CIP. However, these benefits will be incidental to the District's Phase 1-3 Tract CIP, which is designed solely to meet the needs of property within the Phase 1-3 Tract within the District. Properties outside the District boundaries and outside the Phase 1-3 Tract do not depend upon the District's Phase 1-3 Tract CIP. The property owners within are therefore receiving special benefits not received by those outside the Phase 1-3 Tract and outside of the District's boundaries.

#### **1.4 Requirements of a Valid Assessment Methodology**

There are two requirements under Florida law for a valid special assessment:

- 1) The properties must receive a special benefit from the improvements being paid for.
- 2) The assessments must be fairly and reasonably allocated to the properties being assessed.

Florida law provides for a wide application of special assessments that meet these two characteristics of special assessments.

#### **1.5 Special Benefits Exceed the Costs Allocated**

The special benefits provided to the property owners within the Phase 1-3 Tract within the District are greater than the costs associated with providing these benefits. The District Engineer estimates that the District's Phase 1-3 Tract CIP that is necessary to support full development of property within the Phase 1-3 Tract will cost approximately \$21,743,936. The District's Underwriter projects that financing costs required to fund the infrastructure improvements, including project costs, the cost of issuance of the Bonds, the funding of debt service reserves and capitalized interest, will be \$12,950,000. Additionally, funding required to complete the Phase 1-3 Tract CIP not funded by bonds, is anticipated to be funded by Developer. Without the Phase 1-3 Tract CIP, the property would not be able to be developed and occupied by future residents of the community.

### **2.0 Assessment Methodology**

#### **2.1 Overview**

The District is planning to issue \$12,950,000 in Bonds to fund the District's Phase 1-3 Tract CIP for the Phase 1-3 Tract, provide for capitalized interest, a debt service reserve account and cost of issuance. It is the purpose of this Supplemental Report to allocate the \$12,950,000 in debt to the properties benefiting from the Phase 1-3 Tract CIP.

Table 1 identifies the land uses as identified by the Developer and current landowners of the land within the Phase 1-3 Tract of the District. The District has a proposed

Engineer's Report for the Phase 1-3 Tract CIP needed to support the Development within the Phase 1-3 Tract, these construction costs are outlined in Table 2. The improvements needed to support the Development are described in detail in the Engineer's Report and are estimated to cost \$21,743,936. Based on the estimated costs, the size of the bond issue under current market conditions needed to generate funds to pay for the Project and related costs is estimated by the District's Underwriter to total \$12,950,000. Table 3 shows the breakdown of the bond sizing.

## **2.2 Allocation of Debt**

Allocation of debt is a continuous process until the development plan is completed. The Phase 1-3 Tract CIP funded by District bonds benefits all developable acres within the Phase 1-3 Tract within the District. The Phase 1-3 Tract will consist of two assessment areas correlating with the Series 2024-A & Series 2024-B Bonds. The Series 2024-A Bonds will be levied to property within Phases 1 & 3 of the District (herein "Assessment Area One"), and the Series 2024-B Bonds will be levied to property within Phase 2 of the District (herein "Assessment Area Two").

### **Series 2024-A Assessments (Assessment Area One)**

The District will impose non ad valorem special assessments to property within Assessment Area One of the District related to the Series 2024-A Bonds (herein the "2024-A Assessments") based on this Supplemental Report. The initial Series 2024-A Assessments will be levied to the 211 platted residential lots within Assessment Area One of the District.

### **Series 2024-B Assessments (Assessment Area Two)**

The District will impose non ad valorem special assessments to property within Assessment Area Two of the District related to the Series 2024-B Bonds (herein the "2024-B Assessments") based on this Supplemental Report. The initial Series 2024-B Assessments will be levied on an equal acreage basis to the properties within Assessment Area Two of the District. Once platting occurs within Assessment Area Two, the Series 2024-B Assessments will be assigned to the platted lots on a first platted, first assigned basis. The Developer plans to make prepayments to redeem approximately \$5,500,000 of the Series 2024-B Bonds. After such prepayments are made, the Annual 2024-B Assessments are expected to be reduced to approximately \$1,750 per lot when collected on the Flagler County property tax bill.

A fair and reasonable methodology allocates the debt incurred by the District proportionately to the properties receiving the special benefits. At this point all of the lands within the Phase 1-3 Tract within the District are benefiting from the improvements.

Once platting or re-platting ("Assigned Properties") has begun, the assessments will be levied to the Assigned Properties based on the benefits they receive. The

Unassigned Properties, defined as property that has not been platted or assigned development rights within the Phase 1-3 Tract, will continue to be assessed on a per acre basis (“Unassigned Properties”). Eventually the Phase 1-3 Tract Development Program will be completed and the debt relating to the Bonds will be allocated to the planned 335 residential units within the Phase 1-3 Tract within the District, which are the beneficiaries of the Phase 1-3 Tract CIP, as depicted in Table 5 and Table 6. If there are changes to the Phase 1-3 Tract Development Program, a true up of the assessment will be calculated to determine if a debt reduction or true-up payment from the Developer is required. The process is outlined in Section 3.0

## **2.3 Allocation of Benefit**

The Phase 1-3 Tract CIP consists of water systems, sanitary sewer systems, reuse water systems, stormwater management systems, electrical service, conservation mitigation, onsite public roadway systems, offsite public roadway systems, landscaping/hardscaping/irrigation, recreational areas, professional fees and inspection survey testing. There are *three* residential product types within the Phase 1-3 Tract planned development. Table 4 shows the allocation of benefit to the particular land uses. It is important to note that the benefit derived from the improvements on the particular units exceeds the cost that the units will be paying for such benefits.

## **2.4 Lienability Test: Special and Peculiar Benefit to the Property**

Construction and/or acquisition by the District of its proposed Phase 1-3 Tract CIP relating to the Phase 1-3 Tract will provide several types of systems, facilities and services for its residents. These include water systems, sanitary sewer systems, reuse water systems, stormwater management systems, electrical service, conservation mitigation, onsite public roadway systems, offsite public roadway systems, landscaping/hardscaping/irrigation, recreational areas, professional fees and inspection survey testing. These improvements accrue in differing amounts and are somewhat dependent on the type of land use receiving the special benefits peculiar to those properties, which flow from the logical relationship of the improvements to the properties.

For the provision of the Phase 1-3 Tract CIP relating to the Phase 1-3 Tract Development, the special and peculiar benefits are:

- 1) the added use of the property,
- 2) added enjoyment of the property, and
- 3) the probability of increased marketability and value of the property.

These special and peculiar benefits are real and ascertainable but are not yet capable of being calculated as to value with mathematical certainty. However, each is more

valuable than either the cost of, or the actual non-ad valorem special assessment levied for the improvement or the debt as allocated.

## **2.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay Non-Ad Valorem Assessments**

A reasonable estimate of the proportion of special and peculiar benefits received from the public improvements described in the Engineer's Report is delineated in Table 5 (expressed as Allocation of Par Debt per Product Type).

The determination has been made that the duty to pay the non-ad valorem special assessments is fairly and reasonably apportioned because the special and peculiar benefits to the property derived from the acquisition and/or construction of the District's Phase 1-3 Tract CIP relating to the Phase 1-3 Tract Development Program have been apportioned to the property according to reasonable estimates of the special and peculiar benefits provided consistent with the land use categories.

Accordingly, no acre or parcel of property within the boundaries of the District will have a lien for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property and therefore, the debt allocation will not be increased more than the debt allocation set forth in this Supplemental Report.

In accordance with the benefit allocation suggested for the product types in Table 4, a total debt per unit and an annual assessment per unit have been calculated for each product type (Table 6). These amounts represent the preliminary anticipated per unit debt allocation assuming all anticipated units are built and sold as planned, and the entire proposed Phase 1-3 Tract CIP is developed or acquired and financed by the District.

## **3.0 True Up Mechanism**

Although the District does not process plats, declaration of condominiums, site plans or revisions thereto for the Developer, it does have an important role to play during the course of platting and site planning. Whenever a plat, declaration of condominium or site plan is processed, the District must allocate a portion of its debt to the property according to this Supplemental Report outlined herein. In addition, the District must also prevent any buildup of debt on Unassigned Property. Otherwise, the land could be fully conveyed and/or platted without all of the debt being allocated. To preclude this, at the time Unassigned Properties become Assigned Properties, the District will determine the amount of anticipated assessment revenue that remains on the Unassigned Properties, taking into account the proposed plat, or site plan approval. If the total anticipated assessment revenue to be generated from the Assigned and Unassigned Properties is greater than or equal to the maximum annual debt service,

then no adjustment is required. In the case that the revenue generated is less than the required amount then a debt reduction or true-up payment by the landowner in the amount necessary to reduce the par amount of the outstanding bonds to a level that will be supported by the new net annual debt service assessments will be required.

**4.0 Assessment Roll**

The District will initially distribute the 2024-A Assessments to 211 platted residential lots within Assessment Area One, and will initially distribute the 2024-B Assessments across the property within Assessment Area Two of the District on a gross acreage basis. As Assigned Property becomes known with certainty, the District will refine its allocation of debt from a per acre basis to a per unit basis as shown in Table 6. If the land use plan changes, then the District will update Table 6 to reflect the changes. As a result, the assessment liens are neither fixed nor are they determinable with certainty on any acre of land in the District prior to the time final Assigned Properties become known. As the development process occurs, the debt will be distributed against the Assigned Property in the manner described in this Supplemental Report. The current assessment roll is depicted in Table 7.

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TABLE 1  
 GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT  
 DEVELOPMENT PROGRAM  
 SUPPLEMENTAL ASSESSMENT METHODOLOGY FOR THE PHASE 1-3 TRACT

**Assessment Area One**

Product Types	No. of Units *	ERUs per Unit (1)	Total ERUs
Single Family 50'	80	1	80.00
Single Family 60'	24	1.2	28.80
Single Family 80'	107	1.6	171.20
Total Units	211		280.00

**Assessment Area Two**

Product Types	No. of Units *	ERUs per Unit (1)	Total ERUs
Single Family 60'	124	1.2	148.80
Total Units	124		148.80

(1) Benefit is allocated on an ERU basis; based on density of planned development, with Single Family 50' = 1 ERU

\* Unit mix is subject to change based on marketing and other factors

Prepared by: Governmental Management Services - Central Florida, LLC

**TABLE 2**  
**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**  
**INFRASTRUCTURE COST ESTIMATES**  
**SUPPLEMENTAL ASSESSMENT METHODOLOGY FOR THE PHASE 1-3 TRACT**

<b>Phase 1-3 Tract Capital Improvement Plan ("Phase 1-3 Tract CIP") (1)</b>	<b>Combined</b>				<b>Total Cost Estimate (AA1 &amp; AA2)</b>
	<b>Phase 1</b>	<b>Phase 3</b>	<b>Phase 1 &amp; 3 (AA1)</b>	<b>Phase 2 (AA2)</b>	
Water System	\$ 1,059,606	\$ 461,906	\$ 1,521,512	\$ 900,881	\$ 2,422,393
Sanitary Sewer System	\$ 1,512,611	\$ 675,127	\$ 2,187,738	\$ 1,316,738	\$ 3,504,476
Reuse Water System	\$ 1,128,544	\$ 491,962	\$ 1,620,506	\$ 959,500	\$ 2,580,006
Stormwater Management System	\$ 609,867	\$ 264,013	\$ 873,880	\$ 517,621	\$ 1,391,501
Electrical Service	\$ 181,300	\$ 79,033	\$ 260,333	\$ 154,143	\$ 414,476
Conservation Mitigation	\$ 220,907	\$ 161,021	\$ 381,928	\$ 317,252	\$ 699,180
Onsite Public Roadway System	\$ 2,668,542	\$ 1,148,538	\$ 3,817,080	\$ 2,261,671	\$ 6,078,751
Offsite Public Roadway Systems	\$ 468,578	\$ 204,265	\$ 672,843	\$ 398,390	\$ 1,071,233
Landscaping/Hardscaping/Irrigation	\$ 257,566	\$ 112,280	\$ 369,846	\$ 218,985	\$ 588,831
Recreational Areas	\$ 117,153	\$ 51,070	\$ 168,223	\$ 99,605	\$ 267,828
Professional Fees	\$ 170,069	\$ 124,067	\$ 294,136	\$ 172,857	\$ 466,993
Inspection Survey Testing	\$ 151,230	\$ 65,925	\$ 217,155	\$ 128,577	\$ 345,733
Miscellaneous	\$ 325,914	\$ 140,231	\$ 466,146	\$ 276,201	\$ 742,347
Contingency (10%)		\$ 397,944	\$ 397,944	\$ 772,242	\$ 1,170,187
<b>Total</b>	<b>\$ 8,871,887</b>	<b>\$ 4,377,383</b>	<b>\$ 13,249,271</b>	<b>\$ 8,494,665</b>	<b>\$ 21,743,936</b>

(1) A detailed description of these improvements is provided in the Master Engineer's Report dated April 2024

Prepared by: Governmental Management Services - Central Florida, LLC

**TABLE 3**  
**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**  
**BOND SIZING**  
**SUPPLEMENTAL ASSESSMENT METHODOLOGY FOR THE PHASE 1-3 TRACT**

<b>Description</b>	<b>Series 2024-A (AA1)</b>	<b>Series 2024-B (AA2)</b>	<b>Total</b>
Construction Funds	\$ 3,958,186	\$ 6,664,754	\$ 10,622,940
Debt Service Reserve	\$ 347,095	\$ 618,934	\$ 966,029
Capitalized Interest	\$ 101,719	\$ 700,313	\$ 802,031
Underwriters Discount	\$ 93,000	\$ 166,000	\$ 259,000
Cost of Issuance	\$ 150,000	\$ 150,000	\$ 300,000
<b>Par Amount*</b>	<b>\$ 4,650,000</b>	<b>\$ 8,300,000</b>	<b>\$ 12,950,000</b>

<b>Bond Assumptions:</b>	<b>Series 2024-A (AA1)</b>	<b>Series 2024-B (AA2)</b>
Average Coupon	6.25%	6.25%
Amortization	30 Years	30 Years
Capitalized Interest	Thru 11/1/2024	Thru 11/1/2025
Debt Service Reserve	100% MADS	100% MADS
Underwriters Discount	2%	2%

\* Par amount is subject to change based on the actual terms at the sale of the bonds

Prepared by: Governmental Management Services - Central Florida, LLC

**TABLE 4**  
**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**  
**ALLOCATION OF BENEFIT**  
**SUPPLEMENTAL ASSESSMENT METHODOLOGY FOR THE PHASE 1-3 TRACT**

**Series 2024-A (AA1)**

Product Types	No. of Units *	ERU Factor	Total ERUs	% of Total ERUs	Total	Improvement
					Improvements Costs Per Product Type	Costs Per Unit
Single Family 50'	80	1	80.00	28.57%	\$ 3,785,506	\$ 47,319
Single Family 60'	24	1.2	28.80	10.29%	\$ 1,362,782	\$ 56,783
Single Family 80'	107	1.6	171.20	61.14%	\$ 8,100,983	\$ 75,710
Totals	211		280.00	100.00%	\$ 13,249,271	

**Series 2024-B (AA2)**

Product Types	No. of Units *	ERU Factor	Total ERUs	% of Total ERUs	Total	Improvement
					Improvements Costs Per Product Type	Costs Per Unit
Single Family 60'	124	1.2	148.80	100.00%	\$ 8,494,665	\$ 68,505
Totals	124		148.80	100.00%	\$ 8,494,665	

\* Unit mix is subject to change based on marketing and other factors

Prepared by: Governmental Management Services - Central Florida, LLC

**TABLE 5**  
**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**  
**ALLOCATION OF TOTAL BENEFIT/PAR DEBT TO EACH PRODUCT TYPE**  
**SUPPLEMENTAL ASSESSMENT METHODOLOGY FOR THE PHASE 1-3 TRACT**

**Series 2024-A (AA1)**

Product Types	No. of Units *	Total Improvements	Potential Allocation	Developer Contributions**	Allocation of Par	Par Debt Per Unit
		Costs Per Product Type	of Par Debt Per Product Type		Debt Per Product Type	
Single Family 50'	80	\$ 3,785,506	\$ 1,764,286	\$ (1,253)	\$ 1,763,033	\$ 22,038
Single Family 60'	24	\$ 1,362,782	\$ 635,143	\$ (106,233)	\$ 528,910	\$ 22,038
Single Family 80'	107	\$ 8,100,983	\$ 3,775,571	\$ (1,417,515)	\$ 2,358,057	\$ 22,038
Totals	211	\$ 13,249,271	\$ 6,175,000	\$ (1,525,000)	\$ 4,650,000	

**Series 2024-B (AA2)**

Product Types	No. of Units *	Total Improvements	Allocation of Par	Par Debt Per Unit
		Costs Per Product Type	Debt Per Product Type	
Single Family 60'	124	\$ 8,494,665	\$ 8,300,000	\$ 66,935
Totals	124	\$ 8,494,665	\$ 8,300,000	

\* Unit mix is subject to change based on marketing and other factors

\*\* In order for debt service assessment levels to be consistent with market conditions, developer contributions are recognized. Based on the product type and number of units anticipated to absorb the Bond Principal, it is estimated that the CDD will recognize a developer contribution equal to \$1,525,000 in eligible infrastructure.

Prepared by: Governmental Management Services - Central Florida, LLC

**TABLE 6**  
**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**  
**PAR DEBT AND ANNUAL ASSESSMENTS FOR EACH PRODUCT TYPE**  
**SUPPLEMENTAL ASSESSMENT METHODOLOGY FOR THE PHASE 1-3 TRACT**

**Series 2024-A (AA1)**

Product Types	No. of Units *	Allocation of Par		Maximum Annual Debt Service	Net Annual Debt Assessment Per Unit	Gross Annual Debt Assessment Per Unit (1)
		Debt Per Product Type	Total Par Debt Per Unit			
Single Family 50'	80	\$ 1,763,033.18	\$ 22,037.91	\$ 131,600.00	\$ 1,645.00	\$ 1,750.00
Single Family 60'	24	\$ 528,909.95	\$ 22,037.91	\$ 39,480.00	\$ 1,645.00	\$ 1,750.00
Single Family 80'	107	\$ 2,358,056.87	\$ 22,037.91	\$ 176,015.00	\$ 1,645.00	\$ 1,750.00
Totals	211	\$ 4,650,000.00		\$ 347,095.00		

**Series 2024-B (AA2)**

Product Types	No. of Units *	Allocation of Par		Maximum Annual Debt Service	Net Annual Debt Assessment Per Unit	Gross Annual Debt Assessment Per Unit (1)**
		Debt Per Product Type	Total Par Debt Per Unit**			
Single Family 60'	124	\$ 8,300,000.00	\$ 66,935.48	\$ 618,933.60	\$ 4,991.40	\$ 5,310.00
Totals	124	\$ 8,300,000.00		\$ 618,933.60		

(1) This amount includes collection fees and early payment discounts when collected on the County Property Tax Bill

\* Unit mix is subject to change based on marketing and other factors

\*\*The Developer plans to make prepayments to redeem approximately \$5.5 million of the Series 2024 Bonds. After such prepayments are made, the Series 2024 Assessments are expected to be reduced to approximately \$1,750 for a lot within Phase 2 of the Development.

Prepared by: Governmental Management Services - Central Florida, LLC

TABLE 7  
 GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT  
 PRELIMINARY ASSESSMENT ROLL  
 SUPPLEMENTAL ASSESSMENT METHODOLOGY FOR THE PHASE 1-3 TRACT

**Series 2024-A (AA1)**

Owner	Parcel ID	Total Par Debt Allocated	Net Annual Debt Assessment Allocation	Gross Annual Debt Assessment Allocation (1)
LIGHTBURN WINSTON	38-12-31-7220-00000-0010	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
NICOLE-GOLDBERG VIVIAN L & RANDY M GOLDBERG TRUSTEES	38-12-31-7220-00000-0020	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
CURLY ROBERT E JR & GWENDOLIN A H&W	38-12-31-7220-00000-0030	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BOHAN ELIZABETH MARIE	38-12-31-7220-00000-0040	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
KANCELARIC MICHAEL J & THERESA DENISE H&W	38-12-31-7220-00000-0050	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ENGELER RALPH & LINDA H&W	38-12-31-7220-00000-0060	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
WOLFE FREDERICK C	38-12-31-7220-00000-0070	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
VUCICH KARL W & CHERYL GOLDBERG H&W	38-12-31-7220-00000-0080	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
WILLIAMS JONATHAN L	38-12-31-7220-00000-0090	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ETHEREDGE RICHARD K	38-12-31-7220-00000-0100	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
CHITALE ROHIT ARVIND	38-12-31-7220-00000-0110	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BULA MARK	38-12-31-7220-00000-0120	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
LONG CHARLES EDWARD JR	38-12-31-7220-00000-0130	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ROBINETTE TODD	38-12-31-7220-00000-0140	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ALLEN AMY	38-12-31-7220-00000-0150	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
STROHL JAMES	38-12-31-7220-00000-0160	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
HU YUNXIA	38-12-31-7220-00000-0170	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
WINSTEAD CHARLES K	38-12-31-7220-00000-0180	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
NIERSTEDT KELLY ANN	38-12-31-7220-00000-0190	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
LISTER BRENT E	38-12-31-7220-00000-0200	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PEPPY TERRENCE & KELLY H&W	38-12-31-7220-00000-0210	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MCKEEVER DOUGLAS E & BARBARA A TRUSTEES	38-12-31-7220-00000-0220	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BACON GARY J	38-12-31-7220-00000-0230	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
CONTRERAS MIGUEL	38-12-31-7220-00000-0240	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MARCUS ALLEN HOMES INC	38-12-31-7220-00000-0250	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
RODRIGUEZ RAFAEL	38-12-31-7220-00000-0260	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
CUSHING NANCY I	38-12-31-7220-00000-0270	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
FAZZOLARI GLORIA	38-12-31-7220-00000-0280	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BRIGHTWAY AB LLC	38-12-31-7220-00000-0290	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MIDLAND TRUST COMPANY	38-12-31-7220-00000-0300	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
SPITZ DANIEL & BETH THALLER-SPITZ H&W	38-12-31-7220-00000-0310	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
EMERSON ROBERT E & KRYA L H&W	38-12-31-7220-00000-0320	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
LOIS EVIS H	38-12-31-7220-00000-0330	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MARCUS ALLEN HOMES INC	38-12-31-7220-00000-0340	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MARIN STEPHEN F & DOLORES A H&W	38-12-31-7220-00000-0350	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ADAMS MICHAEL KENNETH	38-12-31-7220-00000-0360	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
CHIUMENTO MICHAEL D III	38-12-31-7220-00000-0370	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
OCHIPA RYAN & JENNIFER	38-12-31-7220-00000-0380	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MICHAELSEN PETER H & DEBORAH J MURRAY H&W	38-12-31-7220-00000-0390	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00

Owner	Parcel ID	Total Par Debt	Net Annual Debt	Gross Annual Debt
		Allocated	Assessment Allocation	Assessment Allocation (1)
YORK RON TRUSTEE	38-12-31-7220-00000-0400	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
REIT LLC	38-12-31-7220-00000-0410	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
GONZALEZ ROBERTO JOSE	38-12-31-7220-00000-0420	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ASHMAN DAVID & MARIAN S FEDER	13-12-31-7201-00000-0430	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
FRIEDMAN DAVID HARRY	13-12-31-7201-00000-0440	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ANDERSON ROBERT JAMES & WENDY BEATH H&W	13-12-31-7201-00000-0450	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
WDMHC ENTERPRISES LLC	13-12-31-7201-00000-0460	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
JOHNSON BENJAMIN H	13-12-31-7201-00000-0470	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
HAHN NANCY ANNE	13-12-31-7201-00000-0480	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
RICHARDSON J JASON	13-12-31-7201-00000-0490	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
GUENETTE DONALD E JR & JOYCE L KELLY H&W	13-12-31-7201-00000-0500	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
SERRER WOLF	13-12-31-7201-00000-0510	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
LEPORE MARCUS	13-12-31-7201-00000-0520	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
EGOLF ERIC DAVID	13-12-31-7201-00000-0530	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PACE KEVIN & INGRID H&W	13-12-31-7201-00000-0540	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BREWINGTON JEFF	13-12-31-7201-00000-0550	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
SELMAN SAMIRA	13-12-31-7201-00000-0560	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
LAYMAN HAROLD E & SANDRA K H&W	13-12-31-7201-00000-0570	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
COX JOHN D & GLENDA SCOTT H&W	13-12-31-7201-00000-0580	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
HARRIS ANDREW A	13-12-31-7201-00000-0590	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ADDAIR STEVEN H & DEBORAH D S ADDAIR H&W	13-12-31-7201-00000-0600	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
SWYMER ROBERT C & MELISSA H&W	13-12-31-7201-00000-0610	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BORGES MANUEL & ROXANA LIA H&W	13-12-31-7201-00000-0620	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
WILLIAM JACOB SURESH	13-12-31-7201-00000-0630	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
WILLIAM JACOB SURESH	13-12-31-7201-00000-0640	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ROWE SEAMUS	13-12-31-7201-00000-0650	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ROWE SEAMUS	13-12-31-7201-00000-0660	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BK2 CONSTRUCTION LLC	13-12-31-7201-00000-0670	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
THEODOROPOULOS NIKOS	13-12-31-7201-00000-0680	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
VERANDA BAY LLC	13-12-31-7201-00000-0690	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
DAVIDSON DUANE & JULIE H&W	13-12-31-7201-00000-0700	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
SUTTON BARBARA C TRUSTEE	13-12-31-7201-00000-0710	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MAGRONE NICHOLAS B TRUSTEE	13-12-31-7201-00000-0720	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
HILL LORI-ANNE	13-12-31-7201-00000-0730	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
SKY HIGH INVESTMENTS LLC	13-12-31-7201-00000-0740	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
KARAS ADRIAN M	13-12-31-7201-00000-0750	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
QUANING STEPHEN J & LISA PATTANAYAK H&W	13-12-31-7201-00000-0760	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
STEWART STACY RAY	13-12-31-7201-00000-0770	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PAUL DEVANAND	13-12-31-7201-00000-0780	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
FEMIA ROBERT & PATRICIA T H&W	13-12-31-7201-00000-0790	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
EGIZI DANIELLE J	13-12-31-7201-00000-0800	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
CROUSER HENRY	13-12-31-7201-00000-0810	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BLANDFORD JUSTIN JAMES	13-12-31-7201-00000-0820	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PAUL AARON DEVENDRA	13-12-31-7201-00000-0830	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MCCREA WILLIAM ARTHUR & KRISTY MARIE H&W	13-12-31-7201-00000-0840	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00



Owner	Parcel ID	Total Par Debt	Net Annual Debt	Gross Annual Debt
		Allocated	Assessment Allocation	Assessment Allocation (1)
LAYMAN HAROLD E & SANDRA K H&W	13-12-31-7201-00000-0850	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ANANTH KUMAR & ARUNA H&W	13-12-31-7201-00000-0860	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BAYER JOHANNES	13-12-31-7201-00000-0870	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PELLETTI MARILYN BROOKS TRUSTEE	13-12-31-7201-00000-0880	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
VOLUSIA RESIDENTIAL CONSTRUCTION LLC	13-12-31-7201-00000-0890	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
KAUFMAN MARK C	13-12-31-7201-00000-0900	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
OLSEN CUSTOM HOMES AND CONSULTING INC	13-12-31-7201-00000-0910	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PECE CAROLE J	13-12-31-7201-00000-0920	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
KULESA JOHN EVAN & JEANNE MARIE H&W	13-12-31-7201-00000-0930	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
FERGUSON JULIE	13-12-31-7201-00000-0940	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
VOLUSIA RESIDENTIAL CONSTRUCTION LLC	13-12-31-7201-00000-0950	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
GOUHAS MICHAEL & DOREEN BIESENTHAL-GOUHAS H&W	13-12-31-7201-00000-0960	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
TOOR PARDEEP & RENA H&W	13-12-31-7201-00000-0970	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MISCH ERIC R & JACQUELINE H&W	13-12-31-7201-00000-0980	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
DE LEON ERIKA GRISSEL MANON	38-12-31-7220-00000-0990	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	38-12-31-7220-00000-1000	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
VOLUSIA RESIDENTIAL CONSTRUCTION LLC	38-12-31-7220-00000-1010	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
WILLIAMS SHANE MICHAEL & PAMELA EFSTRATIOS H&W	38-12-31-7220-00000-1020	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BLANK MICHAEL H & LORI A H&W	38-12-31-7220-00000-1030	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ESPARZA CLAUDIA	38-12-31-7220-00000-1040	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MIDLAND TRUST COMPANY	38-12-31-7220-00000-1050	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
SOTO EDWIN & DAISY H&W	38-12-31-7220-00000-1060	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
RODRIGUEZ JOSE A & CATALINA M H&W	38-12-31-7220-00000-1070	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
JTR INVS VERANDA 99 LLC	38-12-31-7220-00000-1080	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
TOLEDO ALEJANDRO	38-12-31-7220-00000-1090	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
EQUITY TRUST COMPANY FBO JODI SANTANGELO IRA	38-12-31-7220-00000-1100	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
BERRY JUAN & CAMILA RINCON H&W	38-12-31-7220-00000-1110	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
SERRANO REY ESTEBAN & GRICELDA DIAZ H&W	38-12-31-7220-00000-1120	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
WHITE ASUNCION	38-12-31-7220-00000-1130	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
WALKER MILFORD D III & DEBRA L H&W	38-12-31-7220-00000-1140	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PACIFIC PREMIER TRUST	38-12-31-7220-00000-1150	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
RAVELO REINIER	38-12-31-7220-00000-1160	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	38-12-31-7220-00000-1170	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
JANSSENS PABLO & MINA H&W	38-12-31-7220-00000-1180	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
GALLAGHER STEPHEN J	38-12-31-7220-00000-1190	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MARTINEZ REINALDO A & MABEL G H&W	38-12-31-7220-00000-1200	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MOUNTAIN WEST IRA INC	38-12-31-7220-00000-1210	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
THARAMAPALAN JAYAPREGASHAM	38-12-31-7220-00000-1220	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1230	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1240	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1250	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1260	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1270	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1280	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1290	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00

Owner	Parcel ID	Total Par Debt	Net Annual Debt	Gross Annual Debt
		Allocated	Assessment Allocation	Assessment Allocation (1)
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1300	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1310	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1320	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1330	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1340	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1350	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1360	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1370	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1380	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1390	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1400	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1410	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1420	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1430	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1440	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
STEWART STACY RAY	13-12-31-7202-00000-1450	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
STEWART STACY RAY	13-12-31-7202-00000-1460	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1470	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1480	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1490	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1500	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
KONDAPALLI SRINIVAS & CHAMUNDESWARI H&W	13-12-31-7202-00000-1510	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
DAIMLER MATTHEW C & RACHEL A H&W	13-12-31-7202-00000-1520	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1530	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1540	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MONTGOMERY STEVEN R & GINA K H&W	13-12-31-7202-00000-1550	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
KOHBERGER THOMAS P & LINDA M H&W	13-12-31-7202-00000-1560	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1570	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1580	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1590	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
HSUN HENRY & WILLIAM NEVINS WORLEY IV AMC	13-12-31-7202-00000-1600	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ANZALDI PROPERTIES FLORIDA LLC	13-12-31-7202-00000-1610	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1620	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1630	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1640	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1650	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
STEWARTSON HERBERT & SHANNON H&W	13-12-31-7202-00000-1660	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
CONNORS SEAN J & JULIE L H&W	13-12-31-7202-00000-1670	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
REY HERNAN	13-12-31-7202-00000-1680	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
TID SERVICES INC	13-12-31-7202-00000-1690	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MIDLAND TRUST COMPANY	13-12-31-7202-00000-1700	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ABATE FRANCESCO & LAURA ANN H&W	13-12-31-7202-00000-1710	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1720	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
AARON KEITH M & KAREN A H&W	13-12-31-7202-00000-1730	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
LOIS EVIS H & CIRA E H&W	13-12-31-7202-00000-1740	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00

Owner	Parcel ID	Total Par Debt	Net Annual Debt	Gross Annual Debt
		Allocated	Assessment Allocation	Assessment Allocation (1)
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1750	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1760	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
YOUNGS MARY ELLEN	13-12-31-7202-00000-1770	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1780	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1790	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1800	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1810	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1820	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1830	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1840	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
ANDERSON ROBERT J & WENDY B H&W	13-12-31-7202-00000-1850	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1860	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MCKEEVER DOUGLAS E TRUSTEE	13-12-31-7202-00000-1870	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
SHEFFIELD GARY & DONNA H&W	13-12-31-7202-00000-1880	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1890	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1900	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1910	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
SWYMER ROBERT C & MELISSA H&W	13-12-31-7202-00000-1920	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
LONG CHARLES E JR & DENISE M H&W	13-12-31-7202-00000-1930	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
MIDLAND TRUST COMPANY	13-12-31-7202-00000-1940	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
LINGAM CHANDRA SEKHAR & PADMAVATHI H&W	13-12-31-7202-00000-1950	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7202-00000-1960	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PAUL JOSEPH W & MELODY S H&W	13-12-31-7202-00000-1970	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1980	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-1990	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2000	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2010	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2020	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2030	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2040	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2050	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2060	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2070	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2080	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2090	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2100	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
PALM COAST INTRACOASTAL LLC	13-12-31-7203-00000-2110	\$ 22,037.91	\$ 1,645.00	\$ 1,750.00
<b>Totals</b>		<b>\$ 4,650,000.00</b>	<b>\$ 347,095</b>	<b>\$ 369,250</b>

**Series 2024-A (AA1)**

Annual Assessment Periods	30
Average Coupon Rate (%)	6.25%
Maximum Annual Debt Service	\$347,095.00

**Series 2024-B (AA2)**

Owner	Parcel ID	Total Par Debt Allocated	Net Annual Debt Assessment Allocation	Gross Annual Debt Assessment Allocation (1)	Net Annual Debt Assessment Allocation	Gross Annual Debt Assessment Allocation (1)
Owner	Property*	Acres	Total Par Debt Allocation Per Acre	Total Par Debt Allocated	Net Annual Debt Assessment Allocation	Gross Annual Debt Assessment Allocation (1)
PALM COAST INTRACOASTAL LLC	Phase 2	38.73	\$ 214,304	\$ 8,300,000	\$ 618,934	\$ 658,440
Totals		38.73		\$ 8,300,000	\$ 618,934	\$ 658,440

(1) This amount includes 6% to cover collection fees and early payment discounts when collected utilizing the uniform method

**Series 2024-B (AA2)**

Annual Assessment Periods	30
Average Coupon Rate (%)	6.25%
Maximum Annual Debt Service	\$618,934

\* - See Metes and Bounds for Assessment Area Two, attached as Exhibit A

Exhibit A

**PHASE 2**

**PHASE 2B**

A PORTION OF SECTIONS 13 AND 38, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY (STATE ROAD 201 AND A 100 FOOT RIGHT OF WAY) AND THE NORTH LINE OF SAID SECTION 38; THENCE SOUTH 18°10'14" EAST ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 331.23 FEET; THENCE NORTH 71°49'46" EAST, DEPARTING FROM SAID RIGHT OF WAY LINE, A DISTANCE OF 400.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 71°49'46" EAST, A DISTANCE OF 370.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 325.00 FEET; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 50.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 20.01 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°32'14"; THENCE NORTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 12°24'08" WEST AND A CHORD DISTANCE OF 5.03 FEET TO A POINT ON SAID CURVE; THENCE NORTH 71°49'46" EAST, A DISTANCE OF 119.50 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 809.39 FEET; THENCE SOUTH 01°32'26" WEST, A DISTANCE OF 49.29 FEET; THENCE SOUTH 88°27'34" WEST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 01°32'26" EAST, A DISTANCE OF 20.00 FEET; THENCE NORTH 88°27'34" EAST, A DISTANCE 140.00 FEET; THENCE SOUTH 01°32'26" EAST, A DISTANCE OF 384.95 FEET; SOUTH 18°10'14" EAST, A DISTANCE OF 935.73 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 20.00 FEET; THENCE NORTH 71°49' 46" EAST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 24.44 FEET TO THE POINT OF CURVE OF A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 365.00 FEET AND A CENTRAL ANGLE OF 34°46'50"; THENCE SOUTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 221.57 FEET AND SUBTENDED BY CHORD BEARING OF SOUTH 00°46'49" EAST AND A CHORD DISTANCE OF 218.18 FEET TO THE POINT OF TANGENT OF SAID CURVE; THENCE SOUTH 16°36'36" WEST, A DISTANCE OF 18.72 FEET; THENCE NORTH 73°23'24" WEST, A DISTANCE OF 139.49 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 11°32'13"; THENCE NORTHERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 10°50'29" EAST AND A CHORD DISTANCE OF 5.03 FEET TO A POINT ON SAID CURVE; THENCE NORTH 73°28'41" WEST, A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 12°16'44"; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.36 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 22°44'58" WEST AND A CHORD DISTANCE OF 5.35 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 495.00 AND A CENTRAL ANGLE OF 16°23'29"; THENCE WESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 141.61 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 79°46'17" WEST AND A CHORD DISTANCE OF 141.13 FEET TO A POINT ON SAID CURVE; THENCE NORTH 02°02'07" EAST, A DISTANCE OF 77.22 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 50.30 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 80.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 1800.00 FEET TO THE POINT OF BEGINNING. CONTAINING 21.82 ACRES, MORE OR LESS.

**PHASE 2C**

A PORTION OF SECTION 38, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY (STATE ROAD 201 AND A 100 FOOT RIGHT OF WAY) AND THE NORTH LINE OF SAID SECTION 38; THENCE SOUTH 18°10'14" EAST ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 331.23 FEET TO THE POINT OF BEGINNING; THENCE NORTH 71°49'46" EAST, DEPARTING FROM SAID RIGHT OF WAY LINE, A DISTANCE OF 400.00 FEET; THENCE SOUTH 18°10'14" EAST, A DISTANCE OF 1906.48 FEET TO A POINT ON A CURVE OF A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 495.00 FEET AND A CENTRAL ANGLE OF 14°32'52"; THENCE WESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 125.68 FEET AND SUBTENDED BY A CHORD BEARING OF SOUTH 78°18'07" WEST AND A CHORD DISTANCE OF 125.35 FEET TO A POINT OF A CURVE OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 10°55'26"; THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 4.77 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 23°37'58" WEST AND A CHORD DISTANCE OF 4.76 FEET; THENCE; THENCE SOUTH 72°11'12" WEST, A DISTANCE OF 50.00 FEET; THENCE NORTH 18°10'14" WEST, A DISTANCE OF 87.31 FEET; THENCE SOUTH 71°49'46" WEST, A DISTANCE OF 225.00 FEET TO THE INTERSECTION WITH THE AFOREMENTIONED EAST RIGHT OF WAY LINE OF JOHN ANDERSON HIGHWAY; THENCE NORTH 18°10'14" WEST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 1800.00 FEET TO THE POINT OF BEGINNING. CONTAINING 16.91 ACRES, MORE OR LESS.

**THE GARDENS**

**LEGAL DESCRIPTION - ASSESSMENT AREA TWO**

**PARKER MYNCHENBERG  
& ASSOCIATES, INC.**

PROFESSIONAL ENGINEERS \* LANDSCAPE ARCHITECTS

1729 RIDGEWOOD AVENUE HOLLY HILL, FLORIDA 32117

(386) 677-6891 FAX (386) 677-2114 E-MAIL: info@parkermynchenberg.com

CERTIFICATE OF AUTHORIZATION NUMBER 00003910

**EXHIBIT D**

04/22/2024

# SECTION D

RESOLUTION 2024-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$7,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS (ASSESSMENT AREA ONE) SERIES 2024-1, IN ONE OR MORE SERIES (THE "SERIES 2024-1 BONDS"); DETERMINING CERTAIN DETAILS OF THE SERIES 2024-1 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE SERIES 2024-1 BONDS; APPOINTING THE UNDERWRITER; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT OF PURCHASE WITH RESPECT TO THE SERIES 2024-1 BONDS AND AWARDING THE SERIES 2024-1 BONDS TO THE UNDERWRITER NAMED THEREIN PURSUANT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2024-1 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; APPOINTING A DISSEMINATION AGENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT, AND PROVIDING FOR THE APPLICATION OF THE SERIES 2024-1 BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2024-1 BONDS; MAKING CERTAIN DECLARATIONS; PROVIDING FOR THE REGISTRATION OF THE SERIES 2024-1 BONDS PURSUANT TO THE DTC BOOK-ENTRY SYSTEM; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

WHEREAS, Gardens at Hammock Beach Community Development District (the "District") is a local unit of special-purpose government organized and existing in accordance

with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created by Ordinance No. 2006-21 of the Board of County Commissioners of Flagler County, Florida, enacted, and effective on October 9, 2006; and

**WHEREAS**, the District was created for the purpose of delivering certain community development services and facilities within and outside its boundaries, and the District has decided to undertake the planning, acquisition, construction, equipping and installation of roadway improvements, bridges, stormwater management systems and landscape/hardscape improvements and other public infrastructure improvements, pursuant to the Act; and

**WHEREAS**, the District duly adopted Resolution No. 2020-02 on December 16, 2019 (the "Initial Resolution"), authorizing, among other things, the issuance in one or more series of not to exceed \$48,200,000 aggregate principal amount of its Special Assessment Bonds and appointed U.S. Bank Trust Company, National Association as Trustee (the "Trustee") under the Master Trust Indenture (the "Master Indenture") by and between the District and the Trustee; and

**WHEREAS**, the District has determined to issue its Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One) Series 2024-1, in one or more series, (the "Series 2024-1 Bonds"), for the purpose, among other things, of providing funds for the payment of the Costs of a portion of the Project described in the Engineer's Report as defined in the hereinafter described First Supplemental Trust Indenture (the "Project"); and

**WHEREAS**, there has been submitted to this meeting with respect to the issuance and sale of the Series 2024-1 Bonds and submitted to the Board of Supervisors of Gardens at Hammock Beach Community Development District (the "Board"):

(i) a form of First Supplemental Trust Indenture between the Trustee and the District attached hereto as **Exhibit A** (the "First Supplemental Indenture" and together with the Master Indenture between the District and the Trustee, the "Indenture"); and

(ii) a form of Bond Purchase Agreement with respect to the Series 2024-1 Bonds between MBS Capital Markets, LLC (the "Underwriter") and the District attached hereto as **Exhibit B** (the "Contract of Purchase"), together with the form of disclosure statements attached to the Contract of Purchase in accordance with Section 218.385, Florida Statutes; and

(iii) the form of Preliminary Limited Offering Memorandum attached hereto as **Exhibit C** (the "Preliminary Limited Offering Memorandum"); and

(iv) a form of Continuing Disclosure Agreement, among the District, Palm Coast Intracoastal, LLC, a Florida limited liability company (the "Developer") and Veranda Bay Investments, LLC, a Florida limited liability company (collectively, the "Landowner") and the Dissemination Agent (hereinafter defined), and joined in part by



the Trustee, Governmental Management Services – Central Florida, LLC, as the Disclosure Representative named therein, attached hereto as **Exhibit D**.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Gardens at Hammock Beach Community Development District, as follows:

**Section 1. Definitions.** All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed to them in the Indenture.

**Section 2. Authorization, Designation and Principal Amount of the Series 2024-1 Bonds.** There are hereby authorized and directed to be issued the District's Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One) Series 2024-1, in the aggregate principal amount of not to exceed \$7,000,000 for the purposes, among others, of providing funds for the payment of a portion of the Costs of the Project. The purchase price of the Series 2024-1 Bonds shall be received and receipted by the District, or the Trustee on behalf of the District, and the Trustee shall apply the proceeds of the Series 2024-1 Bonds as set forth in the First Supplemental Indenture and the final Limited Offering Memorandum (as defined below).

**Section 3. Designation of Attesting Members.** The Chair or the Secretary of the Board, or in the case of the absence of either or the inability to act of either, the Vice Chair or Assistant Secretaries and members of the Board (each individually a "Designated Member"), are hereby designated and authorized on behalf of the Board to attest to the seal of the Board and to the signature of the Chair or Vice Chair of the Board as they appear on the Series 2024-1 Bonds, the Indenture and any other documents which may be necessary or helpful in connection with the issuance and delivery of the Series 2024-1 Bonds and in connection with the application of the proceeds thereof.

**Section 4. Details of the Series 2024-1 Bonds.** The District hereby determines that the Series 2024-1 Bonds shall be dated, have such interest payment dates, have such maturities, have such redemption provisions and bear interest at such rates, all as provided in the Contract of Purchase and the final Limited Offering Memorandum.

**Section 5. Trust Indenture.** The District hereby approves and authorizes the execution by the Chair or any Designated Member and the Secretary and the delivery of the First Supplemental Indenture in substantially the form thereof attached hereto as **Exhibit A**, with such changes therein as shall be approved by the Chair or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of First Supplemental Indenture attached hereto.

**Section 6. Appointment of Underwriter; Negotiated Sale.** MBS Capital Markets, LLC is hereby appointed the Underwriter of the Series 2024-1 Bonds. The Series 2024-1 Bonds shall be sold by a negotiated sale to the Underwriter. It is hereby determined by the District that a negotiated sale of the Series 2024-1 Bonds to the Underwriter will best effectuate the purposes of the Act, is in the best interest of the District and is necessitated by, in general, the characteristics

of the issue and prevailing market conditions and specifically, the following additional reasons: (i) because of the complexity of the financing structure of the Series 2024-1 Bonds and the institutional market for unrated securities such as the Series 2024-1 Bonds, it is desirable to sell the Series 2024-1 Bonds pursuant to a negotiated sale so as to have an underwriter involved from the outset of the financing to assist in these matters; (ii) because of changing market conditions for tax-exempt bonds and the necessity of being able to adjust the terms of the Series 2024-1 Bonds, it is in the best interests of the District to sell the Series 2024-1 Bonds by a negotiated sale; (iii) the Underwriter has participated in structuring the issuance of the Series 2024-1 Bonds and can assist the District in attempting to obtain the most attractive financing for the District; and (iv) the District will not be adversely affected if the Series 2024-1 Bonds are not sold pursuant to a competitive sale.

**Section 7. Contract of Purchase.**

(i) The District hereby approves the form of the Contract of Purchase submitted by the Underwriter and attached as **Exhibit B** hereto, and the sale of the Series 2024-1 Bonds by the District upon the terms and conditions to be set forth in the Contract of Purchase and in compliance with subparagraph (ii) below are hereby approved. Provided the provisions of subparagraph (ii) have been complied with, the Chair or a Designated Member are each hereby authorized, acting individually, to execute the Contract of Purchase and to deliver the Contract of Purchase to the Underwriter. The Contract of Purchase shall be in substantially the form of the Contract of Purchase attached hereto as **Exhibit B** with such changes, amendments, modifications, omissions and additions as may be approved by the Chair or the Designated Member. The disclosure statements of the Underwriter as required by Section 218.385 of the Florida Statutes, to be delivered to the District prior to the execution of the Contract of Purchase, a copy of which is attached as an exhibit to the Contract of Purchase will be entered into the official records of the District. Execution by the Chair or a Designated Member of the Contract of Purchase shall be deemed to be conclusive evidence of approval of such changes;

(ii) Receipt by the Chair of a written offer to purchase the Series 2024-1 Bonds by the Underwriter substantially in the form of the Contract of Purchase, said offer to provide for, among other things, (A) the issuance of not exceeding \$7,000,000 initial aggregate principal amount of Series 2024-1 Bonds at the maximum statutory rate, (B) an underwriting discount (including management fee and all expenses but excluding original issue discount) not in excess of 2% of the par amount of the Series 2024-1 Bonds, and (C) the maturities of the Series 2024-1 Bonds not exceeding May 1, 2056.

**Section 8. Preliminary Limited Offering Memorandum; Final Limited Offering Memorandum.** The District hereby authorizes and approves the distribution and use of the Preliminary Limited Offering Memorandum in substantially the form submitted to this meeting and attached hereto as **Exhibit C** in connection with the limited offering for sale of the Series 2024-1 Bonds. The preparation of a final Limited Offering Memorandum is hereby approved and

the Chair or any Designated Member is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the Series 2024-1 Bonds, and upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2024-1 Bonds. The final Limited Offering Memorandum shall be substantially in the form as the Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chair or Designated Member as necessary to conform to the details of the Series 2024-1 Bonds, the Contract of Purchase and such other insertions, modifications and changes as may be approved by the Chair or Designated Member. The execution and delivery of the final Limited Offering Memorandum by the Chair shall constitute evidence of the approval thereof. The District hereby authorizes the use of the final Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the Series 2024-1 Bonds. The District hereby authorizes the Chair or a Designated Member to deem "final" the Preliminary Limited Offering Memorandum except for permitted omissions all within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 and to execute a certificate in that regard. The District hereby authorizes the use of a draft of the Supplemental Assessment Methodology Report in the Preliminary Limited Offering Memorandum.

**Section 9. Continuing Disclosure.** The District does hereby authorize and approve the execution and delivery of a Continuing Disclosure Agreement by the Chair or a Designated Member substantially in the form presented to this meeting and attached hereto as **Exhibit D** with the Landowner. The Continuing Disclosure Agreement is being executed by the District in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). Governmental Management Services – Central Florida, LLC is hereby appointed as the initial dissemination agent (the “Dissemination Agent”).

**Section 10. Application of Bond Proceeds.** The proceeds of the Series 2024-1 Bonds shall be applied to (i) paying a portion of the Costs of the Project, (ii) paying interest becoming due on the Series 2024-1 Bonds through November 1, 2024, (iii) funding the Series 2024-1 Debt Service Reserve Account, and (iv) paying the costs of issuance of the Series 2024-1 Bonds.

**Section 11. Further Official Action; Ratification of Prior and Subsequent Acts.** The Chair, the Secretary and each member of the Board of Supervisors of the District and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2024-1 Bonds, any documents required in connection with implementation of a book-entry system of registration, any other agreements with the Landowner or the Developer, and investment agreements relating to the investment of the proceeds of the Series 2024-1 Bonds and any agreements in connection with maintaining the exclusion of interest on the Series 2024-1 Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chair or the Secretary or Assistant Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District. The Secretary or

any Assistant Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chair or any Designated Member may, among other things, authorize the change of the date of any document accompanying this Resolution as an exhibit or incorporate the information and details related to the sale and pricing of the Series 2024-1 Bonds including any required changes to the District engineer's report or its assessment methodology. Execution by the Chair or a Designated Member of such document shall be deemed to be conclusive evidence of approval of such change of date or the incorporation of information and details relating to the sale and pricing of the Series 2024-1 Bonds. All of the acts and doings of such members of the Board, the officers of the District, and the agents and employees of the District, which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

**Section 12. Severability.** If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

**Section 13. Inconsistent Proceedings.** All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

**Section 14. Ratification of Initial Resolution.** Except to the extent hereby modified, the Initial Resolution of the District is hereby ratified, confirmed and approved in all respects.

**Section 15. Effective Date.** This Resolution shall take effect immediately upon its adoption.

PASSED in Public Session of the Board of Supervisors of Gardens at Hammock Beach Community Development District, this 17<sup>th</sup> day of May, 2024.

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**

Attest:

---

Secretary/Assistant Secretary,  
Board of Supervisors

---

Clint Smith, Chair,  
Board of Supervisors

# SECTION 1

**EXHIBIT A**

**FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE**

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**FIRST SUPPLEMENTAL TRUST INDENTURE**

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**BETWEEN**

**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT  
AND**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
as Trustee**

---

**Dated as of June 1, 2024**

---

**Authorizing and Securing**

**\$\_[\_\_\_\_\_]  
GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT  
Special Assessment Bonds  
(Assessment Area One), Series 2024-1**

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THIS FIRST SUPPLEMENTAL TRUST INDENTURE dated as of June 1, 2024 (the “First Supplemental Indenture”) between **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT** (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 laws of the United States of America, with its designated corporate trust office located at 500 West Cypress Creek Road, Suite 460, Fort Lauderdale, Florida 33309 (said banking association 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”) and by Ordinance No. 2006-21 of the Board of County Commissioners of Flagler County, Florida (the “County”), enacted, and effective on October 9, 2006, for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure, within and without the boundaries of the premises to be governed by the Issuer; and

**WHEREAS**, the premises governed by the Issuer (referred to herein as the “District Lands”) are described more fully in Exhibit A to the Master Trust Indenture dated as of June 1, 2024 (the “Master Indenture”), between the Issuer and the Trustee, and consists of approximately 953.37 acres of land located entirely within the County; and

**WHEREAS**, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of a portion of the capital improvement plan as described in the Engineer’s Report, hereinafter defined (the “Assessment Area One CIP”); and

**WHEREAS**, the Board of Supervisors of the Issuer (the “Board”) duly adopted Resolution No. 2020-02 on December 16, 2019, authorizing, among other things, the issuance of not to exceed \$48,200,000 aggregate principal amount of its Gardens at Hammock Beach Community Development District Special Assessment Bonds in order to pay all or a portion of its capital improvement plan, as herein described; and

**WHEREAS**, the Issuer’s Resolution No. 2024-[\_\_] was duly adopted by the Board on May 17, 2024, authorizing, among other things, the sale of its Special Assessment Bonds (Assessment Area One), Series 2024-1 (the “Series 2024-1 Bonds”) which are issued hereunder, as one Series of Bonds under, and as defined in, the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the Series 2024-1 Bonds and to set forth the terms of the Series 2024-1 Bonds; and

**WHEREAS**, the Issuer will apply the net proceeds of the Series 2024-1 Bonds to: (i) finance a portion of the Costs of the Assessment Area One CIP; (ii) pay certain costs

associated with the issuance of the Series 2024-1 Bonds; (iii) make a deposit into the Series 2024-1 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-1 Bonds; and (iv) pay the interest to become due on the Series 2024-1 Bonds through and including November 1, 2024; and

**WHEREAS**, the Series 2024-1 Bonds will be secured by a pledge of the Pledged Revenues (as hereinafter defined) to the extent provided herein, which Pledged Revenues consist primarily of the Series 2024-1 Special Assessments (as hereinafter defined) levied on that portion of the District Lands benefitted by the Assessment Area One CIP; and

**NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH**, that to provide for the issuance of the Series 2024-1 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 2024-1 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2024-1 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 the 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 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 2024-1 Bonds issued hereunder and any other amounts owed hereunder, and any Bonds issued on a parity with the Series 2024-1 Bonds, 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.

**IN TRUST NEVERTHELESS**, for the equal and ratable benefit and security of all present and future Owners of the Series 2024-1 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 2024-1 Bond over any other Series 2024-1 Bond, all as provided in the Indenture (as hereinafter defined), and any Bonds issued on a parity with the Series 2024-1 Bonds.

**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 2024-1 Bonds issued, and any Bonds issued on a parity with the Series 2024-1 Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2024-1 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 shall 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, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Acquisition Agreement" shall mean, one or more acquisition agreements pursuant to which the Issuer agrees to purchase certain work product, plans and improvements comprising all or a portion of the Assessment Area One CIP.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate of the Issuer, dated June 1, 2024, relating to certain restrictions on arbitrage under the Code.

"Assessment Consultant" shall mean, initially Governmental Management Services – Central Florida, LLC or such successor Assessment Consultant appointed by the Issuer.

"Assessment Methodology" shall mean, collectively, the Master Assessment Methodology for Assessment Area One for Gardens at Hammock Beach Community Development District dated July 15, 2022, as supplemented by the [Supplemental Assessment Methodology], dated [\_\_\_\_], [\_\_], 2024, each as prepared by the Assessment Consultant and relating to the Series 2024-1 Bonds, including, without limitation, all exhibits and appendices thereto. [Name of Report may need to be revised]

"Assessment Resolutions" shall mean Resolution Nos. 2022-02 and 2022-03 adopted by the Board on July 15, 2022, Resolution No. 2022-05 adopted by the Board on August 19, 2022, and Resolution No. 2024-[\_\_] adopted by the Board on [\_\_\_\_] [\_\_], 2024, as amended and supplemented from time to time.

"Authorized Denomination" shall mean, with respect to the Series 2024-1 Bonds, \$5,000 or any integral multiple thereof; provided however, that the Series 2024-1 Bonds shall be delivered to the initial purchasers thereof in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

"Capitalized Interest" shall mean interest due or to become due on the Series 2024-1 Bonds, which will be paid, or is expected to be paid, from the proceeds of the Series 2024-1 Bonds.

"Collateral Assignment" shall mean the Collateral Assignment and Assumption of Development and Contract Rights, dated June [\_\_\_], 2024, between the Issuer, the Developer and the Landowner.

"Completion Agreement" shall mean the Agreement by and Between the Issuer and the Landowner Regarding the Completion of Certain Improvements, dated June [\_\_\_], 2024, as such agreement may be modified from time to time.

"Declaration of Consent" shall mean the Declaration of Consent to Jurisdiction of Gardens at Hammock Beach Community Development District and to Imposition of Special Assessments for Series 2024-1 Bonds, dated June [\_\_\_], 2024, delivered by the Landowner.

"Developer" shall mean Palm Coast Intracoastal, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity.

"District Manager" shall mean the person or entity serving as the Issuer's District Manager from time to time. The initial District Manager shall be Governmental Management Services – Central Florida, LLC.

"Engineer's Report" shall mean the Gardens at Hammock Beach Community Development District Master Engineer's Report (Assessment Area One) dated July 12, 2022 as supplemented by the [Gardens at Hammock Beach Community Development District First Supplemental Engineer's Report (Assessment Area One)] dated [\_\_\_\_], 2024, each as prepared by Parker Mynchenberg & Associates, Inc. [Name of Report may need to be revised]

"First Supplemental Indenture" shall mean this First Supplemental Trust Indenture dated as of June 1, 2024, by and between the Issuer and the Trustee, as supplemented or amended.

"Indenture" shall mean, collectively, the Master Indenture and this First Supplemental Indenture.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing November 1, 2024.

"Landowner" shall mean the Developer and Veranda Bay Investments, LLC, a Florida limited liability company and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity.

"Paying Agent" shall mean the Trustee, and its successors and assigns as Paying Agent hereunder.

"Pledged Revenues" shall mean, with respect to the Series 2024-1 Bonds (a) all revenues received by the Issuer from the Series 2024-1 Special Assessments levied and collected on that

portion of the District Lands benefited by the Assessment Area One CIP, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2024-1 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "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 (A) and (B) of this proviso).

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1, and November 1.

"Registrar" shall mean the Trustee, and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth (15<sup>th</sup>) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date or the date on which the principal amount of the Series 2024-1 Bond is to be paid.

"Reserve Account Release Conditions" shall mean, collectively, that (i) all homes subject to Series 2024-1 Special Assessments have been built, sold and closed with end-users, (ii) all Series 2024-1 Special Assessments are being collected pursuant to the Uniform Method, and (iii) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2024-1 Bonds. Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer shall provide a written certification to the Trustee certifying that the events in clauses (i) and (ii) have occurred and affirming clause (iii) on which certifications the Trustee may conclusively rely (collectively, the "Reserve Release Certifications").

"Resolution" shall mean, collectively, Resolution No. 2020-02 of the Issuer adopted on December 16, 2019, as supplemented by Resolution No. 2024-[\_\_] of the Issuer adopted on May 17, 2024.

"Series 2024-1 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 2024-1 Bonds" shall mean Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1.

"Series 2024-1 Bond Redemption Fund" shall mean the Series 2024-1 Bond Redemption Fund established pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2024-1 Costs of Issuance Subaccount” shall mean the Subaccount so designated, established as a separate Subaccount within the Series 2024-1 Acquisition and Construction Account pursuant to Section 4.01(a) of this First Supplemental Indenture.

“Series 2024-1 Debt Service Reserve Account” shall mean the Account so designated, established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this First Supplemental Indenture.

“Series 2024-1 Debt Service Reserve Requirement” shall mean initially an amount equal to one hundred percent (100%) of the maximum annual Debt Service Requirements for all Outstanding Series 2024-1 Bonds, as of the time of any such calculation, which on the date of issuance of the Series 2024-1 Bonds is equal to \$[\_\_\_\_\_]. Upon receipt by the Trustee of the Reserve Release Certifications and thereafter, the Series 2024-1 Debt Service Reserve Requirement shall be an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirements for all Outstanding Series 2024-1 Bonds, as of the time of any such calculation. Excess amounts on deposit in the Series 2024-1 Debt Service Reserve Account as a result of the deposit of Series 2024-1 Prepayment Principal and/or as a result of the Reserve Account Release Conditions having been met shall be transferred, as directed by a Responsible Officer, as provided in Section 401 hereof.

“Series 2024-1 General Account” shall mean the Account so designated, established as a separate Account under the Series 2024-1 Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2024-1 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 2024-1 Prepayment” shall mean the payment by any owner of property of the amount of Series 2024-1 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the “true-up” mechanism contained in the Assessment Resolutions. “Prepayments” shall include, without limitation, Series 2024-1 Prepayment Principal.

“Series 2024-1 Prepayment Account” shall mean the Account so designated, established as a separate Account under the Series 2024-1 Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2024-1 Prepayment Principal” shall mean the portion of a Prepayment corresponding to the principal amount of Series 2024-1 Special Assessments being prepaid.

“Series 2024-1 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 2024-1 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 2024-1 Special Assessments” shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Assessment Area One CIP or any portion thereof, which assessments correspond in amount to the debt service on the Series 2024-1 Bonds.

"Substantially Absorbed" shall mean the date on which a principal amount of the Series 2024-1 Special Assessments equaling at least 90% of the then Outstanding principal amount of the Series 2024-1 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon.

“Trustee” shall mean U.S. Bank Trust Company, National Association, a national banking association, and its successors and assigns.

"True-Up Agreement" shall mean the Agreement between the Issuer and the Landowner regarding the true-up and payment of Series 2024-1 Assessments, dated June [\_\_\_], 2024.

"Underwriter" shall mean MBS Capital Markets, LLC, the underwriter of the Series 2024-1 Bonds.

“Uniform Method” shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the forms of Series 2024-1 Bonds), refer to the entire 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 a 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.

## **ARTICLE II**

### **THE SERIES 2024-1 BONDS**

SECTION 2.01. Amounts and Terms of Series 2024-1 Bonds; Issue of Series 2024-1 Bonds. No Series 2024-1 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 2024-1 Bonds that may be issued under this First Supplemental Indenture is expressly limited to \$[\_\_\_\_\_]. The Series 2024-1 Bonds shall be numbered consecutively from 2024-1R-1 and upwards.

(b) Any and all Series 2024-1 Bonds shall be issued substantially in the form attached as Exhibit C to the Master Indenture, 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 and this First Supplemental Indenture. The Issuer shall issue the Series 2024-1 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 written request, authenticate such Series 2024-1 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2024-1 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2024-1 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2024-1 Bonds 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 2024-1 Bonds.

(a) The Series 2024-1 Bonds are being issued hereunder in order to provide funds to (i) pay the Costs of a portion of the Assessment Area One CIP, (ii) fund the Series 2024-1 Debt Service Reserve Account, (iii) pay the costs of issuance of the Series 2024-1 Bonds, and (iv) to pay Capitalized Interest due on the Series 2024-1 Bonds through November 1, 2024. The Series 2024-1 Bonds shall be designated "Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2024-1 Bonds shall be dated the date of original issuance thereof. Interest on the Series 2024-1 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2024-1 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 November 1, 2024, in which case from the date of original issuance of the Series 2024-1 Bonds, 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 2024-1 Bonds, the

principal or Redemption Price of the Series 2024-1 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 2024-1 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 2024-1 Bonds, the payment of interest on the Series 2024-1 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2024-1 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 such Owner’s address as it appears on the Bond Register. Any interest on any Series 2024-1 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 2024-1 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 (5<sup>th</sup>) 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 2024-1 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 Interest Payment 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 Interest Payment Date.

SECTION 2.05. Debt Service on the Series 2024-1 Bonds.

(a) The Series 2024-1 Bonds will mature on May 1 in the years, be issued in the principal amounts and bear interest at the rates per annum, subject to the right of prior redemption in accordance with their terms, as follows.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1	\$	%

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1		

\$ %

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1		

\$ %

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1		

\$ %

Interest on the Series 2024-1 Bonds will be computed in all cases on the basis of a 360-day year comprised 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 2024-1 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2024-1 Bond Proceeds. From the proceeds of the Series 2024-1 Bonds received by the Trustee, which shall be \$[\_\_\_\_\_] (reflecting the aggregate principal amount of the Series 2024-1 Bonds, less/plus original issue discount/premium in the amount of \$[\_\_\_\_\_] and less an underwriter's discount in the amount of \$[\_\_\_\_\_] )::

(a) \$[\_\_\_\_\_] which is an amount equal to the initial Series 2024-1 Debt Service Reserve Requirement, shall be deposited in the Series 2024-1 Debt Service Reserve Account of the Debt Service Reserve Fund;

(b) \$[\_\_\_\_\_] shall be deposited into the Series 2024-1 Costs of Issuance Subaccount of the Series 2024-1 Acquisition and Construction Account and applied to pay costs of issuance of the Series 2024-1 Bonds;

(c) \$[\_\_\_\_\_] shall be deposited into the Series 2024-1 Interest Account and applied to pay Capitalized Interest on the Series 2024-1 Bonds through and including November 1, 2024; and

(d) \$[\_\_\_\_\_] constituting all remaining proceeds of the Series 2024-1 Bonds, shall be deposited in the Series 2024-1 Acquisition and Construction Account of the Acquisition and Construction Fund to be applied to pay Costs of the Assessment Area One CIP in accordance with Article V of the Master Indenture.

SECTION 2.07. Book-Entry Form of Series 2024-1 Bonds. The Series 2024-1 Bonds shall be issued as one fully registered bond per maturity 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.

The Issuer shall enter into a letter of representations with DTC providing for such book-entry only system, in accordance with the provisions of Section 2.11 of the Master Indenture. 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. If the Issuer does not replace DTC within sixty (60) days of such termination and, in all instances, prior to the next Interest Payment Date, the Trustee will, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Series 2024-1 Bonds in the form of fully registered Series 2024-1 Bonds in accordance with the instructions from Cede & Co. While the Series 2024-1 Bonds are registered in book-entry only, presentation of the Series 2024-1 Bonds is not necessary for payment thereon.

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 2024-1 Bonds, and hereby appoints the Trustee, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. The Trustee 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 the Trustee as Paying Agent for the Series 2024-1 Bonds. The Trustee hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to the Issuance of the Series 2024-1 Bonds. In addition to complying with the requirements set forth in Section 3.01 of the Master Indenture in connection with the issuance of the Series 2024-1 Bonds, all the Series 2024-1 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 copies of the Master Indenture and this First Supplemental Indenture;
- (c) The Opinion of Counsel to the Issuer required by the Master Indenture;
- (d) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2024-1 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;

(e) An Engineer's Certificate certifying as to the accuracy of the information set forth in the Engineer's Report regarding the Assessment Area One CIP;

(f) Executed copies of the Acquisition Agreement, Collateral Assignment Agreement, Completion Agreement and True-Up Agreement, if applicable; and

(g) A certificate of the Assessment Consultant as required by the Master Indenture.

Delivery to the Trustee of the net proceeds from the issuance and sale of the Series 2024-1 Bonds is conclusive evidence that the conditions precedent for authentication of the Series 2024-1 Bonds have been met to the satisfaction of the Underwriter and the Issuer.

### ARTICLE III REDEMPTION OF SERIES 2024-1 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2024-1 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 2024-1 Bonds shall be made on the dates hereinafter required. If less than all the Series 2024-1 Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2024-1 Bonds to be redeemed shall be selected as provided in Section 8.03 of the Master Indenture unless specifically provided herein. Partial redemptions of Series 2024-1 Bonds shall be made in such a manner that the remaining Series 2024-1 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2024-1 Bond of each maturity.

(a) Optional Redemption. The Series 2024-1 Bonds are subject to redemption prior to maturity at the option of the Issuer in whole or in part on any date on or after May 1, 20[\_\_\_], at the Redemption Price of the principal amount of the Series 2024-1 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2024-1 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

(i) on or after the Completion Date of the Assessment Area One CIP, pursuant to Section 4.01(a) hereof by application of moneys transferred from the Series 2024-1 Acquisition and Construction Account of the Acquisition and Construction Fund established under the Indenture to the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund in accordance with the terms of the Indenture; or

(ii) from amounts required by the Indenture to be deposited into the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund including, but not limited to, Series 2024-1 Prepayment Principal and any excess amounts in the Series 2024-1 Debt Service Reserve Account as a result of the deposit of such Series 2024-1 Prepayment Principal and any excess amount on deposit in the Series 2024-1 Debt Service Reserve Account resulting from a reduction in the Series 2024-1 Reserve Account Requirement; or

(iii) on the date on which the amount on deposit in the Series 2024-1 Debt Service Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024-1 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024-1 Bonds shall be called for redemption, the particular Series 2024-1 Bonds or portions of Series 2024-1 Bonds to be redeemed shall, unless otherwise provided in the Indenture, be selected by lot by the Registrar as provided in the Indenture.

(c) Mandatory Sinking Fund Redemption. The Series 2024-1 Bond maturing on May 1, 20[\_\_\_], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year May 1	Sinking Fund Installment	Year May 1	Sinking Fund Installment
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\* Final Maturity

The Series 2024-1 Bond maturing on May 1, 20[\_\_\_], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year May 1</u>	<u>Sinking Fund Installment</u>	<u>Year May 1</u>	<u>Sinking Fund Installment</u>
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\* Final Maturity

The Series 2024-1 Bond maturing on May 1, 20[\_\_\_], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>
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\*Final Maturity

The Series 2024-1 Bond maturing on May 1, [\_\_\_], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>
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\*Final Maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2024-1 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2024-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.



SECTION 3.02. Notice of Redemption. When required to redeem Series 2024-1 Bonds under any provision of this First Supplemental Indenture or directed to redeem Series 2024-1 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2024-1 Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

**ARTICLE IV**  
**ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS;**  
**ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL**  
**ASSESSMENT LIENS**

SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2024-1 Acquisition and Construction Account." Net proceeds of the Series 2024-1 Bonds shall be deposited into the Series 2024-1 Acquisition and Construction Account hereunder in the amounts set forth in Section 2.06 of this First Supplemental Indenture, together with any excess moneys transferred to the Series 2024-1 Acquisition and Construction Account. Such moneys in the Series 2024-1 Acquisition and Construction Account shall be applied as set forth in Article V of the Master Indenture and this Sections 4.01(a) and 3.01(b)(i) of this First Supplemental Indenture to pay costs to acquire and/or construct portions of the Assessment Area One CIP, or as otherwise provided herein after the Completion Date. Each requisition shall substantially be in the form of requisition is attached as **Exhibit D** to the Master Indenture. The Trustee shall have no duty to review the requisition to determine if the amount requested is for payment of a cost permitted hereunder. Earnings on investments in the 2024-1 Acquisition and Construction Account shall remain therein.

After the Completion Date of the Assessment Area One CIP, which shall not occur until the satisfaction of the Reserve Account Release Conditions and after transferring any resulting excess Series 2024-1 Debt Service Reserve Requirement from the Series 2024-1 Debt Service Reserve Account to the Series 2024-1 Acquisition and Construction Account, and after retaining in the Series 2024-1 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the Assessment Area One CIP set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the Series 2024-1 Acquisition and Construction Account shall be transferred to and deposited into the Series 2024-1 General Account of the Series 2024-1 Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2024-1 Bonds, and the Series 2024-1 Acquisition and Construction Account shall be closed. The Series 2024-1 Acquisition and Construction Account shall remain open until the Reserve Account Release Conditions have been satisfied.

There is hereby established within the Series 2024-1 Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2024-1 Costs of Issuance Subaccount." Amounts in the Series 2024-1 Costs of Issuance Subaccount shall be

applied by the Trustee to pay the costs relating to the issuance of the Series 2024-1 Bonds. Six months after the date of issuance of the Series 2024-1 Bonds, any moneys remaining in the Series 2024-1 Costs of Issuance Subaccount which have not been requisitioned by the Issuer to pay costs relating to the issuance of the Series 2024-1 Bonds shall be deposited into the Series 2024-1 Acquisition and Construction Account and applied as set forth in Article V of the Master Indenture and Section 4.01(a) of this First Supplemental Indenture, and the Series 2024-1 Costs of Issuance Subaccount shall be 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 2024-1 Revenue Account." Series 2024-1 Special Assessments (except for Series 2024-1 Prepayments which shall be identified as such by the Issuer to the Trustee to be deposited in the Series 2024-1 Prepayment Account) shall be deposited by the Trustee into the Series 2024-1 Revenue Account which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture.

(c) Reserved.

(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 2024-1 Interest Account." Net proceeds of the Series 2024-1 Bonds shall be deposited into the Series 2024-1 Interest Account in the amount set forth in Section 2.06(c) of this First Supplemental Indenture. Moneys deposited into the Series 2024-1 Interest Account shall be applied for the purposes provided therein and in Section 4.02 of this First Supplemental Indenture.

(e) 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 2024-1 Sinking Fund Account." Moneys shall be deposited into such Account as provided in Article VI 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 an Account within the Debt Service Reserve Fund designated as the "Series 2024-1 Debt Service Reserve Account."

The Series 2024-1 Debt Service Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2024-1 Debt Service Reserve Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2024-1 Debt Service Reserve Account shall be used only for the purpose of making payments into the Series 2024-1 Interest Account and the Series 2024-1 Sinking Fund Account to pay Debt Service Requirements on the Series 2024-1 Bonds, when due, to the extent the moneys on deposit in such Account and available therefor are insufficient and for no other purpose.

Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer of the Issuer shall provide the Reserve Release Certifications to the Trustee, upon which certifications

the Trustee may conclusively rely, and thereupon a Responsible Officer of the Issuer shall recalculate the Series 2024-1 Debt Service Reserve Requirement and instruct the Trustee to transfer any excess as a result of having met such Reserve Account Release Conditions to the Series 2024-1 Acquisition and Construction Account of the Acquisition and Construction Fund to be used for the purposes of such Account.

On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business Day preceding such forty-fifth (45th) day), the Issuer shall recalculate the Series 2024-1 Debt Service Reserve Requirement taking into account any Series 2024-1 Prepayment Principal on deposit in the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2024-1 Debt Service Reserve Account in excess of the Series 2024-1 Debt Service Reserve Requirement as a result of such Series 2024-1 Prepayment Principal to the Series 2024-1 Prepayment Account as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel. Following the foregoing transfer, such amounts in the Series 2024-1 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2024-1 Bonds on the earliest date permitted for redemption therein and herein. The Trustee is authorized to make such transfers and has no duty to verify such calculations.

On the earliest date on which there is on deposit in the Series 2024-1 Debt Service Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2024-1 Bonds, together with accrued interest on such Series 2024-1 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2024-1 Debt Service Reserve Account into the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund to pay and redeem all of the Outstanding Series 2024-1 Bonds on the earliest date permitted for redemption therein and herein.

Anything in the Master Indenture or herein to the contrary notwithstanding, amounts on deposit in the Series 2024-1 Debt Service Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of delinquent Series 2024-1 Special Assessments.

Earnings on investments in the Series 2024-1 Debt Service Reserve Account shall be disposed of as follows:

- (A) If as of the last date on which amounts on deposit in the Series 2024-1 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2024-1 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2024-1 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2024-1 Debt Service Reserve Account shall be deposited to the credit of the Series 2024-1 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2024-1 Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2024-1 Debt Service Reserve Account is not reduced below the then Series 2024-1 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the Completion Date of the Assessment Area One CIP, to the Series 2024-1 Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of the Assessment Area One CIP, to the Series 2024-1 Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2024-1 Debt Service Reserve Account shall remain therein.

(c) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2024-1 Bond Redemption Fund" and within such Fund, a "Series 2024-1 General Account" and a "Series 2024-1 Prepayment Account." Except as otherwise provided in this First Supplemental Indenture, moneys to be deposited into the Series 2024-1 Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2024-1 General Account of the Series 2024-1 Bond Redemption Fund. Series 2024-1 Prepayments shall be identified as such by the Issuer to the Trustee to then be deposited directly into the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund, as provided in the Indenture.

(d) Moneys in the Series 2024-1 General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2024-1 Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2024-1 General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture; and

SECOND, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2024-1 Bonds that are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Series 2024-1 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

(i) Moneys in the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(ii) hereof an amount of Series 2024-1 Bonds equal to the amount of money transferred to the Series 2024-1 Prepayment Account

pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in Section 3.01(b)(ii) hereof.

SECTION 4.02. Series 2024-1 Revenue Account. The Trustee shall deposit into the Series 2024-1 Revenue Account the Pledged Revenues, other than Series 2024-1 Prepayment Principal, which shall be identified by the Issuer to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund, and any other revenues required by other provisions of the Indenture to be deposited therein. The Trustee may conclusively rely on the assumption that, unless otherwise instructed in writing by the Issuer at the time of deposit to the Trustee, Pledged Revenues paid to the Trustee shall be deposited into the Series 2024-1 Revenue Account, and that Pledged Revenues which the Issuer informs the Trustee constitute Series 2024-1 Prepayment Principal shall be deposited into the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund.

On the forty-fifth (45th) day preceding each Quarterly Redemption Date with respect to the Series 2024-1 Bonds (or if such forty-fifth (45th) day is not a Business Day, on the Business Day preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund and, if the balance therein is greater than zero, shall, upon written direction from the Issuer, transfer from the Series 2024-1 Revenue Account for deposit into the Series 2024-1 Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next highest integral multiple of \$5,000 (provided that there are sufficient funds remaining therein to pay the Debt Service Requirements coming due on the Series 2024-1 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2024-1 Bonds in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2024-1 Prepayment Account in accordance with the provisions for extraordinary mandatory redemption of the Series 2024-1 Bonds set forth in Article III hereof.

Following the foregoing transfers, the Trustee shall transfer from amounts on deposit in the Series 2024-1 Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, no later than the Business Day preceding each May 1 and November 1, to the Series 2024-1 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2024-1 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2024-1 Interest Account representing Capitalized Interest in accordance with Section 4.01(d) and less any other amounts already on deposit in the Series 2024-1 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2024-1 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2024-1 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2024-1 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2024-1 Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2024-1 Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2024-1 Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2024-1 Interest Account the amount necessary to pay interest on the Series 2024-1 Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2024-1 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the balance on deposit in the Series 2024-1 Revenue Account on such November 2 shall (i) before the Completion Date of the Assessment Area One CIP, be transferred into the Series 2024-1 Acquisition and Construction Account, and (ii) on and after the Completion Date of the Assessment Area One CIP, be paid over to the Issuer at the written direction of a Responsible Officer and used for any lawful purpose of the Issuer; provided, however, that on the date of either such proposed transfer the Trustee shall not have received written notice of an Event of Default under the Indenture relating to the Series 2024-1 Bonds, and all Trustee's fees and expenses relating to the Series 2024-1 Bonds shall have been paid.

SECTION 4.03. Power to Issue Series 2024-1 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2024-1 Bonds, to execute and deliver the Indenture and to pledge the Pledged Revenues for the benefit of the Series 2024-1 Bonds to the extent set forth herein. 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 Series 2024-1 Bonds, except for Bonds issued to refund all or a portion of the Series 2024-1 Bonds. The Series 2024-1 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 2024-1 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Assessment Area One CIP to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete the Assessment Area One CIP, as described in the Engineer's Report, in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such amendment of the plans and specifications for the Assessment Area One CIP, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

SECTION 4.05. Prepayments; Removal of Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2024-1 Special Assessments may, at its option, or 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 reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2024-1 Special Assessments by paying to the Issuer all or a portion of the Series 2024-1 Special Assessment which shall constitute Series 2024-1 Prepayments as directed in writing by the Issuer pursuant to the provisions of Section 4.01(b) of this First Supplemental Indenture, plus accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within forty-five (45) calendar days before a Quarterly Redemption Date), attributable to the property subject to such Series 2024-1 Special Assessment owned by such owner; provided, however, to the extent that such payments are to be used to redeem Series 2024-1 Bonds in the event the amount in the Series 2024-1 Debt Service Reserve Account will exceed the Series 2024-1 Debt Service Reserve Requirement as a result of a Series 2024-1 Prepayment in accordance with Section 4.01(f) and the resulting redemption of Series 2024-1 Bonds in accordance with Section 3.01(b)(ii) of this First Supplemental Indenture, the excess amount above the Series 2024-1 Debt Service Reserve Requirement shall be transferred from the Series 2024-1 Debt Service Reserve Account to the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund, as a credit against the Series 2024-1 Prepayment otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer together with a certificate of a Responsible Officer of the Issuer stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2024-1 Debt Service Reserve Account to equal or exceed the Series 2024-1 Debt Service Reserve Requirement and accompanied by cash flows which demonstrate that, after giving effect to the proposed redemption of Series 2024-1 Bonds, there will be sufficient Pledged Revenues to pay the principal and interest, when due, on all Series 2024-1 Bonds that will remain Outstanding. The written instructions shall be delivered to the Trustee on or before the 46th day prior to a Quarterly Redemption Date. The Trustee is authorized to make such transfers as provided in this section and has no duty to verify such calculations.

(b) Upon receipt of Series 2024-1 Prepayments as described in paragraph (a) above, which includes accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within forty-five (45) calendar days before a Quarterly Redemption Date), subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2024-1 Prepayment 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 the District Manager, to the effect that the Series 2024-1 Special Assessment has been paid in whole or in part and that such Series 2024-1 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Series 2024-1 Prepayment Account of the Series 2024-1 Bond Redemption Fund to be

applied in accordance with Section 4.01(h)(i) of this First Supplemental Indenture, to the redemption of Series 2024-1 Bonds in accordance with Section 3.01(b)(ii) of this First Supplemental Indenture.

The Trustee shall conclusively rely on the Issuer's determination of what moneys constitute Series 2024-1 Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2024-1 Bonds pursuant to Section 3.01(b)(ii) of this First Supplemental Indenture on each March 15, June 15, September 15 and December 15.

## **ARTICLE V ADDITIONAL COVENANTS OF THE ISSUER**

SECTION 5.01. Collection of Series 2024-1 Special Assessments. Notwithstanding Section 9.04 of the Master Indenture, the Series 2024-1 Special Assessments shall be directly collected and enforced by the Issuer pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2024-1 Special Assessments levied on platted lots and pledged hereunder to secure the Series 2024-1 Bonds will be collected pursuant to the Uniform Method pursuant to Section 9.04 of the Master Indenture. The Issuer covenants to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of this Section.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners, requests that the Issuer not use the Uniform Method, but instead collect and enforce Series 2024-1 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Series 2024-1 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2024-1 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Additional Covenant Regarding Series 2024-1 Special Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in the Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2024-1 Special Assessments, including the Assessment Resolutions and the Assessment Methodology, and to levy the Series 2024-1 Special Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2024-1 Bonds, when due.

SECTION 5.03. Foreclosure of Assessment Lien. Notwithstanding Section 9.06 of the Master Indenture or any other provision of the Indenture to the contrary, the following



provisions shall apply with respect to the Series 2024-1 Special Assessments and Series 2024-1 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2024-1 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2024-1 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 Series 2024-1 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 Series 2024-1 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners, 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 Series 2024-1 Revenue Account. 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 Series 2024-1 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners.

SECTION 5.04. No Parity Bonds; Limitation on Parity Liens. Other than Bonds issued to refund the Outstanding Series 2024-1 Bonds, the Issuer shall not, while any Series 2024-1 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Pledged Revenues. The Issuer further covenants and agrees that so long as the Series 2024-1 Bonds are Outstanding, the Issuer will not impose debt service Special Assessments for capital projects on any lands then subject to the Series 2024-1 Special Assessments without the written consent of the Majority Owners; provided, however, such consent shall not be required if the Series 2024-1 Special Assessments have been Substantially Absorbed evidence of which shall be provided by the Issuer to the Trustee in a written certificate upon which the Trustee may conclusively rely. The Trustee shall have no duty to verify if the Series 2024-1 Special Assessments are Substantially Absorbed and in the absence of a certification as provided above can assume that the Series 2024-1 Special Assessments have not been Substantially Absorbed. Notwithstanding the foregoing, the Issuer is not precluded from imposing capital assessments (or the issuance of Bonds secured by such capital assessments) on property then subject to the Series 2024-1 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the Issuer.

SECTION 5.05. Acknowledgment Regarding Series 2024-1 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, the Series 2024-1 Bonds are payable solely from the Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges

that the Pledged Revenues include, without limitation, all amounts on deposit in the Series 2024-1 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, and upon the occurrence of an Event of Default with respect to the Series 2024-1 Bonds, (i) the Pledged Revenues may not be used by the Issuer (whether to pay Costs of the Assessment Area One CIP or otherwise) without the consent of the Majority Owners of the Series 2024-1 Bonds, except to the extent that prior to the occurrence of an Event of Default the Issuer had incurred a binding obligation with third parties for work on the Assessment Area One CIP and payment is for such work and (ii) the Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2024-1 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture or as otherwise provided in the Master Indenture.

SECTION 5.06. Enforcement of Completion Agreement and True-Up Agreement. The Issuer, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement, and, upon the occurrence and continuance of a default under either or both of such Agreements, the Issuer covenants and agrees that the Trustee, at the written direction of the Majority Owners of the Series 2024-1 Bonds may, subject to the provisions of Section 11.04 of the Master Indenture act on behalf of, and in the Issuer's stead, to enforce the provisions of such Agreement and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the Issuer to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners of the Series 2024-1 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2024-1 Bonds, shall constitute an Event of Default under the Indenture, provided, however, that the Issuer shall have a reasonable opportunity to cure.

SECTION 5.07. Assignment of Issuer's Rights Under Collateral Assignment. The Issuer hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2024-1 Bonds Outstanding under the Indenture. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment; provided, however, the Trustee shall act in accordance with the written directions of the Majority Owners of the Series 2024-1 Bonds. Notwithstanding anything to the contrary herein, prior to taking any action under this Section 5.07, the Trustee shall have first been indemnified to its satisfaction.

SECTION 5.08. Continuing Disclosure Agreement. 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, as amended. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but instead shall be enforceable by mandamus, injunction or any other means of specific performance.

**ARTICLE VI  
CONCERNING THE TRUSTEE**

SECTION 6.01        Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this First Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture.

SECTION 6.02.        Limitation of Trustee's Responsibility. 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, all of which are made solely by the Issuer.

SECTION 6.03.        Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article XI thereof.

**ARTICLE VII  
MISCELLANEOUS PROVISIONS**

SECTION 7.01.        Interpretation of Supplemental Indenture. This First Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2024-1 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 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.        Payment Dates. In any case in which an Interest Payment Date, principal payment date or the maturity date of the Series 2024-1 Bonds or the date fixed for the redemption of any Series 2024-1 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 7.05.        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 2024-1 Bonds.

SECTION 7.06. Tax Reporting Obligations. If the Bonds are ever held in other than book entry form of registration, upon the Trustee's written request, the Issuer and each Owner shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation the cost basis reporting obligations under Section 6045 of the Code and the applicable regulations thereunder, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

**IN WITNESS WHEREOF**, Gardens at Hammock Beach Community Development District has caused this First Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by a 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 a Vice President, all as of the day and year first above written.

**SEAL**

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT**

Attest:

By: \_\_\_\_\_  
Clint Smith, Chairperson,  
Board of Supervisors

By: \_\_\_\_\_  
Secretary/Assistant Secretary,  
Board of Supervisors

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION**, a national banking  
association, as Trustee, Paying Agent and  
Registrar

By: \_\_\_\_\_  
Name: Scott A. Schuhle  
Title: Vice President

# SECTION 2

**EXHIBIT B**  
**FORM OF CONTRACT OF PURCHASE**

**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT  
(Flagler County, Florida)**

[2024-1 Amount] Special Assessment Bonds (Assessment Area One), Series 2024-1	[2024-2 Amount] Special Assessment Bonds (Assessment Area Two), Series 2024-2
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[BPA Date]

**BOND PURCHASE AGREEMENT**

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

Ladies and Gentlemen:

MBS Capital Markets, LLC (the "Underwriter"), offers to enter into this Bond Purchase Agreement ("Purchase Agreement") with the Gardens at Hammock Beach Community Development District (the "District"). This offer is made subject to written acceptance hereof by the District at or before 11:59 p.m., New York time, on the date hereof. If not so accepted, this offer will be subject to withdrawal by the Underwriter upon written notice delivered to the District at any time prior to the acceptance hereof by the District. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum or in the Indentures, as applicable, each as defined herein.

**1. Purchase and Sale.** Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its [2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 (the "Series 2024-1 Bonds") and [2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "Series 2024-2 Bonds" and collectively with the Series 2024-1 Bonds, the "Series 2024 Bonds"). The Series 2024 Bonds shall be dated as of the date of their delivery and shall be payable on the dates and principal amounts, bear such rates of interest and be subject to redemption, all as set forth in Exhibit A attached hereto. Interest on the Series 2024 Bonds is payable semi-annually on May 1 and November 1 each year, commencing November 1, 2024. The purchase price for the Series 2024-1 Bonds shall be [2024-1 PP] (representing the aggregate par amount of the Series 2024-1 Bonds of [2024-1 Amount].00, [less/plus] [net] original issue [discount/premium] of [2024-1 OID/OIP] and less an Underwriter's discount of [2024-1 UD]) and the purchase price for the Series 2024-2 Bonds shall be [2024-2 PP] (representing the aggregate par amount of the Series 2024-2 Bonds of [2024-2 Amount].00, [less/plus] [net] original issue [discount/premium] of [2024-2 OID/OIP] and less an Underwriter's discount of [2024-2 UD]).

The disclosure statement required by Section 218.385, Florida Statutes, is attached hereto as Exhibit B.



**2. The Series 2024 Bonds.** The Series 2024 Bonds are authorized and issued pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and Ordinance No. 2006-21, enacted by the Board of County Commissioners of Flagler County, Florida on October 9, 2006. The District was established for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the District. The Series 2024 Bonds are being issued pursuant to the Act and a Master Trust Indenture, dated as of June 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by (a) a First Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-1 Bonds (the "First Supplemental Indenture" and, together with the Master Indenture, the "2024-1 Indenture"), and (b) a Second Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-2 Bonds (the "Second Supplemental Indenture" and, together with the Master Indenture, the "2024-2 Indenture" and, collectively with the 2024-1 Indenture, the "Indentures"), and Resolution Nos. 2020-02, 2024-[ ] and 2024-[ ], adopted by the Board of Supervisors of the District (the "Board") on December 16, 2019 and May [17], 2024 (collectively, the "Bond Resolution"), authorizing the issuance of the Series 2024 Bonds. The Series 2024-1 Special Assessments comprising the Series 2024-1 Pledged Revenues and the Series 2024-2 Special Assessments comprising the Series 2024-2 Pledged Revenues have been levied by the District on the lands within the District specially benefited by the Phase 1-3 CIP pursuant to Resolution Nos. 2022-02 and 2022-03 adopted by the Board on July 15, 2022, Resolution No. 2022-05 adopted by the Board on September 16, 2022 and a resolution to be adopted by the Board on or about [ ], 2024 (collectively, the "Assessment Resolutions").

The Series 2024-1 Bonds are being issued to (a) finance a portion of the Costs of the Phase 1-3 CIP, (b) pay certain costs associated with the issuance of the Series 2024-1 Bonds, (c) make a deposit into the Series 2024-1 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-1 Bonds, and (d) pay the interest to become due on the Series 2024-1 Bonds through and including November 1, 2024.

The Series 2024-2 Bonds are being issued to (a) finance a portion of the Costs of the Phase 1-3 CIP, (b) pay certain costs associated with the issuance of the Series 2024-2 Bonds, (c) make a deposit into the Series 2024-2 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-2 Bonds, and (d) pay the interest to become due on the Series 2024-2 Bonds through and including November 1, 2025.

The principal and interest on the Series 2024-1 Bonds are payable from and secured by the Series 2024-1 Pledged Revenues. The Series 2024-1 Pledged Revenues consist primarily of the revenues received by the District from the Series 2024-1 Special Assessments levied against certain lands in the District that are subject to assessment as a result of the Phase 1-3 CIP or any portion thereof.

The principal and interest on the Series 2024-2 Bonds are payable from and secured by the Series 2024-2 Pledged Revenues. The Series 2024-2 Pledged Revenues consist primarily of the revenues received by the District from the Series 2024-2 Special

Assessments levied against certain lands in the District that are subject to assessment as a result of the Phase 1-3 CIP or any portion thereof.

The Series 2024-1 Special Assessments and the Series 2024-2 Special Assessments are hereinafter collectively referred to as the "Series 2024 Special Assessments" and the Series 202-1 Pledged Revenues and the Series 2024-2 Pledged Revenues are hereinafter collectively referred to as the "Series 2024 Pledged Revenues."

At the time of issuance of the Series 2024 Bonds, the District, Palm Coast Intracoastal, LLC, a Florida limited liability company and Veranda Bay Investments, LLC, a Florida limited liability company (together, the "Landowner") will enter into:

(a) the Continuing Disclosure Agreement with respect to Assessment Area One (the "Area One Disclosure Agreement") among the District, the Landowner, and Governmental Management Services – Central Florida, LLC (the "Dissemination Agent") dated as of the date of Closing (hereinafter defined);

(b) the Continuing Disclosure Agreement with respect to Assessment Area Two (the "Area Two Disclosure Agreement") among the District, the Landowner, and the Dissemination Agent dated as of the date of Closing;

(c) the [True-Up Agreement] (the "Area One True Up Agreement") between the District and the Landowner with respect to Assessment Area One dated as of the date of Closing;

(d) the [True-Up Agreement] (the "Area Two True Up Agreement") between the District and the Landowner with respect to Assessment Area Two dated as of the date of Closing

(e) the [Collateral Assignment] (the "Area One Collateral Assignment") between the District and the Landowner with respect to Assessment Area One dated as of the date of Closing;

(f) the [Collateral Assignment] (the "Area Two Collateral Assignment") between the District and the Landowner with respect to Assessment Area Two dated as of the date of Closing;

(g) the [Completion Agreement] (the "Area One Completion Agreement") between the District and the Landowner with respect to Assessment Area One dated as of the date of Closing;

(h) the [Completion Agreement] (the "Area Two Completion Agreement") between the District and the Landowner with respect to Assessment Area Two dated as of the date of Closing;

(i) the [Acquisition Agreement] (the "Area One Acquisition Agreement") between the District and the Landowner with respect to Assessment Area One dated as of the date of Closing;

(j) the [Acquisition Agreement] (the "Area Two Acquisition Agreement") between the District and the Landowner with respect to Assessment Area Two dated as of the date of Closing;

(k) the [Declaration of Consent to Jurisdiction] (the "Area One Declaration of Consent") by the Landowner with respect to Assessment Area One dated as of the date of Closing.

(l) the [Declaration of Consent to Jurisdiction] (the "Area Two Declaration of Consent") by the Landowner with respect to Assessment Area Two dated as of the date of Closing.

For purposes hereof, this Purchase Agreement, the Indentures, the Area One Disclosure Agreement, the Area Two Disclosure Agreement, the Area One True-Up Agreement, the Area Two True-Up Agreement, the Area One Collateral Assignment, the Area Two Collateral Assignment, the Area One Completion Agreement, the Area Two Completion Agreement, the Area One Acquisition Agreement, the Area Two Acquisition Agreement, the Area One Declaration of Consent and the Area Two Declaration of Consent, are referred to herein collectively as the "Financing Documents."

### **3. Delivery of Limited Offering Memorandum and Other Documents.**

(a) Prior to the date hereof, the District provided to the Underwriter for its review the Preliminary Limited Offering Memorandum, dated [PLOM Date] (the "Preliminary Limited Offering Memorandum"), that the District deemed final as of its date, except for certain permitted omissions (the "permitted omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule") in connection with the pricing of the Series 2024 Bonds. The District hereby confirms that the Preliminary Limited Offering Memorandum was deemed final as of its date, except for the permitted omissions.

(b) The District shall deliver, or cause to be delivered, at its expense, to the Underwriter, within seven (7) business days after the date hereof, or use good faith to deliver within such shorter period as may be requested by the Underwriter and at least one (1) business day prior to the date of Closing, or within such other period as the Underwriter may inform the District which is necessary for the Underwriter to comply with regulations of the Municipal Securities Rulemaking Board ("MSRB") in order to accompany any confirmation that requests payment from any customer, sufficient copies of the final Limited Offering Memorandum (the "Limited Offering Memorandum") to enable the Underwriter to fulfill its obligations pursuant to the securities laws of the State of Florida (the "State") and the United States, in form and substance satisfactory to the Underwriter. In determining whether the number of copies to be delivered by the District are reasonably necessary, at a minimum, the number shall be determined by the Underwriter and conveyed to the District as shall be sufficient to enable the Underwriter to comply with the requirements of the SEC Rule, all applicable rules of the MSRB, and to fulfill its duties and responsibilities under State and federal securities laws generally.

The Underwriter agrees to file the Limited Offering Memorandum in accordance with applicable MSRB rules.

The District authorizes, or ratifies as the case may be, the use and distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in connection with the limited public offering and sale of the Series 2024 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2024 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Limited Offering Memorandum.

(c) From the date hereof until the earlier of (1) ninety (90) days from the "end of the underwriting period" (as defined in the SEC Rule), or (2) the time when the Limited Offering Memorandum is available to any person from the MSRB (but in no case less than twenty-five (25) days following the end of the underwriting period), if the District has knowledge of the occurrence of any event which may make it necessary to amend or supplement the Limited Offering Memorandum in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter and if, in the reasonable opinion of the District or the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Limited Offering Memorandum, the District, at its expense (unless such event was caused by the Underwriter), shall promptly prepare an appropriate amendment or supplement thereto (and file, or cause to be filed, the same with the MSRB, and mail such amendment or supplement to each record owner of Series 2024 Bonds) so that the statements in the Limited Offering Memorandum as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Underwriter. The District will promptly notify the Underwriter of the occurrence of any event of which it has knowledge which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Series 2024 Bonds are hereinafter included within the term "Limited Offering Memorandum."

**4. Authority of the Underwriter.** The Underwriter is duly authorized to execute this Purchase Agreement and to perform its obligations hereunder. The Underwriter hereby represents that neither it nor any "person" or "affiliate" has been on the "convicted vendor list" during the past 36 months, as all such terms are defined in Section 287.133, Florida Statutes.

**5. Offering and Sale of Series 2024 Bonds.** The Underwriter agrees to make a bona fide limited offering to "accredited investors" representing the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of all of the Series 2024 Bonds at not in excess of the initial public offering price or prices (or below the yield or yields) set forth in Exhibit A attached hereto; provided, however, that the Underwriter may (a) offer and sell the Series 2024 Bonds to certain bond houses, brokers or to similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices set forth in Exhibit A attached hereto, or (b) change such initial offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Series 2024 Bonds. The Underwriter agrees to assist the District in establishing the issue price as provided in Section 20 hereof.

The District hereby authorizes the Underwriter to use the Limited Offering Memorandum in connection with the limited public offering and sale of the Series 2024

Bonds and ratifies and confirms the distribution and use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with such limited public offering and sale.

**6. District Representations, Warranties, Covenants and Agreements.**

The District represents and warrants to and covenants and agrees with the Underwriter that, as of the date hereof and as of the date of Closing:

(a) The District is a local unit of special purpose government, duly organized and established and validly existing under the Act and the Constitution and laws of the State, with full legal right, power and authority to (1) impose, levy and collect the Series 2024 Special Assessments in the manner described in the Limited Offering Memorandum, (2) issue the Series 2024 Bonds for the purposes for which they are to be issued, as described in the Limited Offering Memorandum, (3) secure the Series 2024 Bonds as provided by the Indentures, (4) enter into the Financing Documents to which it is a party, (5) carry out and consummate all of the transactions contemplated by the Bond Resolution, the Assessment Resolutions and the Financing Documents to which it is a party, and (6) undertake the completion of the Phase 1-3 CIP.

(b) The District has complied and will at Closing be in compliance in all respects with the Bond Resolution, the Assessment Resolutions, the Act, and the Constitution and laws of the State in all matters relating to the Financing Documents and the Series 2024 Bonds, and the imposition, levy and collection of the Series 2024 Special Assessments.

(c) The District has, or by Closing will have, duly authorized and approved (1) the execution and delivery, or adoption, as the case may be, and performance of the Bond Resolution, the Assessment Resolutions, the Financing Documents to which it is a party, the Series 2024 Special Assessments and the Series 2024 Bonds, (2) the use and distribution of the Preliminary Limited Offering Memorandum and the delivery and distribution of the Limited Offering Memorandum, and (3) the taking of any and all such action as may be required on the part of the District to carry out, give effect to and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Series 2024 Special Assessments, the Series 2024 Bonds and the Limited Offering Memorandum.

(d) Each of the Financing Documents to which the District is a party constitutes, or will constitute at Closing, a legally valid and binding obligation of the District enforceable in accordance with its terms and, upon due authorization, execution and delivery thereof by the parties thereto, will constitute a legally valid and binding obligation of the District enforceable in accordance with its terms.

(e) When delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Agreement, the Series 2024 Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute legally valid and binding special obligations of the District, conforming to the Act, and entitled to the benefit and security of the Indentures.

(f) Upon the execution, authentication, issuance and delivery of the Series 2024 Bonds as aforesaid, the Indentures will provide, for the benefit of the holders from time to

time of the respective Series of Series 2024 Bonds, a legally valid and binding pledge of and a security interest in and to the respective Series 2024 Pledged Revenues pledged to the respective Series of Series 2024 Bonds, subject only to the provisions of the Indentures permitting the application of such respective Series 2024 Pledged Revenues for the purposes and on the terms and conditions set forth in the Indentures.

(g) Other than any approvals that might be required under the securities laws of any state, no approval, permit, consent or authorization of, or registration or filing with, any governmental or public agency or authority or any other entity not already obtained or made, or to be obtained or made simultaneously with the issuance of the Series 2024 Bonds, is required to be obtained or made by the District in connection with the issuance and sale of the Series 2024 Bonds, or the execution and delivery by the District of, or the due performance of its obligations under, the Financing Documents to which it is a party and the Series 2024 Bonds, and any such approvals, permits, consents or authorizations so obtained are in full force and effect.

(h) Other than as disclosed in the Limited Offering Memorandum, the District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States, the Financing Documents to which it is a party, the Series 2024 Bonds or any applicable judgment or decree or any other 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, that could have a materially adverse effect on the business or operations of the District, and no event of default by the District has occurred and is continuing under any such instrument except as otherwise stated herein.

(i) The execution and delivery by the District of the Financing Documents, the Series 2024 Bonds and any other instrument to which the District is a party and which is used or contemplated for use in conjunction with the transactions contemplated by the Financing Documents, the Series 2024 Bonds, or the Limited Offering Memorandum, and the compliance with the provisions of each such instrument and the consummation of any transactions contemplated hereby and thereby, will not conflict with or constitute a breach of or default under any indenture, contract, agreement, or other instrument to which the District is a party or by which it is bound, or to the best of its knowledge under any provision of the Constitution of the State or any existing law, rule, regulation, ordinance, judgment, order or decree to which the District (or any of its supervisors or officers in their respective capacities as such) or its properties is subject.

(j) Except as disclosed in the Limited Offering Memorandum, there is no action, suit, hearing, inquiry or investigation, at law or in equity, before or by any court, public board, agency or body, pending or, to the best knowledge of the District, threatened against or affecting the District or any of its supervisors in their respective capacities as such, in which an unfavorable decision, ruling or finding would, in any material way, adversely affect (1) the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents or the Series 2024 Bonds, (2) the organization, existence or powers of the District or any of its supervisors or officers in their respective capacities as such, (3) the business, properties or assets or the condition, financial or otherwise, of the District, (4) the validity or enforceability of the Series 2024 Bonds, the Financing Documents to which it is a party, the Series 2024 Special Assessments or any

other agreement or instrument to which the District is a party and which is used or contemplated for use in the transactions contemplated hereby or by the Indentures, (5) the exclusion from gross income for federal income tax purposes of the interest on the Series 2024 Bonds, (6) the exemption under the Act of the Series 2024 Bonds and the interest thereon from taxation imposed by the State, (7) the legality of investment in the Series 2024 Bonds for certain investors as provided in the Act, (8) the issuance, sale or delivery of the Series 2024 Bonds, or (9) the collection of the Series 2024 Special Assessments and the pledge thereof under the Indentures to pay the principal, premium, if any, or interest on the Series 2024 Bonds.

(k) The District has not issued, assumed or guaranteed any indebtedness, incurred any material liabilities, direct or contingent, or entered into any contract or arrangement of any kind payable from or secured by a pledge of the respective Series 2024 Pledged Revenues pledged to the respective Series of Series 2024 Bonds with a lien thereon prior to or on a parity with the lien of the respective Series of Series 2024 Bonds.

(l) Between the date of this Purchase Agreement and the date of Closing, the District will not, without the prior written consent of the Underwriter, incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, other than (1) as contemplated by the Limited Offering Memorandum, or (2) in the ordinary course of business.

(m) Any certificates signed by any official of the District authorized to do so shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein.

(n) No representation or warranty by the District in this Purchase Agreement nor any statement, certificate, document or exhibit furnished or to be furnished by the District pursuant to this Purchase Agreement or the Limited Offering Memorandum or in connection with the transactions contemplated hereby contains or will contain on the date of Closing any untrue statement of a material fact or omits or will omit 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 no representation is made with respect to information concerning The Depository Trust Company, the Underwriter, or concerning information in the Limited Offering Memorandum under the captions "SUITABILITY FOR INVESTMENT," "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System," "THE DISTRICT – District Manager and Other Consultants," "THE LANDOWNER AND THE DEVELOPER," "THE DEVELOPMENT," "TAX MATTERS," "LITIGATION – Landowner," "CONTINUING DISCLOSURE – Landowner Continuing Compliance," and "UNDERWRITING."

(o) Except as disclosed in the Limited Offering Memorandum, the District is not in default and has not been in default at any time after December 31, 1975, as to principal or interest with respect to any obligations issued or guaranteed by the District.

**7. The Closing.** At 12:00 noon, New York time, on [Closing Date], or at such earlier or later time or date to which the District and the Underwriter may mutually agree, the District will, subject to the terms and conditions hereof, deliver the Series 2024 Bonds

to the Underwriter in full book-entry form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the aggregate purchase price of the Series 2024 Bonds as set forth in Section 1 hereof (such delivery of and payment for the Series 2024 Bonds is herein called the "Closing"). The District shall cause CUSIP identification numbers to be printed on the Series 2024 Bonds, but neither the failure to print such number on any Series 2024 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Series 2024 Bonds in accordance with the terms of this Purchase Agreement. The Closing shall occur at the offices of the District, or such other place to which the District and the Underwriter shall have mutually agreed. The Series 2024 Bonds shall be prepared and delivered as fully registered bonds in such authorized denominations and registered in full book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and shall be delivered to DTC during the business day prior to the Closing for purposes of inspection, unless the DTC "F.A.S.T." procedure is used which requires the Registrar to retain possession of the Series 2024 Bonds.

**8. Closing Conditions.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties, covenants and agreements of the District contained herein and contained in the documents and instruments delivered at the Closing, and upon the performance by the District of its obligations hereunder, as of the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Agreement to cause the purchase, acceptance of delivery and payment for the Series 2024 Bonds shall be subject to the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct on and as of the date of Closing, the statements made in all certificates and other documents delivered to the Underwriter at the Closing shall be true, complete and correct as of the date of Closing, and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement and the Indentures as of the date of Closing;

(b) At the Closing, (1) the Bond Resolution, the Assessment Resolutions, the Financing Documents and the Series 2024 Special Assessments shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and the District shall have adopted and there shall be in full force and effect such additional agreements therewith and in connection with the issuance of the Series 2024 Bonds all such action as in the reasonable opinion of Bond Counsel shall be necessary in connection with the transactions contemplated hereby, (2) the Limited Offering Memorandum shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, (3) there shall not have occurred any event that causes the Limited Offering Memorandum or any amendment or supplement thereto to contain an untrue or misleading statement of fact that in the opinion of the Underwriter or its counsel is material or omits to state a fact that in the opinion of the Underwriter or its counsel is material and necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (4) the District shall perform or shall have performed all of its obligations



under or specified in the Financing Documents to which it is a party to be performed at or prior to the Closing, and (5) the Series 2024 Bonds shall have been duly authorized, executed, authenticated and delivered; and

(c) At or prior to the Closing, the Underwriter shall have received executed or certified copies of the following documents:

(1) a certificate of the District, dated the date of Closing, regarding the Limited Offering Memorandum and no default;

(2) the Bond Resolution and Assessment Resolutions, certified by authorized officers of the District under its seal as true and correct copies and as having been adopted with only such amendments, modifications or supplements as may have been approved by the Underwriter;

(3) copies of the Indentures;

(4) a copy of the Limited Offering Memorandum, and any amendments or supplements thereto;

(5) a certificate of the District, dated the date of Closing, signed on its behalf by the Chairman or Vice Chairman and the Secretary or an Assistant Secretary of its Board of Supervisors, in substantially the form attached hereto as Exhibit C;

(6) an opinion, dated the date of Closing, of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, substantially in the form attached as an Appendix to the Limited Offering Memorandum;

(7) a supplemental opinion, dated the date of Closing, of Bond Counsel to the effect that (A) the Underwriter may rely on the approving opinion of Bond Counsel as though such opinion were addressed to it, (B) the Series 2024 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indentures are exempt from qualification under the Trust Indenture Act of 1939, as amended, and (C) Bond Counsel has reviewed (i) the statements contained in the Limited Offering Memorandum under the sections captioned "DESCRIPTION OF THE SERIES 2024 BONDS" (other than the portion thereof captioned "Book-Entry Only System" and other than any information therein relating to DTC or the book-entry system) and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" (other than the portions thereof captioned "Agreement for Assignment of Development Rights," "Completion Agreement" and "True-Up Agreement") and is of the opinion that insofar as such statements purport to summarize certain provisions of the Series 2024 Bonds and the Indentures, such statements are accurate summaries of the provisions purported to be summarized therein, and (ii) the information contained in the Limited Offering Memorandum under the section captioned "TAX MATTERS" and believes that such information is accurate;

(8) an opinion, dated the date of Closing, of Chiumento Law, PLLC, Palm Coast, Florida, District Counsel, in substantially the form attached hereto as Exhibit D;

(9) an opinion, dated the date of Closing, of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Counsel to the Underwriter (the "Underwriter's Counsel"), in form and substance satisfactory to the Underwriter;

(10) an opinion, dated the date of Closing and addressed to the Underwriter and the District, of counsel to the Trustee, in form and substance acceptable to the Underwriter and the District and a customary authorization and incumbency certificate, dated the date of Closing, signed by authorized officers of the Trustee;

(11) a certificate, dated the date of Closing, of the authorized officers of the District to the effect that, on the basis of the facts, estimates and circumstances in effect on the date of Closing, it is not expected that the proceeds of the Series 2024 Bonds will be used in a manner that would cause the Series 2024 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

(12) specimen Series 2024 Bonds;

(13) executed Financing Documents;

(14) a copy of the executed Letter of Representations between the District and DTC;

(15) copies of the Master Assessment Methodology for Assessment Area One, dated [July 15, 2022], and the [Supplemental Assessment Methodology], dated on or about the date hereof, each prepared by the Assessment Consultant;

(16) a certificate of the Assessment Consultant, in substantially the form attached hereto as Exhibit E;

(17) copies of the Master Engineer's Report – Assessment Area One, dated July 12, 2022, and the [Supplement to Engineer's Report for the Phase 1-3 Tract], dated [April \_\_, 2024], each prepared by the Consulting Engineer;

(18) a certificate of the Consulting Engineer, in substantially the form attached hereto as Exhibit F;

(19) a certificate of the District Manager and Dissemination Agent, in substantially the form attached hereto as Exhibit G;

(20) a certificate of the Landowner, in substantially the form attached hereto as Exhibit H and an opinion of counsel to the Landowner in substantially the form attached hereto as Exhibit I;

(21) evidence of compliance with the requirements of Section 189.051 and Section 215.84, Florida Statutes;

(22) copies of the final judgment and certificate of no appeal; and

(23) such additional legal opinions, certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax exempt character of the Series 2024 Bonds, which certificates shall be satisfactory in form and substance to Bond Counsel), and other evidence as the Underwriter, Bond Counsel or Underwriter's Counsel may deem necessary to evidence the truth and accuracy as of the date of Closing of the representations and warranties of the District herein contained and of the information contained in the Limited Offering Memorandum and the due performance and satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by it.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance as set forth herein or as described herein or as otherwise satisfactory to the Underwriter. Receipt of, and payment for, the Series 2024 Bonds shall constitute evidence of the satisfactory nature of such as to the Underwriter. The performance of any and all obligations of the District hereunder and the performance of any and all conditions herein for the benefit of the Underwriter may be waived by the Underwriter in its sole discretion.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to cause the purchase, acceptance of delivery and payment for the Series 2024 Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to cause the purchase, acceptance of delivery and payment for the Series 2024 Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate, and neither the Underwriter nor the District shall be under further obligation hereunder; provided, however, that the respective obligations of the Underwriter and the District set forth in Section 10 hereof shall continue in full force and effect.

**9. Termination.** The Underwriter may terminate this Purchase Agreement by written notice to the District in the event that between the date hereof and the date of Closing:

(a) the marketability of the Series 2024 Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by (1) an amendment to the Constitution of the United States, (2) any legislation (other than any actions taken by either House of Congress on or prior to the date hereof) (A) enacted or adopted by the United States, (B) recommended to the Congress or otherwise endorsed for passage, by press release, other form of notice or otherwise, by the President of the United States, the Chairman 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, the Treasury Department of the United States or the Internal Revenue Service, or (C) favorably reported out of the appropriate Committee for passage to either

House of the Congress by any full Committee of such House to which such legislation has been referred for consideration, (3) any decision of any court of the United States, (4) any order, rule or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority or regulatory body of the United States, (5) a release or announcement or communication issued or sent by the Treasury Department of the United States or the Internal Revenue Service, or (6) any comparable legislative, judicial or administrative development affecting the federal tax status of the District, its property or income, obligations of the general character of the Series 2024 Bonds, as contemplated hereby, or the interest thereon; or

(b) any legislation, rule, or regulation shall be introduced in, or be enacted or adopted in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(c) any amendment to the Limited Offering Memorandum is proposed by the District or deemed necessary by Bond Counsel or the Underwriter which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(d) there shall have occurred any outbreak or escalation of hostility, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriter, impractical or inadvisable to proceed with the offering or delivery of the Series 2024 Bonds as contemplated by the Limited Offering Memorandum (exclusive of any amendment or supplement thereto); or

(e) legislation shall be enacted or adopted, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission (the "SEC") which, in the reasonable opinion of Bond Counsel, has the effect of requiring the contemplated distribution of the Series 2024 Bonds to be registered under the Securities Act of 1933, as amended (the "1933 Act"), or the Indentures to be qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing; or

(f) legislation shall be introduced by amendment or otherwise in or be enacted by the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, release, regulation, official statement or no-action letter by or on behalf of the SEC or any other governmental authority having jurisdiction of the subject matter of the Series 2024 Bonds shall have been proposed, issued or made (which is beyond the control of the Underwriter or the District to prevent or avoid) to the effect that the issuance, offering or sale of the Series 2024 Bonds as contemplated hereby or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Series 2024 Bonds is or would be in violation of any of the federal securities laws at Closing, including the 1933 Act, as amended and then in effect, the Securities Exchange Act of 1934, as amended and then in effect, or the 1939 Act, as amended and then in effect, or with the purpose or effect of

otherwise prohibiting the offering and sale of either the Series 2024 Bonds as contemplated hereby, or of obligations of the general character of the Series 2024 Bonds; or

(g) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the District or proceedings under the federal or State bankruptcy laws shall have been instituted by the District, in either case the effect of which, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect the market price or the marketability of the Series 2024 Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Series 2024 Bonds; or

(h) a general banking moratorium shall have been declared by the United States, New York or State authorities which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(i) any national securities exchange or any governmental authority shall impose, as to the Series 2024 Bonds or obligations of the general character of the Series 2024 Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the establishment of material restrictions upon trading of securities, including limited or minimum prices, by any governmental authority or by any national securities exchange which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(j) legal action shall have been filed against the District wherein an adverse ruling would materially adversely affect the transactions contemplated hereby or by the Limited Offering Memorandum or the validity of the Series 2024 Bonds, the Bond Resolution, the Assessment Resolutions or any of the Financing Documents; provided, however, that as to any such litigation, the District may request and the Underwriter may accept an opinion by Bond Counsel, or other counsel acceptable to the Underwriter, that in such counsel's opinion the issues raised by any such litigation or proceeding are without substance or that the contentions of any plaintiffs therein are without merit; or

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the District's obligations; or

(l) any information shall have become known which, in the Underwriter's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Limited Offering Memorandum, as the information contained therein has been supplemented or amended by other information, or causes the Limited Offering Memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit 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 and upon the receipt of notice of same by the District, the District fails to promptly amend or supplement the Limited Offering Memorandum; or

(m) an event occurs as a result of which the Limited Offering Memorandum, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact which is 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 which, in the reasonable opinion of the Underwriter, requires an amendment or supplement to the Limited Offering Memorandum and, in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Series 2024 Bonds or the contemplated offering prices thereof and upon the receipt of notice by the District, the District fails to promptly amend or supplement the Limited Offering Memorandum; or

(n) the Internal Revenue Service makes a determination with respect to any special purpose development district formed under State law (referred to herein as a "Special District") deeming that all or certain of such Special Districts are not a "political subdivision" for purposes of Section 103(a) of the Internal Revenue Code, and such determination, in the reasonable opinion of the Underwriter, materially adversely affects the federal tax status of the District, the tax exempt character or marketability of the Series 2024 Bonds or the contemplated offering prices thereof.

#### **10. Expenses.**

(a) The District agrees to pay from the proceeds of the Series 2024 Bonds, and the Underwriter shall be under no obligation to pay, all expenses incident to the performance of the District's obligations hereunder, including but not limited to (1) the cost of the preparation, printing or other reproduction (for distribution prior to, on or after the date of acceptance of this Purchase Agreement) of a reasonable number of copies of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, (2) the fees and disbursements of Bond Counsel, District Counsel, Underwriter's Counsel, Governmental Management Services – Central Florida, LLC, as Assessment Consultant, Parker Mynchenberg & Associates, Inc., as Consulting Engineer, and any other experts or consultants retained by the District, including, but not limited to, the fees and expenses of the District Manager and the Dissemination Agent, (3) the fees and disbursements of the Trustee, Registrar and Paying Agent under the Indentures, and (4) out-of-pocket expenses of the District.

(b) The Underwriter shall pay (1) the cost of qualifying the Series 2024 Bonds for sale in various states chosen by the Underwriter and the cost of preparing or printing any Blue Sky and legal investment memoranda to be used in connection with such sale, and (2) out-of-pocket expenses and advertising incurred by it in connection with their offering and distribution of the Series 2024 Bonds.

(c) In the event that either the District or the Underwriter shall have paid obligations of the other as set forth in this Section, adjustment shall be made at or prior to Closing.

**11. Notices.** All notices, demands and formal actions hereunder shall be in writing and mailed, telegraphed or delivered to:

The Underwriter: MBS Capital Markets, LLC  
152 Lincoln Avenue  
Winter Park, Florida 32789  
Attn: Brett Sealy

The District: Gardens at Hammock Beach Community Development  
District  
c/o Governmental Management Services – Central  
Florida, LLC  
219 East Livingston Street  
Orlando, Florida 32801  
Attn: George Flint

Copy to District Counsel: Chiumento Law, PLLC  
145 City Place, Suite 301  
Palm Coast, Florida 32164  
Attn: Michael D. Chiumento III, Esq.

**12. Parties in Interest.** This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assignees of the District or the Underwriter) and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriter, (b) the delivery of and payment for the Series 2024 Bonds pursuant to this Purchase Agreement, or (c) any termination of this Purchase Agreement but only to the extent provided by the last paragraph of Section 8 hereof.

**13. Waiver.** Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in its sole discretion.

**14. Effectiveness.** This Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Chairman or Vice Chairman and shall be valid and enforceable at the time of such acceptance.

**15. Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as a net original and all of which shall constitute one and the same document.

**16. Headings.** The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

**17. Florida Law Governs.** The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State.

**18. Truth In Bonding Statement.** Pursuant to the provisions of Section 218.385(2) and (3), Florida Statutes, as amended, the Underwriter provides the following truth-in-bonding statement:

(a) The District is proposing to issue \$[2024-1 Amount].00 of its Series 2024-1 Bonds for the purposes described in Section 2 hereof. This obligation is expected to be repaid over a period of approximately [30] years. At a true interest cost of approximately [2024-1 TIC]%, total interest paid over the life of the obligation will be \$[\_\_\_\_\_]. The District is proposing to issue \$[2024-2 Amount].00 of its Series 2024-2 Bonds for the purposes described in Section 2 hereof. This obligation is expected to be repaid over a period of approximately [30] years. At a true interest cost of approximately [2024-2 TIC]%, total interest paid over the life of the obligation will be \$[\_\_\_\_\_].

(b) The source of repayment for the Series 2024-1 Bonds is the Series 2024-1 Pledged Revenues (as described in Section 2 hereof). Authorizing this obligation will result in an average of approximately \$[\_\_\_\_\_] not being available to finance other services of the District every year for approximately [30] years; provided however, that in the event that the Series 2024-1 Bonds were not issued, the District would not be entitled to impose and collect the Series 2024-1 Special Assessments in the amount of the principal of and interest to be paid on the Series 2024-1 Bonds. The source of repayment for the Series 2024-2 Bonds is the Series 2024-2 Pledged Revenues (as described in Section 2 hereof). Authorizing this obligation will result in an average of approximately \$[\_\_\_\_\_] not being available to finance other services of the District every year for approximately [30] years; provided however, that in the event that the Series 2024-2 Bonds were not issued, the District would not be entitled to impose and collect the Series 2024-2 Special Assessments in the amount of the principal of and interest to be paid on the Series 2024-2 Bonds.

**19. No Advisory or Fiduciary Role.** The District acknowledges and agrees that (a) the purchase and sale of the Series 2024 Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as an 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), agent or fiduciary of the District, (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter or any affiliate of the Underwriter has provided other services or is currently providing other services to the District on other matters) and the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement, (d) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering of the Series 2024 Bonds, (e) the Underwriter has financial and other interests that differ from those of the District, and (f) the District has received the Underwriter's G-17 Disclosure Letter.



**20. Establishment of Issue Price.**

(a) The Underwriter agrees to assist the District in establishing the issue price of the Series 2024 Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit J, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2024 Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first price at which 10% of each maturity of the Series 2024 Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Series 2024 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2024 Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Series 2024 Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until the 10% test has been satisfied as to the Series 2024 Bonds of that maturity or until all Series 2024 Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Series 2024 Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Series 2024 Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2024 Bonds, the Underwriter will neither offer nor sell unsold Series 2024 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter acknowledges that sales of any Series 2024 Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) "public" means any person other than an underwriter or a related party;

(2) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the public);

(3) a purchaser of any of the Series 2024 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) "sale date" means the date of execution of this Purchase Agreement by all parties.

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**21. Entire Agreement.** This Purchase Agreement when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the District or the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Brett Sealy, Managing Partner

Accepted by:

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Clint Smith, Chairman,  
Board of Supervisors

**EXHIBIT A**

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS,  
PRICES AND INITIAL CUSIP NUMBERS†**

The purchase price for the Series 2024-1 Bonds shall be \$[2024-1 PP] (representing the \$[2024-1 Amount].00 aggregate principal amount of the Series 2024-1 Bonds, [less/plus] [net] original issue [discount/premium] of \$[2024-1 OID/OIP] and less an Underwriter's discount of \$[2024-1 UD]) and the purchase price for the Series 2024-2 Bonds shall be \$[2024-2 PP] (representing the \$[2024-2 Amount].00 aggregate principal amount of the Series 2024-2 Bonds, [less/plus] [net] original issue [discount/premium] of \$[2024-2 OID/OIP] and less an Underwriter's discount of \$[2024-2 UD]).

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<u>Number</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
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\* Represents maturity for which 10% test has been met as of sale date.

† The District is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness.

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**Redemption Provisions**

*Optional Redemption.* The Series 2024-1 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20[\_\_\_], at the Redemption Price of the principal amount of the Series 2024-1 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2024-2 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20[\_\_\_], at the Redemption Price of the principal amount of the Series 2024-2 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

*Mandatory Sinking Fund Redemption.* The Series 2024-1 Bond maturing on May 1, 20[\_\_\_], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-1 Bond maturing on May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-1 Bond maturing on May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2024-1 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2024-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

The Series 2024-2 Bond maturing on May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal

amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-2 Bond maturing on May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-2 Bond maturing on May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2024-2 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2024-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

Extraordinary Mandatory Redemption. The Series 2024-1 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

(a) on or after the Completion Date of the Phase 1-3 CIP, by application of moneys transferred from the Series 2024-1 Acquisition and Construction Account to the Series 2024-1 Prepayment Account in accordance with the terms of the 2024-1 Indenture; or

(b) from amounts required by the 2024-1 Indenture to be deposited into the Series 2024-1 Prepayment Account including, but not limited to, Series 2024-1 Prepayment Principal and any excess amounts in the Series 2024-1 Debt Service Reserve Account as a result of the deposit of such Series 2024-1 Prepayment Principal and any excess amount on deposit in the Series 2024-1 Debt Service Reserve Account resulting from a reduction in the Series 2024-1 Debt Service Reserve Requirement; or

(c) on the date on which the amount on deposit in the Series 2024-1 Debt Service Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024-1 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024-1 Bonds shall be called for redemption, the particular Series 2024-1 Bonds or portions of Series 2024-1 Bonds to be redeemed shall, unless otherwise provided in the 2024-1 Indenture, be selected by lot by the Registrar as provided in the 2024-1 Indenture.

The Series 2024-2 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

(a) on or after the Completion Date of the Phase 1-3 CIP, by application of moneys transferred from the Series 2024-2 Acquisition and Construction Account to the Series 2024-2 Prepayment Account in accordance with the terms of the 2024-2 Indenture; or

(b) from amounts required by the 2024-2 Indenture to be deposited into the Series 2024-2 Prepayment Account including, but not limited to, Series 2024-2 Prepayment Principal and any excess amounts in the Series 2024-2 Debt Service Reserve Account as a result of the deposit of such Series 2024-2 Prepayment Principal and any excess amount on deposit in the Series 2024-2 Debt Service Reserve Account resulting from a reduction in the Series 2024-2 Debt Service Reserve Requirement; or

(c) on the date on which the amount on deposit in the Series 2024-2 Debt Service Reserve Account, together with other moneys available therefor, are sufficient to pay and

redeem all of the Series 2024-2 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024-2 Bonds shall be called for redemption, the particular Series 2024-2 Bonds or portions of Series 2024-2 Bonds to be redeemed shall, unless otherwise provided in the 2024-2 Indenture, be selected by lot by the Registrar as provided in the 2024-2 Indenture.





(f) The name and address of the Underwriter is set forth below:

MBS Capital Markets, LLC  
152 Lincoln Avenue  
Winter Park, Florida 32789

We understand that you do not require any further disclosure from the Underwriter, pursuant to Section 218.385(6), Florida Statutes.

Very truly yours,

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Brett Sealy, Managing Partner

**SCHEDULE I**

**ESTIMATED EXPENSES TO BE INCURRED BY UNDERWRITER**

Travel Expenses

Communication

Day Loan

Clearance & Settlement Charges

CUSIP / DTC

Contingency

**Total**

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**EXHIBIT C**

**FORM OF CERTIFICATE OF DISTRICT**

The undersigned, as Chairman and Secretary, respectively, of the Board of Supervisors (the "Board") of Gardens at Hammock Beach Community Development District (the "District"), a local unit of special-purpose government duly established and validly existing under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (the "Act"), hereby certify to MBS Capital Markets, LLC (the "Underwriter") in satisfaction of Section 8(c)(5) of the Bond Purchase Agreement, dated [BPA Date], between the District and the Underwriter (the "Purchase Agreement") in connection with the issuance by the District of its \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and its \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "Series 2024 Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Purchase Agreement):

1. Clint Smith is the duly appointed and acting Chairman of, and George S. Flint is the duly appointed and acting Secretary to, the Board, authorized by resolution of the Board pursuant to the Act to be custodian of all bonds, documents and papers filed with the District and the official seal of the District.

2. The following named persons are as of the date hereof the duly elected, qualified and acting members of the Board:

<u>Name</u>	<u>Term Expires</u>
Clint Smith*	November 2026
David Lusby*	November 2024
William Livingston*	November 2024
David R. Root*	November 2026
Denise Bunch*	November 2024

\*Elected or appointed by the Landowner.

3. The following named persons are the only designated, elected or appointed, qualified and acting officers of the Board, holding the office of appointment set forth opposite their names, respectively:

<u>Name</u>	<u>Title</u>	<u>Name</u>	<u>Title</u>
Clint Smith	Chairman	George S. Flint	Secretary
David Lusby	Vice Chairman	Jill Burns	Treasurer
William Livingston	Assistant Secretary	Katie Costa	Assistant Treasurer
David R. Root	Assistant Secretary	Darrin Mossing	Assistant Treasurer
Denise Bunch	Assistant Secretary		

Each of said persons since his or her appointment as aforesaid has been and now is the duly designated and qualified officer of the Board holding the office set forth opposite

his or her name, if required to file an oath of office, has done so, and if legally required to give a bond or undertaking has filed such bond or undertaking in form and amount required by law.

4. The seal, an impression of which appears below, is the only proper and official seal of the District.

5. At duly called and held meetings of the Board on December 16, 2019 and May [17], 2024, the Board duly adopted Resolution Nos. 2020-02, 2024-[\_\_] and 2024-[\_\_] (collectively, the "Bond Resolution"), which Bond Resolution remains in full force and effect on the date hereof.

6. At duly called and held meetings of the Board on July 15, 2022, September 16, 2022, and [\_\_\_\_], 2024, the Board duly adopted Resolution Nos. 2022-02, 2022-03, 2022-05 and 2024-\_\_ (collectively, the "Assessment Resolution"), which Assessment Resolution remains in full force and effect on the date hereof.

7. The above referenced meetings of the Board at which the Bond Resolution and Assessment Resolution were adopted were duly called in accordance with applicable law and at said meetings a quorum was present and acted throughout. All meetings of the Board at which the Board considered any matters related to the Bond Resolution, the Assessment Resolution, the Indentures, the Series 2024 Bonds or any documents related to the issuance of the Series 2024 Bonds have been open to the public and held in accordance with the procedures required by Section 189.015 and Chapter 286, Florida Statutes, and all laws amendatory thereof and supplementary thereto.

8. The District has complied with the provisions of Chapters 170, 190 and 197, Florida Statutes, related to the imposition, levy, collection and enforcement of the Series 2024 Special Assessments.

9. Upon authentication and delivery of the Series 2024 Bonds, the District will not be in default in the performance of the terms and provisions of the Bond Resolution, the Assessment Resolution or the Indentures.

10. Each of the representations and warranties made by the District in the Purchase Agreement is true and accurate on and as of this date.

11. The District has complied with all the agreements and satisfied all the conditions on its part to be complied with on or before the date hereof for delivery of the Series 2024 Bonds pursuant to the Purchase Agreement, the Bond Resolution, the Assessment Resolution and the Indentures.

12. To the best of our knowledge, since the date of the Limited Offering Memorandum, no material or adverse change has occurred in the business, properties, other assets or financial position of the District or results of operations of the District, and to the best of our knowledge, the District has not, since the date of the Limited Offering Memorandum, incurred any material liabilities other than as set forth in or contemplated by the Limited Offering Memorandum.

13. To the best of our knowledge, the statements appearing in the Limited Offering Memorandum did not as of its date and do not as of the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be included therein or necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading; provided, however, that no representation is made with respect to information concerning The Depository Trust Company or its book-entry only system, or concerning information in the Limited Offering Memorandum under the captions "SUITABILITY FOR INVESTMENT," "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System," "THE DISTRICT – District Manager and Other Consultants," "THE LANDOWNER AND THE DEVELOPER," "THE DEVELOPMENT," "TAX MATTERS," "LITIGATION – Landowner," "CONTINUING DISCLOSURE – Landowner Continuing Compliance," and "UNDERWRITING." Subject to the foregoing limitations, nothing has come to our attention which would lead us to believe that the Limited Offering Memorandum, as of its date or as of the date hereof contained an untrue statement of a material fact, or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

14. Except as set forth in the Limited Offering Memorandum, no litigation or other proceedings are pending or to the knowledge of the District threatened in or before any agency, court or tribunal, state or federal, (a) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2024 Bonds or the imposition, levy and collection of the Series 2024 Special Assessments or the pledge thereof to the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds, (b) questioning or affecting the validity of any provision of the Series 2024 Bonds, the Bond Resolution, the Assessment Resolution, the Financing Documents or the Series 2024 Special Assessments, (c) questioning or affecting the validity of any of the proceedings or the authority for the authorization, sale, execution or delivery of the Series 2024 Bonds, (d) questioning or affecting the organization or existence of the District or the title of any of its officers to their respective offices or any powers of the District under the laws of the State, (e) contesting or affecting the Series 2024 Special Assessments or the Phase 1-3 CIP, (f) contesting the accuracy or completeness of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or any amendment or supplement thereto, (g) contesting the exclusion of interest on the Series 2024 Bonds from federal income taxation, or (h) contesting the exemption from taxation of the Series 2024 Bonds and the interest thereon under State law or the legality for investment therein.

15. To the best of our knowledge, the interest rates on the Series 2024 Bonds are in compliance with the requirements of Section 215.84(3), Florida Statutes.

[Remainder of Page Intentionally Left Blank]

**IN WITNESS WHEREOF**, we have executed this certificate and affixed the official seal of the District as of the [ ] day of June, 2024.

(SEAL)

By: \_\_\_\_\_  
Clint Smith, Chairman, Board of Supervisors  
Gardens at Hammock Beach  
Community Development District

By: \_\_\_\_\_  
George S. Flint, Secretary,  
Gardens at Hammock Beach  
Community Development District

## EXHIBIT D

### FORM OF DISTRICT COUNSEL OPINION

[Closing Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

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

MBS Capital Markets, LLC  
Winter Park, Florida

Re:     \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "**Series 2024 Bonds**")

Ladies and Gentlemen:

We serve as legal counsel to Gardens at Hammock Beach Community Development District (the "District"), a community development district established pursuant to the laws of the State of Florida, in connection with the sale by the District of the above referenced Series 2024 Bonds. Unless otherwise expressly defined herein, capitalized terms used herein have the respective meanings assigned to them in the Bond Purchase Agreement, dated [BPA Date] (the "Contract of Purchase") with respect to the Series 2024 Bonds between MBS Capital Markets, LLC (the "Underwriter"), and the District.

In our capacity as legal counsel to the District, we have examined such documents and have made such examinations of law 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, the Underwriter, Bond Counsel, counsel for the Underwriter, the landowners and the Consulting Engineer relative to the Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum") and other related documents pertaining to the Series 2024 Bonds as described below.

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

1. Under the Constitution and laws of the State of Florida, the District has been duly established and validly exists as a community development district with such powers as set forth in the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act") with good, right and lawful authority to, among other things, carry out the Phase 1-3 CIP, provide funds therefore through the issuance of the Series 2024 Bonds,



assess, levy and collect the Series 2024 Special Assessments and perform under the terms and conditions of the Master Trust Indenture, dated as of June 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Trust Indenture and the Second Supplemental Trust Indenture, each dated as of June 1, 2024 (the "Supplemental Indentures" and together with the Master Indenture, the "Indenture"), between the District and the Trustee, and the Contract of Purchase as it relates to the Development.

2. The District is authorized under the Constitution and the laws of the State of Florida, including the Act, to (a) issue the Series 2024 Bonds for the purposes for which they are to be issued, (b) secure the Series 2024 Bonds as provided by the Indenture, (c) enter into and perform under the Contract of Purchase and Indenture, and (d) undertake the Phase 1-3 CIP.

3. The District has full right, power and authority to (a) adopt a resolution authorizing the issuance of the Series 2024 Bonds and the execution and delivery of the Contract of Purchase and the Indenture and adopt resolutions levying, imposing and equalizing the Series 2024 Special Assessments (collectively, the "Resolutions"), (b) execute, deliver and perform its obligations under the Contract of Purchase, the Indenture and the following agreements (collectively referred to as the "Bond Documents"):

- (i) Continuing Disclosure Agreements,
- (ii) [True Up Agreements],
- (iii) [Completion Agreements],
- (iv) [Collateral Assignments and Assumption of Development Rights Relating to the Property], and
- (v) [Agreements for the Acquisition of Certain Work Product, Materials, and Infrastructure]; and

(c) consummate the transactions contemplated by such instruments; and the District has complied with all provisions of the applicable law in all matters relating to such transactions.

4. The District has duly authorized the execution, delivery and lawful distribution of the Limited Offering Memorandum.

The District has duly authorized all necessary action to be taken by it for: (a) the issuance and sale of the Series 2024 Bonds upon the terms set forth in the Contract of Purchase and in the Limited Offering Memorandum; (b) the approval of the Limited Offering Memorandum and the execution of the Limited Offering Memorandum by a duly authorized officer; and (c) the execution, delivery and receipt of the Contract of Purchase, the Series 2024 Bonds, the Indenture, the Bond Documents, and any and all such other agreements and documents as may be required to be executed, delivered and received by the District in order to carry out, give effect to, and consummate the transactions contemplated by the Series 2024 Bonds and the Resolutions.

5. All proceeds undertaken by the District with respect to the Series 2024 Special Assessments have been in accordance with applicable Florida law and the District has

taken all action necessary to assess and impose the Series 2024 Special Assessments. The Series 2024 Special Assessments are made, co-equal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid.

6. As of the date hereof, the Resolutions are in full force and have been duly adopted by the District. As of the date hereof, assuming the due authorization, execution and delivery of such instruments by the parties thereto and their authority to perform such instruments, the Resolutions, the Indenture, the Contract of Purchase and the Bond Documents will constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms (except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws affecting creditors rights generally and general principles of equity).

To the best of our knowledge, the consummation of the transactions described in all the foregoing instruments did not at the time of such adoption, authorization, execution, delivery or distribution, do not on the date hereof and will not at the time of such consummation, conflict with or constitute on the part of the District a breach or violation of the terms and provisions of, or constitute a default under, (a) any existing constitution, laws, court or administrative rules or regulations, to which it is subject, or any decree, order or judgment to which it is a party or by which it is bound in force and effect on the date hereof, (b) any existing agreement, indenture, mortgage, lease, deed of trust, note or other instrument known to it which the District is subject or by which it is or its properties are bound, or (c) the Act, and will not result in the creation or imposition of any encumbrance upon any of the properties or assets of the District other than those contemplated by the Resolutions.

9. To the best of our knowledge, the District is not in default under the terms and provisions of the Indenture. In addition, to the best of our knowledge, the District is not in default under any other agreement, indenture, mortgage, lease, deed of trust, note or other instrument to which the District is subject or by which it or its properties are bound, which default would have a material adverse effect on the condition of the District, financial or otherwise.

10. There is no known action, suit or proceedings at law or in equity by or before any court or public board or body pending or to our knowledge threatened against the District (or any basis therefore) (a) seeking to restrain or enjoin the issuance or delivery of the Series 2024 Bonds or the application of the proceeds thereof, (b) contesting or affecting the authority for the Series 2024 Special Assessments or the issuance of the Series 2024 Bonds or the validity or enforceability of the Series 2024 Bonds, the Indenture, the Contract of Purchase, the Bond Documents or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence of the District or any of its Supervisors, officers or employees, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the District, including its power to enter into the agreements described herein, or its power to determine, assess, levy and collect the Series 2024 Special Assessments, or (d) contesting or affecting the exclusion from federal gross income of interest on the Series 2024 Bonds.

11. In the course of our representation of the District, nothing has come to our attention which would lead us to believe that the statements contained in the Limited Offering Memorandum under the captions "INTRODUCTION," "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Collateral Assignment," "– Completion Agreement," and "– True-Up Agreement," "ENFORCEMENT OF ASSESSMENT COLLECTIONS," "THE DISTRICT," "LITIGATION – District," "CONTINUING DISCLOSURE – General" and "CONTINUING DISCLOSURE – District Continuing Compliance," contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements, in light of the circumstances in which they were made, not misleading.

12. All conditions prescribed in the Indenture as precedent to the issuance of the Series 2024 Bonds have been fulfilled. The Series 2024 Bonds have been validly authorized and executed and when authenticated and delivered pursuant to the request of the District will be valid obligations of the District entitled to the benefit of the trusts created in the Indenture 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. Any consents of any Regulatory Body (as such term is defined in the Indenture) required in connection with the issuance of the Series 2024 Bonds or in connection with the acquisition of the improvements included in the Phase 1-3 CIP have been obtained or can be reasonably expected to be obtained based on certifications from the Consulting Engineer.

This opinion shall not be deemed or treated as an offering circular, prospectus, official statement or other disclosure statement to be used in connection with the sale or delivery of the Series 2024 Bonds. In addition, this opinion is predicated upon present laws, facts and circumstances and we assume no obligation to update this opinion if such laws, facts or circumstances change after the date hereof. The opinions or statements expressed above are based solely on the laws of the State of Florida and of the United States of America. Accordingly, we express no opinion nor make any statement regarding the effect or application of the laws of any other state or jurisdiction.

This letter is solely for your benefit, and it is not to be used, circulated, quoted or otherwise referred to for any purpose other than the sale of the Series 2024 Bonds and may not be relied upon without our express written permission, except that reference may be made to it in any list of closing documents pertaining to the sale and delivery of the Series 2024 Bonds.

Sincerely,

Michael D. Chiumento III  
Attorney  
MDC/cm

## EXHIBIT E

### FORM OF CERTIFICATE OF ASSESSMENT CONSULTANT

[Closing Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

I, George S. Flint, Vice President of Governmental Management Services – Central Florida, LLC ("GMS-CF"), do hereby certify to Gardens at Hammock Beach Community Development District (the "District") and MBS Capital Markets, LLC (the "Underwriter"), in connection with the issuance, sale and delivery by the District on this date of its \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and its \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "Series 2024 Bonds") as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum") of the District relating to the Series 2024 Bonds):

1. GMS-CF has been retained by the District to prepare the Master Assessment Methodology for Assessment Area One, dated [July 15, 2022], and the [Supplemental Assessment Methodology], dated [BPA Date], comprising a part of the assessment proceedings of the District (collectively, the "Report");

2. the Series 2024 Special Assessments when, as and if finally determined in accordance with the methodology set forth in such Report will be sufficient to meet the debt service requirements on the Series 2024 Bonds;

3. the Phase 1-3 CIP provides a special benefit to the properties assessed and the Series 2024 Special Assessments are fairly and reasonably allocated to the properties assessed;

4. GMS-CF consents to the use of the Report included as Appendix B to the Limited Offering Memorandum;

5. GMS-CF consents to the references to the firm in the Limited Offering Memorandum;

6. the Report was prepared in accordance with all applicable provisions of State law;

7. except as disclosed in the Limited Offering Memorandum, GMS-CF knows of no material change in the matters described in the Report and is of the opinion that the considerations and assumptions used in compiling the Report are reasonable; and

8. the information contained in the Report and in the Limited Offering Memorandum under the caption "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" is true and correct in all material respects and such information did not, and does not, contain any untrue statement of a material fact and did not, and does not, omit to state any fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

**IN WITNESS WHEREOF**, the undersigned has executed this certificate as of the date set forth above.

**GOVERNMENTAL MANAGEMENT  
SERVICES – CENTRAL FLORIDA, LLC**

By: \_\_\_\_\_  
George S. Flint, Vice President

## EXHIBIT F

### FORM OF CERTIFICATE OF CONSULTING ENGINEER

[Closing Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

Re: Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "Series 2024 Bonds")

Ladies and Gentlemen:

The undersigned serves as the Consulting Engineer to the Gardens at Hammock Beach Community Development District (the "District"). This Certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase Agreement, dated [BPA Date], between the District and MBS Capital Markets, LLC (the "Purchase Agreement"), relating to the sale of the Series 2024 Bonds. Terms used herein in capitalized form and not otherwise defined herein shall have the meaning ascribed thereto in said Purchase Agreement or in the Limited Offering Memorandum, dated [BPA Date], relating to the Series 2024 Bonds (the "Limited Offering Memorandum").

1. Parker Mynchenberg & Associates, Inc. (the "Firm") has been retained by the District to serve as the Consulting Engineer and to prepare the Master Engineer's Report – Assessment Area One, dated July 12, 2022, and the [Supplement to Engineer's Report for the Phase 1-3 Tract], dated [April \_\_, 2024] (collectively, the "Report") included as an appendix to the Limited Offering Memorandum. Consent is hereby given to the references to the Firm and the Report in the Limited Offering Memorandum and to the inclusion of the Report as an appendix to the Limited Offering Memorandum.

2. The Report was prepared in accordance with generally accepted engineering practices. The cost estimates in the Report are fair, reasonable, and consistent with current market conditions, and do not exceed the lesser of the actual costs of completing the Phase 1-3 CIP or fair market value thereof.

3. In connection with the preparation of the Report personnel of the Firm participated in meetings with representatives of the District and its counsel, Bond Counsel, the Underwriter and its counsel and others in regard to the Phase 1-3 CIP. The Phase 1-3 CIP consists solely of infrastructure and other improvements set forth in the Act. Nothing has come to the attention of the Firm in relation to our engagement as described in this paragraph which would cause us to believe that the Report was, as of its date, or is as of the date hereof, or any of the statements in the Limited Offering Memorandum specifically

attributed to the Firm were, as of the date of the Limited Offering Memorandum, or are as of the date hereof, inaccurate in any material respect.

4. The information contained in the Limited Offering Memorandum under the heading "THE PHASE 1-3 CAPITAL IMPROVEMENT PROGRAM" and in Appendix "A" to the Limited Offering Memorandum are accurate statements and fairly present the information purported to be shown, and nothing has come to the attention of the Firm that would lead it to believe that such section and appendix contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in light of the circumstances in which they were made, not misleading.

5. Except as described in the Report, all permits, consents or licenses, and all notices to or filings with governmental agencies necessary for the construction and acquisition of the Phase 1-3 CIP as described in the Limited Offering Memorandum required to be obtained or made have been obtained or made or it is reasonable to believe that they will be obtained or made when required. There is no reason to believe that any permits, consents, licenses or governmental approvals required to complete any portion of the Phase 1-3 CIP as described in the Limited Offering Memorandum will not be obtained as required, and there is no reason to believe it is not feasible to complete the Phase 1-3 CIP as planned. There is no reason to believe that the necessary water and sewer capacity will not be available when needed to permit the development of the Development as described in the Limited Offering Memorandum.

**PARKER MYNCHENBERG & ASSOCIATES,  
INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT G

### FORM OF CERTIFICATE OF DISTRICT MANAGER AND DISSEMINATION AGENT

[Closing Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

I, George S. Flint, Vice President of Governmental Management Services – Central Florida, LLC ("GMS-CF"), do hereby certify to Gardens at Hammock Beach Community Development District (the "District") and MBS Capital Markets, LLC (the "Underwriter"), in connection with the issuance, sale and delivery by the District on this date of its \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and its \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "Series 2024 Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum"), of the District relating to the Series 2024 Bonds):

1. GMS-CF has acted as District Manager to the District in connection with the issuance of the Series 2024 Bonds;

2. GMS-CF consents to the references to the firm in the Limited Offering Memorandum;

3. as District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memorandum, as it relates to the District, or any information provided by us, as of its date and as of this date, 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;

4. as District Manager, 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 2024 Bonds, or in any way contesting or affecting the validity of the Series 2024 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 2024 Bonds, or the existence or powers of the District; and

5. GMS-CF has agreed to serve as the initial Dissemination Agent for the District and undertake the obligations of the Dissemination Agent as set forth in the Disclosure Agreements. In its capacity as Dissemination Agent, GMS-CF is aware of the continuing disclosure requirements set forth in the Disclosure Agreements and Rule 15c2-



12 and GMS-CF has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreements.

**IN WITNESS WHEREOF**, the undersigned has executed this certificate as of the date set forth above.

**GOVERNMENTAL MANAGEMENT  
SERVICES – CENTRAL FLORIDA, LLC**

By: \_\_\_\_\_  
George S. Flint, Vice President

## EXHIBIT H

### FORM OF CERTIFICATE OF LANDOWNER

[Closing Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

The undersigned, the duly authorized representative of **PALM COAST INTRACOASTAL, LLC**, a Florida limited liability company, and **VERANDA BAY INVESTMENTS, LLC**, a Florida limited liability company (together, the "Landowner"), the developer and landowner of Veranda Bay (the "Development"), does hereby certify to the **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT** (the "District") and **MBS CAPITAL MARKETS, LLC** (the "Underwriter"), that:

1. This Certificate is furnished pursuant to Section 8(c)(20) of the Bond Purchase Agreement, dated [BPA Date], between the District and the Underwriter (the "Purchase Agreement") relating to the sale by the District of its \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and its \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "Series 2024 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Agreement.

2. Each entity comprising the Landowner is a limited liability company organized and existing under the laws of the State of Florida.

3. Representatives of the Landowner have provided information to the District and the Underwriter to be used in connection with the offering by the District of the Series 2024 Bonds, pursuant to a Preliminary Limited Offering Memorandum, dated [PLOM Date] (the "Preliminary Limited Offering Memorandum"), and a Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda").

4. The Financing Documents to which the Landowner is a party constitute valid and binding obligations of the Landowner enforceable against the Landowner in accordance with their respective terms.

5. The Landowner has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE PHASE 1-3 CAPITAL IMPROVEMENT PROGRAM," "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS," "THE LANDOWNER AND THE DEVELOPER," "THE DEVELOPMENT," "LITIGATION – Landowner," and "CONTINUING DISCLOSURE," and with respect to the Landowner and the Development under the captions "INTRODUCTION" and "BONDOWNERS' RISKS" and warrants and represents that such

information did not as of its date, 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 light of the circumstances under which they were made, not misleading. In addition, the Landowner is not aware of any other information in the Limited Offering Memoranda 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.

6. The Landowner represents and warrants that it has complied with and will continue to comply with Section 190.048, Florida Statutes.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Landowner which has not been disclosed in the Limited Offering Memoranda and/or in all other information provided by the Landowner to the Underwriter or the District.

8. The Landowner hereby consents to the levy of the Series 2024 Special Assessments on the lands in the District owned by the Landowner. The levy of the Series 2024 Special Assessments on the lands in the District owned by the Landowner will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Landowner is a party or to which its property or assets are subject. The Landowner agrees and acknowledges that the Series 2024 Special Assessments are valid and binding first liens on the real property on which they have been levied which is owned by the Landowner.

9. The 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. The 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.

10. The Landowner acknowledges that the Series 2024 Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Series 2024 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 2024 Bonds when due.

11. To the best of my knowledge, the Landowner is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Landowner is subject or by which the Landowner or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents or on the Development, and further, the Landowner is current in the payment of all ad valorem, federal and state taxes associated with the Development.

12. Except as otherwise disclosed in the Limited Offering Memoranda, there is no action, suit or proceeding 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 Landowner (or any

basis therefor) (a) seeking to restrain or enjoin the execution or delivery of the Financing Documents to which the Landowner is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, or (c) contesting or affecting the establishment or existence of the Landowner, or of the Landowner's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Landowner.

13. To the best of my knowledge after due inquiry, the Landowner 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 Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (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 Landowner is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Landowner's ability to complete or cause the completion of development of the Development as described in the Limited Offering Memoranda and all appendices thereto, and (d) there is no reason to believe that any permits, consents and licenses required to complete the Development as described in the Limited Offering Memoranda will not be obtained as required.

14. The Landowner acknowledges that it will have no rights under Chapter 170, Florida Statutes, to prepay, without interest, the Series 2024 Special Assessments imposed on lands in the District owned by the Landowner within thirty (30) days following completion of the Phase 1-3 CIP and acceptance thereof by the District.

15. The Landowner has never failed to timely comply with disclosure obligations pursuant to SEC Rule 15c2-12, other than as noted in the Limited Offering Memorandum under the heading "CONTINUING DISCLOSURE" and the Landowner is not insolvent.

**IN WITNESS WHEREOF**, the undersigned has executed this certificate for and on behalf of the Landowner as of the date set forth above.

**PALM COAST INTRACOASTAL, LLC,**  
a Florida limited liability company

**VERANDA BAY INVESTMENTS, LLC,**  
a Florida limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT I**  
**FORM OF OPINION OF COUNSEL TO LANDOWNER**  
**[TO COME]**

## EXHIBIT J

### FORM OF ISSUE PRICE CERTIFICATE

#### GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT (Flagler County, Florida)

**[\$[2024-1 Amount] Special Assessment Bonds (Assessment Area One), Series 2024-1**      **[\$[2024-2 Amount] Special Assessment Bonds (Assessment Area Two), Series 2024-2**

The undersigned, on behalf of **MBS CAPITAL MARKETS, LLC** ("MBS"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Series 2024 Bonds"). Capitalized terms shall have the meaning ascribed in Section 2 hereof.

MBS and the District entered into a Bond Purchase Agreement on the Sale Date in connection with the sale of the Series 2024 Bonds (the "Purchase Agreement"). Pursuant to the terms of the Purchase Agreement, MBS made a bona fide limited offering of the Series 2024 Bonds to a portion of the Public representing accredited investors as required by Florida law at the prices or yields for each such maturity as shown on the cover page of the Limited Offering Memorandum, dated [BPA Date], relating to the Series 2024 Bonds.

1. Sale of the Series 2024 Bonds. As of the date of this certificate, for each Maturity of the Series 2024 Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. Defined Terms.

(a) *District* means Gardens at Hammock Beach Community Development District.

(b) *Maturity* means Series 2024 Bonds with the same credit and payment terms. Series 2024 Bonds with different maturity dates, or Series 2024 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2024 Bonds. The Sale Date of the Series 2024 Bonds is [BPA Date].

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District to participate in the initial sale of the Series 2024 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2024 Bonds to the Public (including a member of a selling group or a party to a retail

distribution agreement participating in the initial sale of the Series 2024 Bonds to the Public).

3. Reserve Accounts. Reserve accounts in amounts equal to the respective Series 2024 Debt Service Reserve Requirement were necessary in order to market and sell the Series 2024 Bonds given the nature of the Series 2024 Bonds which are secured by special assessments and the delinquent assessment collection procedures related thereto.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents MBS' interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Arbitrage Certificate executed by the District in connection with the issuance, sale and delivery of the Series 2024 Bonds and with respect to compliance with the federal income tax rules affecting the Series 2024 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Series 2024 Bonds.

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Brett Sealy, Managing Partner

Dated: [Closing Date]

**SCHEDULE A**  
**SALE PRICES OF THE SERIES 2024 BONDS**  
*(Attached)*



# SECTION 3

**EXHIBIT C**

**FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM**

**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED MAY [ ], 2024**

**NEW ISSUE – BOOK-ENTRY ONLY  
LIMITED OFFERING**

**NOT RATED**

*In the opinion of Bond Counsel, assuming compliance by the District with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2024 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2024 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Internal Revenue Code of 1986, as amended (the "Code"). See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2024 Bonds.*

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT  
(Flagler County, Florida)**

**\$4,650,000\* Special Assessment Bonds  
(Assessment Area One), Series 2024-1**

**\$8,300,000\* Special Assessment Bonds  
(Assessment Area Two), Series 2024-2**

**Dated: Date of original issuance**

**Due: May 1, as shown below**

The \$4,650,000\* Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 (the "Series 2024-1 Bonds") and the \$8,300,000\* Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "Series 2024-2 Bonds" and, together with the Series 2024-1 Bonds, the "Series 2024 Bonds"), are being issued by the Gardens at Hammock Beach Community Development District (the "District") pursuant to a Master Trust Indenture dated as of June 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by (a) a First Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-1 Bonds (the "First Supplemental Indenture" and, together with the Master Indenture, the "2024-1 Indenture"), and (b) a Second Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-2 Bonds (the "Second Supplemental Indenture" and, together with the Master Indenture, the "2024-2 Indenture" and, collectively with the 2024-1 Indenture, the "Indentures"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indentures.

The Series 2024 Bonds are being issued only in fully registered form, in denominations of \$5,000 or any integral multiple thereof; provided however, that the Series 2024 Bonds shall be delivered to the initial purchasers thereof in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and established by Ordinance No. 2006-21, enacted by the Board of County Commissioners of Flagler County, Florida (the "County") on October 9, 2006 (the "Ordinance").

The Series 2024-1 Bonds are payable from and secured by the Series 2024-1 Pledged Revenues (as defined herein), which consist primarily of the revenues received by the District from non-ad valorem special assessments levied against certain lands within the District. The Series 2024-2 Bonds are payable from and secured by the Series 2024-2 Pledged Revenues (as defined herein), which consist primarily of the revenues received by the District from non-ad valorem special assessments levied against certain lands within the District. **The Series 2024-1 Pledged Revenues do not secure the Series 2024-2 Bonds and the Series 2024-2 Pledged Revenues do not secure the Series 2024-1 Bonds.** See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" herein.

The Series 2024 Bonds, when issued, will be registered in the name of Cede & Co., as the Owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2024 Bonds will be paid from the sources provided herein by the Trustee directly to Cede & Co. as the nominee of DTC and the registered Owner thereof. Disbursements of such payments to the Direct Participants (as defined herein) is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the Direct Participants and Indirect Participants (as defined herein), as more fully described herein. Any purchaser as a Beneficial Owner of a Series 2024 Bond must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on such Series 2024 Bond. See "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System" herein. The Series 2024 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year of twelve 30-day months. Interest on the Series 2024 Bonds is payable semi-annually on each May 1 and November 1, commencing November 1, 2024.

**The Series 2024 Bonds are subject to optional, mandatory and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. See "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions" herein.**

The Series 2024-1 Bonds are being issued to (a) finance a portion of the Costs of the Assessment Area One CIP (as defined herein), (b) pay certain costs associated with the issuance of the Series 2024-1 Bonds, (c) make a deposit into the Series 2024-1 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-1 Bonds, and (d) pay the interest to become due on the Series 2024-1 Bonds through and including November 1, 2024.

The Series 2024-2 Bonds are being issued to (a) finance a portion of the Costs of the Assessment Area Two CIP, (b) pay certain costs associated with the issuance of the Series 2024-2 Bonds, (c) make a deposit into the Series 2024-2 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-2 Bonds, and (d) pay the interest to become due on the Series 2024-2 Bonds through and including November 1, 2025.

THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2024-1 PLEDGED REVENUES OR THE SERIES 2024-2 PLEDGED REVENUES, AS APPLICABLE, PLEDGED THEREFOR UNDER THE INDENTURES 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 2024 BONDS, EXCEPT

THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURES TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2024 SPECIAL ASSESSMENTS (AS DEFINED HEREIN) TO SECURE AND PAY THE SERIES 2024 BONDS. THE SERIES 2024 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 2024 BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT" HEREIN). THE UNDERWRITER IS LIMITING THE OFFERING OF THE SERIES 2024 BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. HOWEVER, THE LIMITATION OF THE INITIAL OFFERING OF THE SERIES 2024 BONDS TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2024 BONDS. THE SERIES 2024 BONDS ARE NOT CREDIT ENHANCED AND ARE NOT RATED AND NO APPLICATION HAS BEEN MADE FOR CREDIT ENHANCEMENT OR A RATING WITH RESPECT TO THE SERIES 2024 BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE DISTRICT WOULD HAVE BEEN SUCCESSFUL IN OBTAINING EITHER CREDIT ENHANCEMENT OR A RATING FOR THE SERIES 2024 BONDS HAD APPLICATION BEEN MADE.

This cover page contains information for quick reference only. It is not, and is not intended to be, a summary of the Series 2024 Bonds. Investors must read this entire Limited Offering Memorandum, including the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

**PRINCIPAL AMOUNTS, INTEREST RATES, MATURITY DATES,  
YIELDS, PRICES AND INITIAL CUSIP NUMBERS†**

\$ _____	_____ %	Term Series 2024-1 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____
\$ _____	_____ %	Term Series 2024-1 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____
\$ _____	_____ %	Term Series 2024-1 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____
\$ _____	_____ %	Term Series 2024-2 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____
\$ _____	_____ %	Term Series 2024-2 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____
\$ _____	_____ %	Term Series 2024-2 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____

*The Series 2024 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2024 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Chiumento Law, PLLC, Palm Coast, Florida, for the Landowner by its counsel, William Livingston, Esq., Flagler Beach, Florida, for the Trustee by its counsel, Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida, and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. It is expected that the Series 2024 Bonds will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2024.*

**MBS Capital Markets, LLC**

Dated: \_\_\_\_\_, 2024

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\* Preliminary, subject to change.

† The District is not 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 Limited Offering Memorandum.

## **RED HERRING LANGUAGE**

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. The Series 2024 Bonds may not be sold nor may offers to buy be accepted prior to the time the Limited Offering Memorandum is delivered in final form. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the Series 2024 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS**

Clint Smith\*, Chairman  
David Lusby\*, Vice Chairman  
William Livingston\*, Assistant Secretary  
David R. Root\*, Assistant Secretary  
Denise Bunch\*, Assistant Secretary

**DISTRICT MANAGER/ASSESSMENT CONSULTANT**

Governmental Management Services – Central Florida, LLC  
Orlando, Florida

**DISTRICT COUNSEL**

Chiumento Law, PLLC  
Palm Coast, Florida

**CONSULTING ENGINEER**

Parker Mynchenberg & Associates, Inc.  
Holly Hill, Florida

**BOND COUNSEL**

Bryant Miller Olive P.A.  
Orlando, Florida

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\* Elected or appointed by the Landowner (as defined herein).



## **REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM**

No dealer, broker, salesperson or other person has been authorized by the District, Flagler County, Florida, the State of Florida or the Underwriter (as defined herein) to give any information or to make any representations other than those contained in this Limited Offering Memorandum and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 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 District, the District Manager, the Consulting Engineer, the Assessment Consultant, the Landowner (each as defined herein) and other sources that are believed by the Underwriter to be reliable.

The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

At closing, the District, the District Manager, the Consulting Engineer, the Assessment Consultant, and the Landowner will each deliver certificates certifying that certain of the information supplied by each does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change with respect to the matters described herein since the date hereof.

The Series 2024 Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor have the Indentures 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 2024 Bonds in accordance with the applicable securities law provisions of any jurisdictions wherein these securities have been or will be registered, qualified or exempted should not be regarded as a recommendation thereof. Neither the District, Flagler County, Florida, the State of Florida, nor any of its subdivisions or agencies have guaranteed or passed upon the merits of the Series 2024 Bonds or upon the probability of any earnings thereon, and neither Flagler County, Florida, the State of Florida, nor any of its subdivisions or agencies have guaranteed or passed upon the accuracy or adequacy of this Limited Offering Memorandum.

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget," or other similar words. 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 Landowner do not plan to issue any updates or revisions to those forward-looking statements if or when any of their expectations, events, conditions or circumstances on which such statements are based occur, other than as described under "CONTINUING DISCLOSURE" herein.

The order and placement of materials in this Limited Offering Memorandum, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Limited Offering Memorandum, including the appendices, must be considered in its entirety. The captions and headings in this Limited Offering Memorandum are for convenience of reference only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Limited Offering Memorandum.

This Limited Offering Memorandum is being provided to prospective purchasers in electronic format on the following websites: [www.munios.com](http://www.munios.com) and [www.emma.msrb.org](http://www.emma.msrb.org). This Limited Offering Memorandum may be relied upon only as printed in its entirety directly from either of such websites.

References to website addresses presented herein are for information purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Limited Offering Memorandum for any purpose, including for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

This Limited Offering Memorandum is not, and shall not be deemed to constitute, an offer to sell, or the solicitation of an offer to buy, real estate, which may only be made pursuant to offering documents satisfying applicable federal and state laws relating to the offer and sale of real estate.

This Preliminary Limited Offering Memorandum is in a form deemed final by the District for purposes of Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, except for certain information permitted to be omitted pursuant to Rule 15c2-12(b)(1).

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# LIMITED OFFERING MEMORANDUM

relating to

## GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT (Flagler County, Florida)

**\$4,650,000\* Special Assessment Bonds (Assessment Area One), Series 2024-1**      **\$8,300,000\* Special Assessment Bonds (Assessment Area Two), Series 2024-2**

### INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Gardens at Hammock Beach Community Development District (the "District") in connection with the offering and issuance by the District of its \$4,650,000\* Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 (the "Series 2024-1 Bonds") and its \$8,300,000\* Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "Series 2024-2 Bonds" and, collectively with the Series 2024-1 Bonds, the "Series 2024 Bonds").

The Series 2024 Bonds are being issued pursuant to the Act (hereinafter defined) and a Master Trust Indenture dated as of June 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by (a) a First Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-1 Bonds (the "First Supplemental Indenture" and, together with the Master Indenture, the "2024-1 Indenture"), and (b) a Second Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-2 Bonds (the "Second Supplemental Indenture" and, together with the Master Indenture, the "2024-2 Indenture" and, collectively with the 2024-1 Indenture, the "Indentures"), and resolutions adopted by the Board of Supervisors of the District (the "Board") on December 16, 2019 and May [17], 2024, authorizing the issuance of the Series 2024 Bonds. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indentures and not defined herein shall have the respective meanings set forth in the Indentures, the forms of which appear in composite APPENDIX C attached hereto.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and established by Ordinance No. 2006-21, enacted by the Board of County Commissioners of Flagler County, Florida (the "County") on October 9, 2006 (the "Ordinance"). See "THE DISTRICT" herein. The District was established for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the District.

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\* Preliminary, subject to change.

The boundaries of the District include approximately 953 acres of land located entirely within the County (the "District Lands"), anticipated to be developed into 453 residential units, 230,694 square feet of commercial space and recreational facilities within an intracoastal waterfront community being marketed as "Veranda Bay" (the "Development"). The District Lands are being developed in phases, with the initial three (3) phases comprising approximately 249 acres planned to include 335 single-family residential units (the "Phase 1-3 Tract"). The capital improvement program for the Phase 1-3 Tract (the "Phase 1-3 CIP") consists of certain infrastructure improvements for the benefit of the lands within the Phase 1-3 Tract, including on-site and off-site master public roadway improvements, water distribution and sanitary sewer collection systems, reuse water distribution and reuse water treatment plant, master stormwater management system, landscaping, hardscaping and irrigation in common areas, undergrounding of electrical systems, conservation mitigation, recreational areas, professional fees and contingency. Two (2) assessment areas have been established within the Phase 1-3 Tract: (a) Phases 1 and 3 consisting of approximately 210 acres that has been platted into 211 custom estate homesites is hereinafter referred to as "Assessment Area One" and the portion of the Phase 1-3 CIP benefiting such lands is hereinafter referred to as the "Assessment Area One CIP;" and (b) Phase 2 consisting of approximately thirty-nine (39) acres that is planned to include 124 single-family residential units is hereinafter referred to as "Assessment Area Two" and the portion of the Phase 1-3 CIP benefiting such lands is hereinafter referred to as the "Assessment Area Two CIP." See "THE PHASE 1-3 CAPITAL IMPROVEMENT PROGRAM" and "THE DEVELOPMENT" herein.

The Act authorizes the District to issue bonds for the purposes, among others, of financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts, district roads, recreational facilities and other basic infrastructure projects within or without the boundaries of the District, all as provided in the Act.

Under the Constitution and laws of the State of Florida (the "State"), including the Act, the District has the power and authority to levy non-ad valorem assessments upon the District Lands and to issue bonds for the purposes of providing community development services and facilities, including those financed with the proceeds of the Series 2024 Bonds as described herein.

The Series 2024-1 Bonds are being issued to (a) finance a portion of the Costs of the Assessment Area One CIP, (b) pay certain costs associated with the issuance of the Series 2024-1 Bonds, (c) make a deposit into the Series 2024-1 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-1 Bonds, and (d) pay the interest to become due on the Series 2024-1 Bonds through and including November 1, 2024.

The Series 2024-1 Bonds are payable from and secured by (a) all revenues received by the District from the Series 2024-1 Special Assessments levied and collected on that portion of the District Lands benefited by the Assessment Area One CIP, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2024-1 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the 2024-1 Indenture; provided,

however, that Series 2024-1 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the 2024-1 Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso) (collectively, the "Series 2024-1 Pledged Revenues").

"Series 2024-1 Special Assessments" is defined in the First Supplemental Indenture to mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Assessment Area One CIP or any portion thereof, which assessments correspond in amount to the Debt Service on the Series 2024-1 Bonds.

The Series 2024-2 Bonds are being issued to (a) finance a portion of the Costs of the Assessment Area Two CIP, (b) pay certain costs associated with the issuance of the Series 2024-2 Bonds, (c) make a deposit into the Series 2024-2 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-2 Bonds, and (d) pay the interest to become due on the Series 2024-2 Bonds through and including November 1, 2025.

The Series 2024-2 Bonds are payable from and secured by (a) all revenues received by the District from the Series 2024-2 Special Assessments levied and collected on that portion of the District Lands benefitted by the Assessment Area Two CIP, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2024-2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the 2024-2 Indenture; provided, however, that Series 2024-2 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the 2024-2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso) (collectively, the "Series 2024-2 Pledged Revenues").

"Series 2024-2 Special Assessments" is defined in the Second Supplemental Indenture to mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Assessment Area Two CIP or any portion thereof, which assessments correspond in amount to the Debt Service on the Series 2024-2 Bonds.

**The Series 2024-1 Pledged Revenues do not secure the Series 2024-2 Bonds and the Series 2024-2 Pledged Revenues do not secure the Series 2024-1 Bonds.**

The Series 2024-1 Pledged Revenues and the Series 2024-2 Pledged Revenues are sometimes collectively referred to herein as the "Series 2024 Pledged Revenues." The Series 2024-1 Special Assessments and the Series 2024-2 Special Assessments are sometimes collectively referred to herein as the "Series 2024 Special Assessments." The First Supplemental Indenture and the Second Supplemental Indenture are sometimes collectively referred to herein as the "Supplemental Indentures."



The Series 2024 Special Assessments represent an allocation of the costs of the Phase 1-3 CIP, including bond financing costs, to certain of the District Lands benefiting from the Phase 1-3 CIP in accordance with the Assessment Report (hereinafter defined). The Assessment Report and Assessment Resolutions (collectively, the "Assessment Proceedings") permit the prepayment in part or in full of the Series 2024 Special Assessments at any time without penalty, together with interest at the rate on the corresponding Series of Series 2024 Bonds to the Quarterly Redemption Date that is more than forty-five (45) days next succeeding the date of prepayment. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B – ASSESSMENT REPORT" attached hereto.

Subsequent to the issuance of the Series 2024 Bonds, the District may cause one or more Series of Bonds to be issued pursuant to the Master Indenture, subject to the terms and conditions thereof. Bonds may be issued for the purpose of financing the Cost of acquisition or construction of a Project or to refund all or a portion of a Series of Bonds. The District covenants and agrees in the First Supplemental Indenture that other than Bonds issued to refund the Outstanding Series 2024-1 Bonds, the District shall not, while any Series 2024-1 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2024-1 Pledged Revenues. The District further covenants and agrees in the First Supplemental Indenture that so long as the Series 2024-1 Bonds are Outstanding, the District will not impose debt service Special Assessments for capital projects on any lands then subject to the Series 2024-1 Special Assessments without the written consent of the Majority Owners of the Series 2024-1 Bonds; provided, however, such consent shall not be required if the Series 2024-1 Special Assessments have been Substantially Absorbed, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. The Trustee shall have no duty to verify if the Series 2024-1 Special Assessments are Substantially Absorbed and in the absence of a certification as provided above can assume that the Series 2024-1 Special Assessments have not been Substantially Absorbed. Notwithstanding the foregoing, the District is not precluded from imposing capital assessments (or the issuance of Bonds secured by such capital assessments) on property then subject to the Series 2024-1 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. "Substantially Absorbed" is defined in the First Supplemental Indenture to mean the date on which a principal amount of the Series 2024-1 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2024-1 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon. Similarly, the District covenants and agrees in the Second Supplemental Indenture that other than Bonds issued to refund the Outstanding Series 2024-2 Bonds, the District shall not, while any Series 2024-2 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2024-2 Pledged Revenues. The District further covenants and agrees in the Second Supplemental Indenture that so long as the Series 2024-2 Bonds are Outstanding, the District will not impose debt service Special Assessments for capital projects on any lands then subject to the Series 2024-2 Special Assessments without the written consent of the Majority Owners of the Series 2024-2 Bonds; provided, however, such consent shall not be required if the Series 2024-2 Special Assessments have been Substantially Absorbed, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. The Trustee shall have no duty to verify if the Series 2024-2 Special Assessments are Substantially Absorbed and in

the absence of a certification as provided above can assume that the Series 2024-2 Special Assessments have not been Substantially Absorbed. Notwithstanding the foregoing, the District is not precluded from imposing capital assessments (or the issuance of Bonds secured by such capital assessments) on property then subject to the Series 2024-2 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. "Substantially Absorbed" is defined in the Second Supplemental Indenture to mean the date on which a principal amount of the Series 2024-2 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2024-2 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS - No Parity Bonds; Limitation on Parity Liens" herein.

There follows in this Limited Offering Memorandum a brief description of the District and the Development, together with summaries of the terms of the Series 2024 Bonds, the Indentures and certain provisions of the Act. All references herein to the Indentures and the Act are qualified in their entirety by reference to such documents and statutes and all references to the Series 2024 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indentures, the forms of which appear in composite APPENDIX C attached hereto.

### **SUITABILITY FOR INVESTMENT**

Investment in the Series 2024 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or MBS Capital Markets, LLC (the "Underwriter") to give any information or make any representations, other than those contained in this Limited Offering Memorandum. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, and the opportunity to ask questions of the District, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Series 2024 Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions.

While the Series 2024 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the Series 2024 Bonds are not suitable for investment by persons other than, and, as required by Chapter 189, Florida Statutes, will offer the Series 2024 Bonds only to, "accredited investors," as such term is utilized in Chapter 517, Florida Statutes, and the rules promulgated thereunder. However, the limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2024 Bonds. Prospective investors in the Series 2024 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 2024 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

## DESCRIPTION OF THE SERIES 2024 BONDS

### General

The Series 2024 Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof; provided however, that the Series 2024 Bonds shall be delivered to the initial purchasers thereof in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

The Series 2024 Bonds will be dated their date of issuance and delivery to the initial purchasers thereof and will bear interest payable on each May 1 and November 1, commencing November 1, 2024 (each, an "Interest Payment Date") and shall be computed on the basis of a 360-day year comprised of twelve 30-day months. The Series 2024 Bonds will mature on May 1 of such years, in such amounts and at such rates as set forth on the cover page of this Limited Offering Memorandum.

Interest on the Series 2024 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2024 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 November 1, 2024, in which case from the date of original issuance of the Series 2024 Bonds, 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.

Except as otherwise provided in the Supplemental Indentures in connection with a book-entry only system of registration of the Series 2024 Bonds, the principal or Redemption Price of the Series 2024 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 2024 Bonds. Except as otherwise provided in the Supplemental Indentures in connection with a book-entry only system of registration of the Series 2024 Bonds, the payment of interest on the Series 2024 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2024 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 such Owner's address as it appears on the Bond Register. Any interest on any Series 2024 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 2024 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 (5<sup>th</sup>) 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 2024 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 Interest Payment 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 Interest Payment Date.

The Series 2024 Bonds will initially be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Series 2024 Bonds and, so long as the Series 2024 Bonds are held in book-entry only form, Cede & Co. will be considered the registered Owner for all purposes hereof. See "- Book-Entry Only System" below for more information about DTC and its book-entry only system.

**Redemption Provisions**

*Optional Redemption.* The Series 2024-1 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20\_\_, at the Redemption Price of the principal amount of the Series 2024-1 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2024-2 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20\_\_, at the Redemption Price of the principal amount of the Series 2024-2 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

*Mandatory Sinking Fund Redemption.* The Series 2024-1 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-1 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-1 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2024-1 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2024-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

The Series 2024-2 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-2 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof,

without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-2 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2024-2 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2024-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

Extraordinary Mandatory Redemption. The Series 2024-1 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

(a) on or after the Completion Date of the Assessment Area One CIP, by application of moneys transferred from the Series 2024-1 Acquisition and Construction Account to the Series 2024-1 Prepayment Account in accordance with the terms of the 2024-1 Indenture; or

(b) from amounts required by the 2024-1 Indenture to be deposited into the Series 2024-1 Prepayment Account including, but not limited to, Series 2024-1 Prepayment Principal and any excess amounts in the Series 2024-1 Debt Service Reserve Account as a result of the deposit of such Series 2024-1 Prepayment Principal and any excess amount on

deposit in the Series 2024-1 Debt Service Reserve Account resulting from a reduction in the Series 2024-1 Debt Service Reserve Requirement; or

(c) on the date on which the amount on deposit in the Series 2024-1 Debt Service Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024-1 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024-1 Bonds shall be called for redemption, the particular Series 2024-1 Bonds or portions of Series 2024-1 Bonds to be redeemed shall, unless otherwise provided in the 2024-1 Indenture, be selected by lot by the Registrar as provided in the 2024-1 Indenture.

The Series 2024-2 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

(a) on or after the Completion Date of the Assessment Area Two CIP, by application of moneys transferred from the Series 2024-2 Acquisition and Construction Account to the Series 2024-2 Prepayment Account in accordance with the terms of the 2024-2 Indenture; or

(b) from amounts required by the 2024-2 Indenture to be deposited into the Series 2024-2 Prepayment Account including, but not limited to, Series 2024-2 Prepayment Principal and any excess amounts in the Series 2024-2 Debt Service Reserve Account as a result of the deposit of such Series 2024-2 Prepayment Principal and any excess amount on deposit in the Series 2024-2 Debt Service Reserve Account resulting from a reduction in the Series 2024-2 Debt Service Reserve Requirement; or

(c) on the date on which the amount on deposit in the Series 2024-2 Debt Service Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024-2 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024-2 Bonds shall be called for redemption, the particular Series 2024-2 Bonds or portions of Series 2024-2 Bonds to be redeemed shall, unless otherwise provided in the 2024-2 Indenture, be selected by lot by the Registrar as provided in the 2024-2 Indenture.

### **Notice of Redemption**

When required to redeem or purchase Series 2024 Bonds under any provision of the Indentures or directed to do so by the District, the Trustee shall cause notice of the redemption, either in whole or in part, to be given by Electronic Means or mailed at least twenty (20) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Series 2024 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5<sup>th</sup>) 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 Series 2024 Bonds for which notice was duly

mailed in accordance with the Master Indenture. Such notice shall be given in the name of the District, shall be dated, shall set forth the Series 2024 Bonds 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 Series 2024 Bonds to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2024 Bonds to be redeemed or purchased; (e) that on the redemption or purchase date the redemption or purchase price will become due and payable upon surrender of each such Series 2024 Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; (f) the place where such Series 2024 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; and (g) any condition or conditions to be met prior to the redemption of the Series 2024 Bonds, including, but not limited to receipt of funds sufficient to accomplish the redemption of the Series 2024 Bonds.

If at the time of mailing of notice of an optional redemption or purchase, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Series 2024 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.

### **No Acceleration**

The Indentures do not permit the acceleration of the principal of the Series 2024 Bonds upon an Event of Default (as defined in the Indentures). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Enforcement and Collection of Series 2024 Special Assessments" herein and "APPENDIX C – Forms of Master Indenture, First Supplemental Indenture and Second Supplemental Indenture" attached hereto.

### **Book-Entry Only System**

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND NEITHER THE DISTRICT, NOR THE UNDERWRITER MAKE ANY REPRESENTATION OR WARRANTY OR TAKE ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered bonds 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 bond certificate will be issued for each maturity of each Series of the Series 2024 Bonds 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 (the "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 (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission ("SEC"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 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 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 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 2024 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 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an 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 made among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2024 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 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 the Series 2024 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 2024 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 detail information from the District or the Registrar on the 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 Registrar 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 and/or the Paying Agent for the Series 2024 Bonds. 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 the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024 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). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2024 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

## SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS

### General

The Series 2024-1 Bonds are payable from and secured by (a) all revenues received by the District from the Series 2024-1 Special Assessments levied and collected on that portion of the District Lands benefited by the Assessment Area One CIP, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2024-1 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the 2024-1 Indenture; provided, however, that Series 2024-1 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the 2024-1 Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso) (as previously defined, the "Series 2024-1 Pledged Revenues").

The Series 2024-2 Bonds are payable from and secured by (a) all revenues received by the District from the Series 2024-2 Special Assessments levied and collected on that portion of the District Lands benefited by the Assessment Area Two CIP, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2024-2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the 2024-2 Indenture; provided, however, that Series 2024-2 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the 2024-2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso) (as previously defined, the "Series 2024-2 Pledged Revenues").

**The Series 2024-1 Pledged Revenues do not secure the Series 2024-2 Bonds and the Series 2024-2 Pledged Revenues do not secure the Series 2024-1 Bonds.**

The Series 2024 Special Assessments represent an allocation of the costs of the Phase 1-3 CIP, including bond financing costs, to the District Lands benefiting from the Phase 1-3 CIP in accordance with the Assessment Report, which is attached hereto as composite APPENDIX B.

THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2024-1 PLEDGED REVENUES OR THE SERIES 2024-2 PLEDGED REVENUES, AS APPLICABLE, PLEDGED THEREFOR UNDER THE INDENTURES AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2024 BONDS, EXCEPT THAT THE DISTRICT IS

OBLIGATED UNDER THE INDENTURES TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2024 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2024 BONDS. THE SERIES 2024 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.

### **No Parity Bonds; Limitation on Parity Liens**

#### *Series 2024-1 Bonds*

The District covenants and agrees in the First Supplemental Indenture that other than Bonds issued to refund the Outstanding Series 2024-1 Bonds, the District shall not, while any Series 2024-1 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2024-1 Pledged Revenues. The District further covenants and agrees in the First Supplemental Indenture that so long as the Series 2024-1 Bonds are Outstanding, the District will not impose debt service Special Assessments for capital projects on any lands then subject to the Series 2024-1 Special Assessments without the written consent of the Majority Owners of the Series 2024-1 Bonds; provided, however, such consent shall not be required if the Series 2024-1 Special Assessments have been Substantially Absorbed, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. The Trustee shall have no duty to verify if the Series 2024-1 Special Assessments are Substantially Absorbed and in the absence of a certification as provided above can assume that the Series 2024-1 Special Assessments have not been Substantially Absorbed. Notwithstanding the foregoing, the District is not precluded from imposing capital assessments (or the issuance of Bonds secured by such capital assessments) on property then subject to the Series 2024-1 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. "Substantially Absorbed" is defined in the First Supplemental Indenture to mean the date on which a principal amount of the Series 2024-1 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2024-1 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon.

#### *Series 2024-2 Bonds*

The District covenants and agrees in the Second Supplemental Indenture that other than Bonds issued to refund the Outstanding Series 2024-2 Bonds, the District shall not, while any Series 2024-2 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2024-2 Pledged Revenues. The District further covenants and agrees in the Second Supplemental Indenture that so long as the Series 2024-2 Bonds are Outstanding, the District will not impose debt service Special Assessments for capital projects on any lands then subject to the Series 2024-2 Special Assessments without the written consent of the Majority Owners of the Series 2024-2 Bonds; provided, however, such consent shall not be required if the Series 2024-2 Special Assessments have been Substantially Absorbed, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. The Trustee shall have no duty to verify if the Series 2024-2 Special Assessments are Substantially Absorbed and in

the absence of a certification as provided above can assume that the Series 2024-2 Special Assessments have not been Substantially Absorbed. Notwithstanding the foregoing, the District is not precluded from imposing capital assessments (or the issuance of Bonds secured by such capital assessments) on property then subject to the Series 2024-2 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. "Substantially Absorbed" is defined in the Second Supplemental Indenture to mean the date on which a principal amount of the Series 2024-2 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2024-2 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon.

WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE SERIES 2024 SPECIAL ASSESSMENTS PLEDGED AS SECURITY FOR THE SERIES 2024 BONDS, THE DISTRICT, THE COUNTY, THE SCHOOL BOARD OF FLAGLER COUNTY, FLORIDA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF SPECIAL ASSESSMENTS WHICH INCLUDES THE SERIES 2024 SPECIAL ASSESSMENTS SECURING THE SERIES 2024 BONDS. See "- Enforcement and Collection of Series 2024 Special Assessments" below.

#### **Debt Service Reserve Accounts**

**The Series 2024-1 Debt Service Reserve Account does not secure the Series 2024-2 Bonds and amounts on deposit in the Series 2024-1 Debt Service Reserve Account may not be used to pay the Debt Service Requirements on the Series 2024-2 Bonds. The Series 2024-2 Debt Service Reserve Account does not secure the Series 2024-1 Bonds and amounts on deposit in the Series 2024-2 Debt Service Reserve Account may not be used to pay the Debt Service Requirements on the Series 2024-1 Bonds.**

#### ***Series 2024-1 Debt Service Reserve Account***

Pursuant to the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2024-1 Debt Service Reserve Account." The Series 2024-1 Debt Service Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2024-1 Debt Service Reserve Requirement. "Series 2024-1 Debt Service Reserve Requirement" is defined in the First Supplemental Indenture to mean initially an amount equal to 100% of the maximum annual Debt Service Requirements for all Outstanding Series 2024-1 Bonds, as of the time of any such calculation, which on the date of issuance of the Series 2024-1 Bonds is equal to \$\_\_\_\_\_. Upon receipt by the Trustee of the Reserve Release Certifications (hereinafter defined) and thereafter, the Series 2024-1 Debt Service Reserve Requirement shall be an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirements for all Outstanding Series 2024-1 Bonds, as of the time of any such calculation. Excess amounts on deposit in the Series 2024-1 Debt Service Reserve Account as a result of the deposit of Series 2024-1 Prepayment Principal and/or as a result of the Reserve Account Release Conditions having been met shall be transferred, as directed by a Responsible Officer, as provided in the First Supplemental Indenture.

"Reserve Account Release Conditions" is defined in the First Supplemental Indenture to mean, collectively, that (a) all homes subject to Series 2024-1 Special Assessments have been built, sold and closed with end-users, (b) all Series 2024-1 Special Assessments are being collected pursuant to the Uniform Method, and (c) there are no Events of Default occurring or continuing under the 2024-1 Indenture with respect to the Series 2024-1 Bonds. Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer shall provide a written certification to the Trustee certifying that the events in clauses (a) and (b) have occurred and affirming clause (c) on which certifications the Trustee may conclusively rely (collectively, the "Reserve Release Certifications").

Except as otherwise provided in the 2024-1 Indenture, amounts on deposit in the Series 2024-1 Debt Service Reserve Account shall be used only for the purpose of making payments into the Series 2024-1 Interest Account and the Series 2024-1 Sinking Fund Account to pay Debt Service Requirements on the Series 2024-1 Bonds, when due, to the extent the moneys on deposit in such Accounts and available therefor are insufficient and for no other purpose.

Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer of the District shall provide the Reserve Release Certifications to the Trustee, upon which certifications the Trustee may conclusively rely, and thereupon a Responsible Officer of the District shall recalculate the Series 2024-1 Debt Service Reserve Requirement and instruct the Trustee to transfer any excess as a result of having met such Reserve Account Release Conditions to the Series 2024-1 Acquisition and Construction Account to be used for the purposes of such Account.

On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the first Business Day preceding such forty-fifth (45<sup>th</sup>) day), the District shall recalculate the Series 2024-1 Debt Service Reserve Requirement taking into account any Series 2024-1 Prepayment Principal on deposit in the Series 2024-1 Prepayment Account and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2024-1 Debt Service Reserve Account in excess of the Series 2024-1 Debt Service Reserve Requirement as a result of such Series 2024-1 Prepayment Principal to the Series 2024-1 Prepayment Account as a credit against the Series 2024-1 Prepayment otherwise required to be made by the owner of such lot or parcel. Following the foregoing transfer, such amounts in the Series 2024-1 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2024-1 Bonds on the earliest date permitted for redemption therein and in the First Supplemental Indenture. The Trustee is authorized to make such transfers and has no duty to verify such calculations.

On the earliest date on which there is on deposit in the Series 2024-1 Debt Service Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2024-1 Bonds, together with accrued interest on such Series 2024-1 Bonds to the earliest date of redemption permitted therein and in the First Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2024-1 Debt Service Reserve Account into the Series 2024-1 Prepayment Account to pay and redeem all of the Outstanding Series 2024-1 Bonds on the earliest date permitted for redemption therein and in the First Supplemental Indenture.

Anything in the 2024-1 Indenture to the contrary notwithstanding, amounts on deposit in the Series 2024-1 Debt Service Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of delinquent Series 2024-1 Special Assessments.

Earnings on investments in the Series 2024-1 Debt Service Reserve Account shall be disposed of as follows:

(a) if as of the last date on which amounts on deposit in the Series 2024-1 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2024-1 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2024-1 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2024-1 Debt Service Reserve Account shall be deposited to the credit of the Series 2024-1 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2024-1 Debt Service Reserve Requirement; and

(b) as long as no notice of an Event of Default under the 2024-1 Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2024-1 Debt Service Reserve Account is not reduced below the then Series 2024-1 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (i) prior to the Completion Date of the Assessment Area One CIP, to the Series 2024-1 Acquisition and Construction Account; and (ii) on and after the Completion Date of the Assessment Area One CIP, to the Series 2024-1 Revenue Account. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2024-1 Debt Service Reserve Account shall remain therein.

#### Series 2024-2 Debt Service Reserve Account

Pursuant to the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2024-2 Debt Service Reserve Account." The Series 2024-2 Debt Service Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2024-2 Debt Service Reserve Requirement. "Series 2024-2 Debt Service Reserve Requirement" is defined in the Second Supplemental Indenture to mean initially an amount equal to 100% of the maximum annual Debt Service Requirements for all Outstanding Series 2024-2 Bonds, as of the time of any such calculation, which on the date of issuance of the Series 2024-2 Bonds is equal to \$\_\_\_\_\_. Upon receipt by the Trustee of the Reserve Release Certifications (hereinafter defined) and thereafter, the Series 2024-2 Debt Service Reserve Requirement shall be an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirements for all Outstanding Series 2024-2 Bonds, as of the time of any such calculation. Excess amounts on deposit in the Series 2024-2 Debt Service Reserve Account as a result of the deposit of Series 2024-2 Prepayment Principal and/or as a result of the Reserve Account Release Conditions having been met shall be transferred, as directed by a Responsible Officer, as provided in the Second Supplemental Indenture.

"Reserve Account Release Conditions" is defined in the Second Supplemental Indenture to mean, collectively, that (a) all homes subject to Series 2024-2 Special

Assessments have been built, sold and closed with end-users, (b) all Series 2024-2 Special Assessments are being collected pursuant to the Uniform Method, and (c) there are no Events of Default occurring or continuing under the 2024-2 Indenture with respect to the Series 2024-2 Bonds. Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer shall provide a written certification to the Trustee certifying that the events in clauses (a) and (b) have occurred and affirming clause (c) on which certifications the Trustee may conclusively rely (collectively, the "Reserve Release Certifications").

Except as otherwise provided in the 2024-2 Indenture, amounts on deposit in the Series 2024-2 Debt Service Reserve Account shall be used only for the purpose of making payments into the Series 2024-2 Interest Account and the Series 2024-2 Sinking Fund Account to pay Debt Service Requirements on the Series 2024-2 Bonds, when due, to the extent the moneys on deposit in such Accounts and available therefor are insufficient and for no other purpose.

Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer of the District shall provide the Reserve Release Certifications to the Trustee, upon which certifications the Trustee may conclusively rely, and thereupon a Responsible Officer of the District shall recalculate the Series 2024-2 Debt Service Reserve Requirement and instruct the Trustee to transfer any excess as a result of having met such Reserve Account Release Conditions to the Series 2024-2 Acquisition and Construction Account to be used for the purposes of such Account.

On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the first Business Day preceding such forty-fifth (45<sup>th</sup>) day), the District shall recalculate the Series 2024-2 Debt Service Reserve Requirement taking into account any Series 2024-2 Prepayment Principal on deposit in the Series 2024-2 Prepayment Account and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2024-2 Debt Service Reserve Account in excess of the Series 2024-2 Debt Service Reserve Requirement as a result of such Series 2024-2 Prepayment Principal to the Series 2024-2 Prepayment Account as a credit against the Series 2024-2 Prepayment otherwise required to be made by the owner of such lot or parcel. Following the foregoing transfer, such amounts in the Series 2024-2 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2024-2 Bonds on the earliest date permitted for redemption therein and in the Second Supplemental Indenture. The Trustee is authorized to make such transfers and has no duty to verify such calculations.

On the earliest date on which there is on deposit in the Series 2024-2 Debt Service Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2024-2 Bonds, together with accrued interest on such Series 2024-2 Bonds to the earliest date of redemption permitted therein and in the Second Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2024-2 Debt Service Reserve Account into the Series 2024-2 Prepayment Account to pay and redeem all of the Outstanding Series 2024-2 Bonds on the earliest date permitted for redemption therein and in the Second Supplemental Indenture.

Anything in the 2024-2 Indenture to the contrary notwithstanding, amounts on deposit in the Series 2024-2 Debt Service Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and



expenses, including fees and expenses of collection of delinquent Series 2024-2 Special Assessments.

Earnings on investments in the Series 2024-2 Debt Service Reserve Account shall be disposed of as follows:

(a) if as of the last date on which amounts on deposit in the Series 2024-2 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2024-2 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2024-2 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2024-2 Debt Service Reserve Account shall be deposited to the credit of the Series 2024-2 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2024-2 Debt Service Reserve Requirement; and

(b) as long as no notice of an Event of Default under the 2024-2 Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2024-2 Debt Service Reserve Account is not reduced below the then Series 2024-2 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (i) prior to the Completion Date of the Assessment Area Two CIP, to the Series 2024-2 Acquisition and Construction Account; and (ii) on and after the Completion Date of the Assessment Area Two CIP, to the Series 2024-2 Revenue Account. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2024-2 Debt Service Reserve Account shall remain therein.

## **Revenue Accounts**

### *Series 2024-1 Revenue Account*

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2024-1 Revenue Account." The Trustee shall deposit into the Series 2024-1 Revenue Account the Series 2024-1 Pledged Revenues, other than Series 2024-1 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2024-1 Prepayment Account, and any other revenues required by other provisions of the 2024-1 Indenture to be deposited therein. The Trustee may conclusively rely on the assumption that, unless otherwise instructed in writing by the District at the time of deposit to the Trustee, Series 2024-1 Pledged Revenues paid to the Trustee shall be deposited into the Series 2024-1 Revenue Account, and that Series 2024-1 Pledged Revenues which the District informs the Trustee constitute Series 2024-1 Prepayment Principal shall be deposited into the Series 2024-1 Prepayment Account.

On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date with respect to the Series 2024-1 Bonds (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the Series 2024-1 Prepayment Account and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2024-1 Revenue Account for deposit into the Series 2024-1 Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next highest integral multiple of

\$5,000 (provided that there are sufficient funds remaining therein to pay the Debt Service Requirements coming due on the Series 2024-1 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2024-1 Bonds in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2024-1 Prepayment Account in accordance with the provisions for extraordinary mandatory redemption of the Series 2024-1 Bonds set forth in the 2024-1 Indenture.

Following the foregoing transfers, the Trustee shall transfer from amounts on deposit in the Series 2024-1 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, no later than the Business Day preceding each May 1 and November 1, to the Series 2024-1 Interest Account, an amount equal to the interest on the Series 2024-1 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2024-1 Interest Account representing Capitalized Interest in accordance with the First Supplemental Indenture and less any other amounts already on deposit in the Series 2024-1 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2024-1 Sinking Fund Account, an amount equal to the principal amount of Series 2024-1 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2024-1 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next [succeeding] each Interest Payment Date, to the Series 2024-1 Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2024-1 Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2024-1 Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2024-1 Interest Account the amount necessary to pay interest on the Series 2024-1 Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2024-1 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the balance on deposit in the Series 2024-1 Revenue Account on such November 2 shall (a) before the Completion Date of the Assessment Area One CIP, be transferred into the Series 2024-1 Acquisition and Construction Account, and (b) on and after the Completion Date of the Assessment Area One CIP, be paid over to the District at the written direction of a Responsible Officer and used for any lawful purpose of the District; provided, however, that on the date of either such proposed transfer the Trustee shall not have received written notice of an Event of Default under the 2024-1 Indenture relating to the Series 2024-1 Bonds, and all Trustee's fees and expenses relating to the Series 2024-1 Bonds shall have been paid.

Series 2024-2 Revenue Account

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2024-2 Revenue Account." The Trustee shall deposit into the Series 2024-2 Revenue Account the Series 2024-2 Pledged Revenues, other than Series 2024-2 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2024-2 Prepayment Account, and any other revenues required by other provisions of the 2024-2 Indenture to be deposited therein. The Trustee may conclusively rely on the assumption that, unless otherwise instructed in writing by the District at the time of deposit to the Trustee, Series 2024-2 Pledged Revenues paid to the Trustee shall be deposited into the Series 2024-2 Revenue Account, and that Series 2024-2 Pledged Revenues which the District informs the Trustee constitute Series 2024-2 Prepayment Principal shall be deposited into the Series 2024-2 Prepayment Account.

On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date with respect to the Series 2024-2 Bonds (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the Series 2024-2 Prepayment Account and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2024-2 Revenue Account for deposit into the Series 2024-2 Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next highest integral multiple of \$5,000 (provided that there are sufficient funds remaining therein to pay the Debt Service Requirements coming due on the Series 2024-2 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2024-2 Bonds in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2024-2 Prepayment Account in accordance with the provisions for extraordinary mandatory redemption of the Series 2024-2 Bonds set forth in the 2024-2 Indenture.

Following the foregoing transfers, the Trustee shall transfer from amounts on deposit in the Series 2024-2 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, no later than the Business Day preceding each May 1 and November 1, to the Series 2024-2 Interest Account, an amount equal to the interest on the Series 2024-2 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2024-2 Interest Account representing Capitalized Interest in accordance with the Second Supplemental Indenture and less any other amounts already on deposit in the Series 2024-2 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2024-2 Sinking Fund Account, an amount equal to the principal amount of Series 2024-2 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2024-2 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next [succeeding] each Interest Payment Date, to the Series 2024-2 Debt Service Reserve Account an amount equal

to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2024-2 Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2024-2 Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2024-2 Interest Account the amount necessary to pay interest on the Series 2024-2 Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2024-2 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the balance on deposit in the Series 2024-2 Revenue Account on such November 2 shall (a) before the Completion Date of the Assessment Area Two CIP, be transferred into the Series 2024-2 Acquisition and Construction Account, and (b) on and after the Completion Date of the Assessment Area Two CIP, be paid over to the District at the written direction of a Responsible Officer and used for any lawful purpose of the District; provided, however, that on the date of either such proposed transfer the Trustee shall not have received written notice of an Event of Default under the 2024-2 Indenture relating to the Series 2024-2 Bonds, and all Trustee's fees and expenses relating to the Series 2024-2 Bonds shall have been paid.

## **Bond Redemption Funds**

### *Series 2024-1 Bond Redemption Fund*

Pursuant to the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2024-1 Bond Redemption Fund" and within such Fund, a "Series 2024-1 General Account" and a "Series 2024-1 Prepayment Account." Except as otherwise provided in the First Supplemental Indenture, moneys to be deposited into the Series 2024-1 Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2024-1 General Account. Series 2024-1 Prepayments shall be identified as such by the District to the Trustee to then be deposited directly into the Series 2024-1 Prepayment Account, as provided in the 2024-1 Indenture.

Moneys in the Series 2024-1 General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2024-1 Bonds, if any, as the District may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2024-1 General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the 2024-1 Indenture; and

SECOND, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2024-1 Bonds that are subject to optional redemption pursuant to the First Supplemental Indenture such amount of Series

2024-1 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Series 2024-1 Bonds shall be called for redemption at one time.

Moneys in the Series 2024-1 Prepayment Account (including all earnings on investments therein) shall be accumulated therein to be used to call for extraordinary mandatory redemption pursuant to the First Supplemental Indenture an amount of Series 2024-1 Bonds equal to the amount of money transferred to the Series 2024-1 Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the First Supplemental Indenture.

*Series 2024-2 Bond Redemption Fund*

Pursuant to the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2024-2 Bond Redemption Fund" and within such Fund, a "Series 2024-2 General Account" and a "Series 2024-2 Prepayment Account." Except as otherwise provided in the Second Supplemental Indenture, moneys to be deposited into the Series 2024-2 Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2024-2 General Account. Series 2024-2 Prepayments shall be identified as such by the District to the Trustee to then be deposited directly into the Series 2024-2 Prepayment Account, as provided in the 2024-2 Indenture.

Moneys in the Series 2024-2 General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2024-2 Bonds, if any, as the District may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2024-2 General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the 2024-2 Indenture; and

SECOND, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2024-2 Bonds that are subject to optional redemption pursuant to the Second Supplemental Indenture such amount of Series 2024-2 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Series 2024-2 Bonds shall be called for redemption at one time.

Moneys in the Series 2024-2 Prepayment Account (including all earnings on investments therein) shall be accumulated therein to be used to call for extraordinary mandatory redemption pursuant to the Second Supplemental Indenture an amount of Series 2024-2 Bonds equal to the amount of money transferred to the Series 2024-2 Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the Second Supplemental Indenture.

## Acquisition and Construction Accounts

### Series 2024-1 Acquisition and Construction Account

The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2024-1 Acquisition and Construction Account." Net proceeds of the Series 2024-1 Bonds shall be deposited into the Series 2024-1 Acquisition and Construction Account in the amounts set forth in the First Supplemental Indenture, together with any excess moneys transferred to the Series 2024-1 Acquisition and Construction Account. Such moneys in the Series 2024-1 Acquisition and Construction Account shall be applied as set forth in the 2024-1 Indenture to pay costs to acquire and/or construct portions of the Assessment Area One CIP, or as otherwise provided in the First Supplemental Indenture after the Completion Date. Each requisition shall substantially be in the form of requisition attached as Exhibit D to the Master Indenture. The Trustee shall have no duty to review the requisition to determine if the amount requested is for payment of a cost permitted under the First Supplemental Indenture. Earnings on investments in the Series 2024-1 Acquisition and Construction Account shall remain therein.

After the Completion Date of the Assessment Area One CIP, which shall not occur until the satisfaction of the Reserve Account Release Conditions and after transferring any resulting excess Series 2024-1 Debt Service Reserve Requirement from the Series 2024-1 Debt Service Reserve Account to the Series 2024-1 Acquisition and Construction Account, and after retaining in the Series 2024-1 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the Assessment Area One CIP set forth in the Consulting Engineer's certificate establishing such Completion Date, any funds remaining in the Series 2024-1 Acquisition and Construction Account shall be transferred to and deposited into the Series 2024-1 General Account and applied to the extraordinary mandatory redemption of the Series 2024-1 Bonds, and the Series 2024-1 Acquisition and Construction Account shall be closed. The Series 2024-1 Acquisition and Construction Account shall remain open until the Reserve Account Release Conditions have been satisfied.

In accordance with the provisions of the 2024-1 Indenture, the Series 2024-1 Bonds are payable solely from the Series 2024-1 Pledged Revenues and any other moneys held by the Trustee under the 2024-1 Indenture for such purpose. Anything in the 2024-1 Indenture to the contrary notwithstanding, the District acknowledges in the First Supplemental Indenture that the Series 2024-1 Pledged Revenues include, without limitation, all amounts on deposit in the Series 2024-1 Acquisition and Construction Account then held by the Trustee, and upon the occurrence of an Event of Default with respect to the Series 2024-1 Bonds, (a) the Series 2024-1 Pledged Revenues may not be used by the District (whether to pay Costs of the Assessment Area One CIP or otherwise) without the consent of the Majority Owners of the Series 2024-1 Bonds, except to the extent that prior to the occurrence of an Event of Default the District had incurred a binding obligation with third parties for work on the Assessment Area One CIP and payment is for such work, and (b) the Series 2024-1 Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2024-1 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the 2024-1 Indenture or as otherwise provided in the Master Indenture.

Series 2024-2 Acquisition and Construction Account

The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2024-2 Acquisition and Construction Account." Net proceeds of the Series 2024-2 Bonds shall be deposited into the Series 2024-2 Acquisition and Construction Account in the amounts set forth in the Second Supplemental Indenture, together with any excess moneys transferred to the Series 2024-2 Acquisition and Construction Account. Such moneys in the Series 2024-2 Acquisition and Construction Account shall be applied as set forth in the 2024-2 Indenture to pay costs to acquire and/or construct portions of the Assessment Area Two CIP, or as otherwise provided in the Second Supplemental Indenture after the Completion Date. Each requisition shall substantially be in the form of requisition attached as Exhibit D to the Master Indenture. The Trustee shall have no duty to review the requisition to determine if the amount requested is for payment of a cost permitted under the Second Supplemental Indenture. Earnings on investments in the Series 2024-2 Acquisition and Construction Account shall remain therein.

After the Completion Date of the Assessment Area Two CIP, which shall not occur until the satisfaction of the Reserve Account Release Conditions and after transferring any resulting excess Series 2024-2 Debt Service Reserve Requirement from the Series 2024-2 Debt Service Reserve Account to the Series 2024-2 Acquisition and Construction Account, and after retaining in the Series 2024-2 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the Assessment Area Two CIP set forth in the Consulting Engineer's certificate establishing such Completion Date, any funds remaining in the Series 2024-2 Acquisition and Construction Account shall be transferred to and deposited into the Series 2024-2 General Account and applied to the extraordinary mandatory redemption of the Series 2024-2 Bonds, and the Series 2024-2 Acquisition and Construction Account shall be closed. The Series 2024-2 Acquisition and Construction Account shall remain open until the Reserve Account Release Conditions have been satisfied.

In accordance with the provisions of the 2024-2 Indenture, the Series 2024-2 Bonds are payable solely from the Series 2024-2 Pledged Revenues and any other moneys held by the Trustee under the 2024-2 Indenture for such purpose. Anything in the 2024-2 Indenture to the contrary notwithstanding, the District acknowledges in the Second Supplemental Indenture that the Series 2024-2 Pledged Revenues include, without limitation, all amounts on deposit in the Series 2024-2 Acquisition and Construction Account then held by the Trustee, and upon the occurrence of an Event of Default with respect to the Series 2024-2 Bonds, (a) the Series 2024-2 Pledged Revenues may not be used by the District (whether to pay Costs of the Assessment Area Two CIP or otherwise) without the consent of the Majority Owners of the Series 2024-2 Bonds, except to the extent that prior to the occurrence of an Event of Default the District had incurred a binding obligation with third parties for work on the Assessment Area Two CIP and payment is for such work, and (b) the Series 2024-2 Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2024-2 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the 2024-2 Indenture or as otherwise provided in the Master Indenture.

## **Other Funds and Accounts**

### *Series 2024-1 Bonds*

The Trustee shall establish a separate subaccount within the Series 2024-1 Acquisition and Construction Account designated as the "Series 2024-1 Costs of Issuance Subaccount." Amounts in the Series 2024-1 Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2024-1 Bonds. Six (6) months after the date of issuance of the Series 2024-1 Bonds, any moneys remaining in the Series 2024-1 Costs of Issuance Subaccount which have not been requisitioned by the District to pay costs relating to the issuance of the Series 2024-1 Bonds shall be deposited into the Series 2024-1 Acquisition and Construction Account and applied as set forth in the 2024-1 Indenture, and the Series 2024-1 Costs of Issuance Subaccount shall be closed.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2024-1 Interest Account." Net proceeds of the Series 2024-1 Bonds shall be deposited into the Series 2024-1 Interest Account in the amount set forth in the First Supplemental Indenture. Moneys deposited into the Series 2024-1 Interest Account shall be applied for the purposes provided in the 2024-1 Indenture.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2024-1 Sinking Fund Account." Moneys shall be deposited into such Account as provided in the 2024-1 Indenture and applied for the purposes provided in the 2024-1 Indenture.

### *Series 2024-2 Bonds*

The Trustee shall establish a separate subaccount within the Series 2024-2 Acquisition and Construction Account designated as the "Series 2024-2 Costs of Issuance Subaccount." Amounts in the Series 2024-2 Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2024-2 Bonds. Six (6) months after the date of issuance of the Series 2024-2 Bonds, any moneys remaining in the Series 2024-2 Costs of Issuance Subaccount which have not been requisitioned by the District to pay costs relating to the issuance of the Series 2024-2 Bonds shall be deposited into the Series 2024-2 Acquisition and Construction Account and applied as set forth in the 2024-2 Indenture, and the Series 2024-2 Costs of Issuance Subaccount shall be closed.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2024-2 Interest Account." Net proceeds of the Series 2024-2 Bonds shall be deposited into the Series 2024-2 Interest Account in the amount set forth in the Second Supplemental Indenture. Moneys deposited into the Series 2024-2 Interest Account shall be applied for the purposes provided in the 2024-2 Indenture.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2024-2 Sinking Fund Account." Moneys shall be deposited into such Account as provided in the 2024-2 Indenture and applied for the purposes provided in the 2024-2 Indenture.



## **Collateral Assignments**

Contemporaneously with the issuance of the Series 2024 Bonds, Palm Coast Intracoastal, LLC, a Florida limited liability company (the "Developer") and Veranda Bay Investments, LLC, a Florida limited liability company (together with the Developer, the "Landowner"), will enter into a [Collateral Assignment and Assumption of Development Rights Relating to the Property] with respect to Assessment Area One and a [Collateral Assignment and Assumption of Development Rights Relating to the Property] with respect to Assessment Area Two (together, the "Collateral Assignments") with the District. The following description of the Collateral Assignments is qualified in its entirety by reference to the Collateral Assignments. Pursuant to the Collateral Assignments, the Landowner collaterally assigns to the District, to the extent assignable and to the extent that they are owned or controlled by the Landowner, all of the Landowner's development rights and contract rights relating to the lands within Assessment Area One and Assessment Area Two, respectively (the "Development Rights") as security for the Landowner's payment and performance of its obligation to pay the Series 2024 Special Assessments levied against the lands within Assessment Area One and Assessment Area Two, respectively, when due. The assignment will become effective and absolute upon failure of the Landowner to pay the Series 2024 Special Assessments levied against the lands within Assessment Area One and/or Assessment Area Two owned by the Landowner. The Development Rights specifically exclude any such portion of the Development Rights which relate to any property which has been conveyed to a retail homebuyer in the ordinary course of business, the County, the District, any applicable property owner's association, or any other governmental entity or association as may be required by applicable permits, government approvals, plats, entitlements, or regulations associated with the development of Assessment Area One and/or Assessment Area Two. Pursuant to the Indentures, the District assigns its rights under the Collateral Assignments to the Trustee for the benefit of the Owners, from time to time, of the Series 2024 Bonds.

## **Completion Agreements**

In connection with the issuance of the Series 2024 Bonds, the District and the Landowner will enter into agreements (the "Completion Agreements") pursuant to which the Landowner will agree to provide funds to complete the Assessment Area One CIP and the Assessment Area Two CIP to the extent that proceeds of the Series 2024 Bonds are insufficient therefor. Remedies for a default under the Completion Agreements include damages and/or specific performance.

## **True-Up Agreements**

In connection with the issuance of the Series 2024 Bonds, the District and the Landowner will enter into agreements (the "True-Up Agreements") pursuant to which the Landowner agrees to pay, when requested by the District, any amount of Series 2024-1 Special Assessments and Series 2024-2 Special Assessments allocated to unplatted acres on lands owned by the Landowner in excess of the allocation in place at the time of issuance of the Series 2024 Bonds pursuant to the Assessment Report. Remedies for a default under the True-Up Agreements include damages, injunctive relief and/or specific performance.

## **Enforcement of Completion Agreements and True-Up Agreements**

Pursuant to the Indentures, the District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreements and the True-Up Agreements, and, upon the occurrence and continuance of a default under any or all of such Agreements, the District covenants and agrees that the Trustee, at the written direction of the Majority Owners of the respective Series of Series 2024 Bonds may, subject to the provisions of Section 11.04 of the Master Indenture, act on behalf of, and in the District's stead, to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything in the Indentures to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreements and the True-Up Agreements upon demand of the Majority Owners of the respective Series of Series 2024 Bonds, or the Trustee at the written direction of the Majority Owners of the respective Series of Series 2024 Bonds, shall constitute an Event of Default under the Indentures, provided, however, that the District shall have a reasonable opportunity to cure.

## **Events of Default**

The Master Indenture provide that each of the following shall be an "Event of Default" under the 2024-1 Indenture or the 2024-2 Indenture with respect to the Series 2024-1 Bonds or the Series 2024-2 Bonds, as applicable:

(a) if payment of any installment of interest on any Series 2024 Bond of a Series is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Series 2024 Bond of a Series 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 to, or is rendered incapable of, fulfilling its obligations under the 2024-1 Indenture or the 2024-2 Indenture, as applicable, or under the Act; 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 2024-1 Indenture or the 2024-2 Indenture or in any Series 2024 Bond of a Series and such default continues for sixty (60) days after written notice thereof that requires the same to be remedied shall have been given to the District by the Trustee, which notice may be given by the Trustee in its discretion and which notice shall be given by the Trustee

at the written request of the Majority Owners of the respective Series of Series 2024 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) any portion of the respective Series of Series 2024 Special Assessments shall have become Delinquent Assessments and, as the result thereof, the Trustee has withdrawn funds in an amount greater than twenty-five percent (25%) of the amount on deposit in the Series 2024-1 Debt Service Reserve Account or the Series 2024-2 Debt Service Reserve Account to pay Debt Service on the Series 2024-1 Bonds or the Series 2024-2 Bonds, as applicable; or

(g) more than twenty percent (20%) of the operation and maintenance assessments levied by the District on tax parcels subject to the respective Series of Series 2024 Special Assessments pledged to the respective Series of Series 2024 Bonds are not paid by the date such are due and payable, and such default continues for sixty (60) days after the date when due.

The District covenants and agrees in the Indentures that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indentures, the provisions for the collection of delinquent Series 2024 Special Assessments, the provisions for the foreclosure of liens of delinquent Series 2024 Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the written direction of, and on behalf of, the Majority Owners, from time to time, of the respective Series of Series 2024 Bonds. Notwithstanding anything to the contrary in the Indentures, and unless otherwise directed by the Majority Owners of the respective Series of Series 2024 Bonds and allowed pursuant to federal or State law, the District acknowledges and agrees that (a) upon failure of any property owner to pay an installment of Series 2024 Special Assessments collected directly by the District when due, that the entire Series 2024 Special Assessments on the tax parcel as to which such delinquent Series 2024 Special Assessment pertains, with interest and penalties thereon, shall immediately become due and payable and the District shall cause to be commenced the necessary legal proceedings for the foreclosure of liens of delinquent Series 2024 Special Assessments with respect to such tax parcel, including interest and penalties, and (b) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages. Notwithstanding anything to the contrary in the Indentures, the District shall be entitled to first recover from any foreclosure before such proceeds are applied to the payment of principal or interest on the respective Series of Series 2024 Bonds, all fees and costs expended in connection with such foreclosure, regardless of whether such fees and costs are included as part of the Series 2024 Special Assessments.

### **Provisions Relating to Bankruptcy or Insolvency of Landowner**

The provisions of Section 9.32 of the Master Indenture, as summarized below, shall apply 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 at least five percent (5%) of the respective Series of Series 2024 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"), except where such tax parcel shall be homestead property. For as long as any Series 2024 Bonds of a Series remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the respective Series of Series 2024 Bonds or the respective Series of Series 2024 Special Assessments, the District shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the respective Series of Series 2024 Bonds or for as long as any Series 2024 Bonds of such Series remain Outstanding.

The District acknowledges and agrees in the Indentures that, although the Series 2024 Bonds may be issued by the District, the Owners of the Series 2024 Bonds are categorically a party with a financial stake in the transaction and, consequently, a party with a vested interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer:

(a) the District 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 respective Series of Series 2024 Bonds or the respective Series of Series 2024 Special Assessments or any rights of the Trustee under the Indentures;

(b) the District 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 respective Series of Series 2024 Special Assessments, the respective Series of Series 2024 Bonds or any rights of the Trustee under the Indentures that is inconsistent with any direction from the Trustee; provided, however, that the Trustee shall be deemed to have consented, on behalf of the Majority Owners of Outstanding Series 2024 Bonds of such Series, to the proposed action if the District does not receive a written response from the Trustee within forty-five (45) days following written request for consent;

(c) to the extent permitted by law, the Trustee shall have the right, but is not obligated to (unless directed by the Majority Owners of Outstanding Series 2024 Bonds of a Series and receipt by Trustee of indemnity satisfactory to the Trustee), (i) vote in any such Proceeding any and all claims of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the respective Series of Series 2024 Special Assessments or the respective Series of Series 2024 Bonds, and (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the respective Series of Series 2024 Special Assessments or the respective Series of Series 2024 Bonds, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, objections to disclosure statements, plans of liquidation or reorganization, motions for use of cash collateral, and seeking approval of sales or post-petition financing;

and, if the Trustee chooses to exercise any such rights (or is directed in writing by the Majority Owners of Outstanding Series 2024 Bonds of a Series and receipt by the Trustee of indemnity satisfactory to the Trustee), 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 United States 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 the Trustee's enforcement of the District's claim with respect to the respective Series of Series 2024 Special Assessments or receipt of adequate protection (as that term is defined in the United States Bankruptcy Code).

Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the respective Series of Series 2024 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 provisions of paragraph (b) above, nothing in this section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, and the District shall be free to pursue such a claim in such manner as it shall deem appropriate in its sole and absolute discretion. 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 directions with respect to the respective Series of Series 2024 Special Assessments whether such claim is pursued by the District or the Trustee.

### **Enforcement and Collection of Series 2024 Special Assessments**

The primary sources of payment for the Series 2024 Bonds are the Series 2024 Special Assessments imposed on each landowner within the District which are specially benefited by the Phase 1-3 CIP. To the extent that landowners fail to pay such Series 2024 Special Assessments, delay payments, or are unable to pay such Series 2024 Special Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2024 Bonds. The Act provides for various methods of collection of delinquent taxes by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for a summary of special assessment payment and collection procedures appearing in the Florida Statutes.

Pursuant to the Indentures, the Series 2024 Special Assessments shall be directly collected and enforced by the District pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2024 Special Assessments levied on platted lots and pledged to

secure the Series 2024 Bonds will be collected pursuant to the uniform method for the levy, collection and enforcement of Special Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended (the "Uniform Method"). The District covenants in the Indentures to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of the Indentures.

Notwithstanding the immediately preceding paragraph or any other provision in the Indentures to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of the respective Series of Series 2024 Bonds, requests that the District not use the Uniform Method, but instead collect and enforce Series 2024 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the District shall collect and enforce said Series 2024 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2024 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

If the owner of any lot or parcel of land assessed for the Phase 1-3 CIP shall be delinquent in the payment of any Series 2024 Special Assessment, then such Series 2024 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 Series 2024 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 Series 2024 Special Assessment the District may, to the extent permitted by law, utilize any other method of enforcement as provided in the Master Indenture, including, without limitation, declaring the entire unpaid balance of such Series 2024 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, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

If any property shall be offered for sale for the nonpayment of any Series 2024 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2024 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2024 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District 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 respective Series of Series 2024 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the respective Series of Series 2024 Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this section. The District, 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 respective Series 2024 Revenue Account. The

District, 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 respective Series of Series 2024 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the respective Series of Series 2024 Bonds.

THERE CAN BE NO ASSURANCE THAT ANY SALE, PARTICULARLY A BULK SALE, OF LAND SUBJECT TO DELINQUENT ASSESSMENTS WILL PRODUCE PROCEEDS SUFFICIENT TO PAY THE FULL AMOUNT OF SUCH DELINQUENT ASSESSMENTS PLUS OTHER DELINQUENT TAXES AND ASSESSMENTS APPLICABLE THERETO.

### **Additional Covenants Regarding Assessments**

The District covenants in the Indentures to comply with the terms of the proceedings heretofore adopted with respect to the Series 2024 Special Assessments, including the Assessment Resolutions and the Assessment Report, and to levy the Series 2024 Special Assessments and any required true-up payments set forth in the Assessment Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2024 Bonds, when due.

### **Prepayment**

At any time any owner of property subject to the respective Series of Series 2024 Special Assessments may, at its option, or under certain circumstances described in the Assessment Resolutions in connection with Prepayments derived from application of the "true-up" mechanism therein, require the District to reduce or release and extinguish the lien upon its property by virtue of the levy of the respective Series of Series 2024 Special Assessments by paying to the District all or a portion of the respective Series of Series 2024 Special Assessment which shall constitute Series 2024-1 Prepayments or Series 2024-2 Prepayments, as applicable, as directed in writing by the District pursuant to the provisions of the Supplemental Indentures, plus accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such Prepayment is made within forty-five (45) calendar days before a Quarterly Redemption Date), attributable to the property subject to such respective Series of Series 2024 Special Assessment owned by such owner; provided, however, to the extent that such payments are to be used to redeem the respective Series of Series 2024 Bonds, in the event the amount in the Series 2024-1 Debt Service Reserve Account or the Series 2024-2 Debt Service Reserve Account, as applicable, will exceed the Series 2024-1 Debt Service Reserve Requirement or the Series 2024-2 Debt Service Reserve Requirement, as applicable, as a result of a Series 2024-1 Prepayment or Series 2024-2 Prepayment, as applicable, in accordance with this section and the resulting redemption of the respective Series of Series 2024 Bonds in accordance with the Supplemental Indentures, the excess amount above the Series 2024-1 Debt Service Reserve Requirement or Series 2024-2 Debt Service Reserve Requirement, as applicable, shall be transferred from the Series 2024-1 Debt Service Reserve Account or Series 2024-2 Debt Service Reserve Account, as applicable, to the Series 2024-1 Prepayment Account or the Series 2024-2 Prepayment Account, as applicable, as a credit against the Series 2024-1 Prepayment or Series 2024-2 Prepayment, as applicable, otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the District together

with a certificate of a Responsible Officer of the District stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2024-1 Debt Service Reserve Account or Series 2024-2 Debt Service Reserve Account, as applicable, to equal or exceed the Series 2024-1 Debt Service Reserve Requirement or Series 2024-2 Debt Service Reserve Requirement, as applicable, and accompanied by cash flows which demonstrate that, after giving effect to the proposed redemption of the respective Series of Series 2024 Bonds, there will be sufficient Series 2024-1 Pledged Revenues or Series 2024-2 Pledged Revenues, as applicable, to pay the principal and interest, when due, on all of the respective Series of Series 2024 Bonds that will remain Outstanding. The written instructions shall be delivered to the Trustee on or before the forty-sixth (46<sup>th</sup>) day prior to a Quarterly Redemption Date. The Trustee is authorized to make such transfers as provided in this section and has no duty to verify such calculations.

Upon receipt of Series 2024-1 Prepayments or Series 2024-2 Prepayments as described in the preceding paragraph, which includes accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within forty-five (45) calendar days before a Quarterly Redemption Date), subject to satisfaction of the conditions set forth therein, the District shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2024-1 Prepayment or Series 2024-2 Prepayment, as applicable, and the District 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 the District Manager, to the effect that the respective Series of Series 2024 Special Assessment has been paid in whole or in part and that such respective Series of Series 2024 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the District, the Trustee shall immediately deposit the same into the Series 2024-1 Prepayment Account or Series 2024-2 Prepayment Account, as applicable, to be applied in accordance with the Supplemental Indentures to the redemption of the respective Series of Series 2024 Bonds in accordance with the Supplemental Indentures.

The Trustee shall conclusively rely on the District's determination of what moneys constitute Series 2024-1 Prepayments or Series 2024-2 Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series of Series 2024 Bonds pursuant to the Supplemental Indentures on each March 15, June 15, September 15 and December 15.

### **Re-Assessment**

Pursuant to the Master Indenture, if any Series 2024 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 Series 2024 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 Series 2024 Special Assessment when it might have done so, the District shall either (a) take all necessary steps to cause a new Series 2024 Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (b) in its sole discretion, make up the amount of such Series 2024 Special Assessment from any legally available moneys, which moneys shall be deposited into the respective Series 2024 Revenue Account. In case such second Series 2024 Special Assessment



shall be annulled, the District shall obtain and make other Series 2024 Special Assessments until a valid Series 2024 Special Assessment shall be made.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2024 Bonds is the revenues received by the District from the collection of Series 2024 Special Assessments imposed on certain lands in the District specially benefited by the Phase 1-3 CIP pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B - ASSESSMENT REPORT" attached hereto.

The imposition, levy, and collection of Series 2024 Special Assessments must be done in compliance with the provisions of State law. Failure by the District, the Flagler County Tax Collector (the "Tax Collector") or the Flagler County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2024 Special Assessments during any year. Such delays in the collection of Series 2024 Special Assessments, or complete inability to collect any Series 2024 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 2024 Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the Series 2024 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 2024 Bonds.

For the Series 2024 Special Assessments to be valid, the Series 2024 Special Assessments must meet two requirements: (a) the benefit from the Phase 1-3 CIP to the lands subject to the Series 2024 Special Assessments must exceed or equal the amount of the Series 2024 Special Assessments; and (b) the Series 2024 Special Assessments must be fairly and reasonably allocated across all such benefited properties. The Assessment Consultant (hereinafter defined) will certify that these requirements have been met with respect to the Series 2024 Special Assessments.

Pursuant to the Act and the Assessment Proceedings, the District may collect the Series 2024 Special Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. Initially, and for undeveloped properties, the District will directly issue annual bills to landowners requiring payment of the Series 2024 Special Assessments and will enforce such bill through foreclosure proceedings. As lands are developed, the Series 2024 Special Assessments will be added to the County tax roll and collected pursuant to the Uniform Method. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B - ASSESSMENT REPORT" attached hereto. 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 Chapter 170, Florida Statutes, and the Act, the District may directly levy, collect and enforce the Series 2024 Special Assessments. In this context, Section 170.10, 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 Series 2024 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 Series 2024 Special Assessments and the ability to foreclose the lien of such Series 2024 Special Assessments upon the failure to pay such Series 2024 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 Series 2024 Special Assessments. See "BONDOWNERS' RISKS" herein.

## **Uniform Method Procedure**

Subject to certain conditions, and for developed lands (as described above), the District may alternatively elect to collect the Series 2024 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 Series 2024 Special Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Series 2024 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 Series 2024 Special Assessments, are to be billed together 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 Series 2024 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 Series 2024 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item would cause the Series 2024 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 2024 Bonds.

Under the Uniform Method, if the Series 2024 Special Assessments are paid during November when due or during the following three (3) months, the taxpayer is granted a variable discount equal to four percent (4%) in November and decreasing one percentage point per month to one percent (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 Underwriter can give any assurance to the holders of the Series 2024 Bonds that (a) the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2024 Special Assessments, (b) future landowners and taxpayers in the District will pay such Series 2024 Special Assessments, (c) 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 (d) 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 Assessment Proceedings to discharge the lien of the Series 2024 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2024 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 Series 2024 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 eighteen percent (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 eighteen percent (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 eighteen percent (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 Series 2024 Special Assessments), interest, costs and charges on the real property described in the certificate.

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 (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), 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 five percent (5%), unless the rate borne by the certificates is zero percent (0%). The proceeds of such 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 affected by purchase of such certificates from the County, as described above.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven (7) years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two (2) 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 (7) 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 (2) 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 (3) 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 Series 2024 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 Series 2024 Special Assessments, which are the primary source of payment of the Series 2024 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 "BONDOWNERS' RISKS" herein.

## **THE DISTRICT**

### **General**

The District is a local unit of special purpose government duly organized and existing under the provisions of the Act and established by the Ordinance. The boundaries of the District include approximately 953 acres of land located entirely within the County.

## **Legal Powers and Authority**

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. 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.

The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem taxes or non-ad valorem assessments, including the Series 2024 Special Assessments, on all taxable real property within their boundaries to pay the principal of and interest on debt obligations issued and to provide for any sinking or other funds established in connection with any such debt obligation issues. Pursuant to the Act, such assessments may be levied, collected and enforced in the same manner and time as county property taxes.

Among other provisions, the Act gives the District's Board of Supervisors the authority to: (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for: (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 wastewater management reclamation and re-use systems or any combination thereof, and to construct and operate connecting intercepting 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 applicable specifications of the county in which such district roads are located; roads and improvements to existing public roads that are owned by or conveyed to the local general-purpose government, the State, or the federal government; street lights; alleys; landscaping; hardscaping; undergrounding of electric utility lines; buses, trolleys, transit shelters, ridesharing facilities and services, parking improvements, and related signage; (iv) conservation areas, mitigation areas, and wildlife habitat, including the maintenance of any plant or animal species, and any related interest in real or personal property; (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, including, but not limited to, guardhouses, fences and gates, and electronic intrusion-detection systems; (b) borrow money and issue bonds of the District; (c) levy, collect and enforce special assessments; (d) impose and foreclose special assessment liens as provided in the Act; and (e) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District authorized by the Act.

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances and the Act does not empower the District to grant building permits. These functions are collectively performed by the County and its departments of government.

The Act exempts all property of the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any Owner of bonds of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds, including the Series 2024 Bonds.

**Board of Supervisors**

The Act provides for a five-member Board of Supervisors (as previously defined, the "Board") to serve as the governing body of the District. Members of the Board must be residents of the State and citizens of the United States. Pursuant to the Act, six (6) years after establishment and after 250 qualified electors reside within the District, the seats of Board members whose terms expire are filled by votes of the qualified electors of the District, except as described below. A qualified elector is a registered voter who is a resident of the District and the State and a citizen of the United States. At the election where Board members are first elected by qualified electors, two Board members must be qualified electors and be elected by qualified electors, both to four-year terms. A third Board member is elected through an election of the landowners of the District. Thereafter, as terms expire, all Board members must be qualified electors and are elected to serve four-year terms with staggered expiration dates in the manner set forth in the Act. The current members of the Board and their respective term expiration dates are set forth below.

<u>Name</u>	<u>Title</u>	<u>Expiration of Term</u>
Clint Smith*	Chairman	November 2026
David Lusby*	Vice Chairman	November 2024
William Livingston*	Assistant Secretary	November 2024
David R. Root*	Assistant Secretary	November 2026
Denise Bunch*	Assistant Secretary	November 2024

\* Elected or appointed by the Landowner (hereinafter defined).

The Act empowers the Board to adopt administrative rules and regulations with respect to any projects of the District, and to enforce penalties for the violation of such rules and regulations. The Act permits the Board to levy taxes under certain conditions, and to levy special assessments, and to charge, collect and enforce fees and user charges for use of District facilities.

**District Manager and Other Consultants**

The Act authorizes the Board to hire a District Manager as the chief administrative official of the District. The Act provides that the District Manager shall have charge and supervision of the works of the District and shall be responsible for (a) preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, (b) maintaining and operating the equipment owned by the District, and (c) performing such other duties as may be prescribed by the Board.

Governmental Management Services – Central Florida, LLC has been retained as the firm to provide district management services for the District (in such capacity, the "District Manager"). The District Manager's office is located at 219 East Livingston Street, Orlando, Florida 32801 and their phone number is (407) 841-5524.

The District Manager's typical responsibilities can briefly be summarized as directly overseeing and coordinating the District's planning, financing, purchasing, staffing, and reporting and acting as governmental liaison for the District. The District Manager's responsibilities also include requisitioning moneys to pay construction contracts and the related accounting and reporting that is required by the Indentures.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Bryant Miller Olive P.A., Orlando, Florida, as Bond Counsel; Chiumento Law, PLLC, Palm Coast, Florida, as District Counsel; Parker Mynchenberg & Associates, Inc., Holly Hill, Florida, as Consulting Engineer; and Governmental Management Services – Central Florida, LLC, Orlando, Florida, as Assessment Consultant.

### **THE PHASE 1-3 CAPITAL IMPROVEMENT PROGRAM**

Parker Mynchenberg & Associates, Inc. (the "Consulting Engineer"), has prepared the Master Engineer's Report – Assessment Area One dated July 12, 2022 (the "Master Engineer's Report"), describing the scope and estimated cost of the District's capital improvement program for the Phase 1-3 Tract (as previously defined, the "Phase 1-3 CIP"), as supplemented by the [Supplement to Engineer's Report for the Phase 1-3 Tract] dated [April \_\_, 2024] (the "Supplemental Engineer's Report" and, together with the Master Engineer's Report, the "Engineer's Report"). The Engineer's Report is attached hereto as composite APPENDIX A. The information in this section relating to the Phase 1-3 CIP is qualified in its entirety by reference to such Engineer's Report, which should be read in its entirety.

The District encompasses approximately 953 acres and is currently planned for a total of 453 residential units. As discussed herein, the Phase1-3 Tract encompasses approximately 249 acres and is planned to include 335 single-family residential units comprising the first three (3) phases of the Development located just east off the main entry of the Development at John Anderson Highway.

The Phase 1-3 CIP includes certain public infrastructure improvements necessary to support development of the Phase 1-3 Tract. The total estimated cost of the Phase 1-3 CIP is approximately \$21.599 million.

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	Phase 1	Phase 2	Phase 3	Total
Utilities System				
Water System				
Sanitary Sewer System				
Reuse Water System				
Reuse Water Treatment Plant				
Stormwater Management System				
Electric Service				
Conservation Mitigation				
Onsite Public Roadway System				
Offsite Public Roadway System				
Landscaping/Hardscaping/Irrigation				
Recreational Areas				
Professional Fees				
Inspection Survey Testing				
<b>Subtotal</b>	_____	_____	_____	_____
Contingency				
<b>Total</b>	_____	_____	_____	_____

The portion of the Phase 1-3 CIP expected to be funded, in part, by the Series 2024-1 Bonds, is referred to as the "Assessment Area One CIP" and generally corresponds with the development of Phases 1 and 3 of the Development (as previously defined, "Assessment Area One"). The Assessment Area One CIP is estimated to cost \$[ ] million. Proceeds of the Series 2024-1 Bonds will be used to acquire a portion of the completed portions of the Assessment Area One CIP in the approximate amount of \$4.0 million\*. To date, the Landowner estimates approximately \$[ ] million has been expended in development related expenditures related to the Assessment Area One CIP. The remainder of the Assessment Area One CIP not funded with proceeds of the Series 2024-1 Bonds is anticipated to be funded by the Landowner. At the time of issuance of the Series 2024-1 Bonds, the Landowner and the District will enter into the Completion Agreement whereby the Landowner will agree to complete those portions of the Assessment Area One CIP not funded with proceeds of the Series 2024-1 Bonds. The District cannot make any representation that the Landowner will have sufficient funds to complete the Assessment Area One CIP.

Further, the portion of the Phase 1-3 CIP expected to be funded, in part, by the Series 2024-2 Bonds, is referred to as the "Assessment Area Two CIP" and generally corresponds with the development of Phase 2 of the Development (as previously defined, "Assessment Area Two"). The Assessment Area Two CIP is estimated to cost \$[ ] million. Proceeds of the Series 2024-2 Bonds will be used to construct a portion of the Assessment Area Two CIP in the approximate amount of \$6.8 million\*. To date, the Landowner estimates approximately \$[ ] million has expended in development related expenditures related to the Assessment Area Two CIP. The remainder of the Assessment Area Two CIP not funded with proceeds of the Series 2024-2 Bonds is anticipated to be funded by the Landowner. At the time of issuance of the Series 2024-2 Bonds, the Landowner and the District will enter into the Completion Agreement whereby the Landowner will agree to complete those portions of the Assessment Area Two CIP not funded with proceeds of the Series 2024-2 Bonds. The District cannot make

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\* Preliminary, subject to change.

any representation that the Landowner will have sufficient funds to complete the Assessment Area Two CIP.

The status of construction and permitting for the Phase 1-3 CIP is outlined in the Engineer's Report attached hereto as composite APPENDIX A. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Zoning and Permitting" herein for a more detailed description of the zoning and permitting status of the Phase 1-3 Tract.

## ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS

Governmental Management Services – Central Florida, LLC (in such capacity, the "Assessment Consultant"), has prepared the Master Assessment Methodology for Assessment Area One dated [July 15, 2022] (the "Master Assessment Report") and the [Preliminary Supplemental Assessment Methodology] dated [May \_\_, 2024] (the "Supplemental Assessment Report" and, together with the Master Assessment Report, the "Assessment Report"), which are attached hereto as composite APPENDIX B. The Assessment Report provides a methodology to allocate the total costs and benefit derived from the Phase 1-3 CIP and the Series 2024 Special Assessments levied in connection with the Series 2024 Bonds.

### Assessment Area One

Proceeds of the Series 2024-1 Bonds will be used to acquire a portion of the completed portions of the Assessment Area One CIP in the approximate amount of \$4.0 million\*. The Series 2024-1 Special Assessments securing the Series 2024-1 Bonds will be levied on a portion of the lands constituting Phases 1 and 3 of the Development which includes approximately 210 acres that has been platted into 211 custom estate homesites (as previously defined, "Assessment Area One"). The Series 2024-1 Bonds were sized to correspond to the collection of Series 2024-1 Special Assessments from the 211 custom estate homesites in Assessment Area One. See "APPENDIX B – ASSESSMENT REPORT" attached hereto.

The table below presents the estimated principal and annual amounts of the Series 2024-1 Special Assessments that will be levied on the units within Assessment Area One in connection with the Series 2024-1 Bonds.

<b>Product Type</b>	<b># of Units</b>	<b>Est. Series 2024-1 Bonds Principal Per Unit†</b>	<b>Est. Series 2024-1 Bonds Gross Annual Debt Service Per Unit†</b>
<b>Phase 1</b>			
Single-family ( <i>Intracoastal Direct &amp; View</i> )	122	\$22,643	\$1,750
<b>Phase 3</b>			
Single-family ( <i>Estate Lots</i> )	89	22,643	1,750
<b>Total</b>	<b>211</b>		

† Preliminary, subject to change.

\* Preliminary, subject to change.

Assessment Area Two

Proceeds of the Series 2024-2 Bonds will be used to construct a portion of the Assessment Area Two CIP in the approximate amount of \$6.8 million\*. The Series 2024-2 Special Assessments securing the Series 2024-2 Bonds will be levied on a portion of the lands constituting Phase 2 of the Development which includes approximately thirty-nine (39) acres planned for 124 residential lots (as previously defined, "Assessment Area Two"). The Series 2024-2 Bonds were sized to correspond to the collection of Series 2024-2 Special Assessments from the 124 residential lots in Assessment Area Two. See "APPENDIX B – ASSESSMENT REPORT" attached hereto.

The table below presents the estimated principal and annual amounts of the Series 2024-2 Special Assessments that will be levied on the units within Assessment Area Two in connection with the Series 2024-2 Bonds.

<b>Product Type</b>	<b># of Units</b>	<b>Est. Series 2024-2 Bonds Principal Per Unit†</b>	<b>Est. Series 2024-2 Bonds Gross Annual Debt Service Per Unit†</b>
Single-family ( <i>Estate Lots</i> )	124	\$68,710	\$5,311

† Preliminary, subject to change. The Landowner plans to prepay a portion of the Series 2024-2 Special Assessments to redeem approximately \$5.7 million of the Series 2024-2 Bonds. After such prepayments are made, the Series 2024-2 Special Assessments are expected to be reduced to approximately \$1,750 for a lot within Phase 2 of the Development.

*The following information appearing under the captions "THE LANDOWNER AND THE DEVELOPER" and "THE DEVELOPMENT" has been furnished by the Landowner for inclusion in this Limited Offering Memorandum as a means for prospective Bondholders to understand the anticipated development plan and risks associated with Assessment Area One and Assessment Area Two and the provision of infrastructure to the real property within the District. Although believed to be reliable, such information has not been independently verified by the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no person other than the Landowner, subject to certain qualifications and limitations, makes any representation or warranty as to the accuracy or completeness of such information. At the time of the issuance of the Series 2024 Bonds, the Landowner will represent in writing that the information herein under the captions "THE LANDOWNER AND THE DEVELOPER," "THE DEVELOPMENT," "LITIGATION – Landowner," and "CONTINUING DISCLOSURE" (as it relates to the Landowner) does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.*

*The Landowner's obligation to pay the Series 2024 Special Assessments is limited solely to its obligation as a landowner, just as any other landowner within the District. The Landowner is not a guarantor of payment on any property within the District and the recourse for the Landowner's failure to pay or otherwise comply with its obligations to the District is limited to its ownership interest in the land subject to the Series 2024 Special Assessments.*

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\* Preliminary, subject to change.

## THE LANDOWNER AND THE DEVELOPER

Palm Coast Intracoastal, LLC, a Florida limited liability company, is the developer of the Development (as previously defined, the "Developer") and, together with Veranda Bay Investments, LLC, a Florida limited liability company, owns a majority of the lands within the District (together, the "Landowner").

The majority membership interests of the Landowner are owned by affiliated entities of SunBelt Land Management, LLC, a Delaware limited liability company ("SunBelt"). SunBelt is a renowned brand in the field of land development, specializing in the creation of luxury waterfront communities throughout the southeastern United States. With a strong track record over the past fifty (50) years, the company has a recognized portfolio of developing more than 150 residential communities valued at \$1.5 billion and spanning 40,000 acres, including those listed below.

<u>Project</u>	<u>Location</u>
Veranda Bay	Flagler Beach, Florida
The Shores at Tranquility	Titusville, Florida
Marina Del Palma	Palm Coast, Florida
Connonsgate at Bogue Sound	Newport, North Carolina
Providence Country Club	Charlotte, North Carolina
Reflection Pointe	Belmont, North Carolina
Skyecroft	Weddington, North Carolina
Summerhouse at Everett Bay	Holly Ridge, North Carolina
The Sanctuary at Costa Grande	Port O'Connor, Texas
Water Ridge	Auburndale, Florida
Waterbridge	Myrtle Beach, South Carolina
Waterway Palms	Myrtle Beach, South Carolina
Peninsula at Lake Hyco	Lake Hyco, North Carolina
Royal Pines	Huntsville, Texas

## THE DEVELOPMENT

### General

Veranda Bay (the "Development") is an intracoastal waterfront community located in Flagler County, Florida (as previously defined, the "County"), within the boundaries of the District. Situated on the Intracoastal Waterway, the Development is currently planned to include 453 homes built around resort-like amenities, natural lands and waterfront views. The main entrance to the Development is located along John Anderson Highway, approximately one (1) mile south of State Road 100 (E. Moody Boulevard) and three (3) miles east of Interstate 95.

The Development sits just across the bridge from the City of Flagler Beach (the "City") and additional nearby retail and dining opportunities are located along State Road 100. Palm Coast beaches and Flagler Beach stretch nineteen (19) miles along the Atlantic Ocean and can be accessed from the Development in less than five (5) minutes. In addition, St. Augustine is located approximately thirty-six (36) miles north of the Development and Daytona Beach is located approximately twenty-one (21) miles south of the Development. Further, Interstate 4, which provides direct access to Orlando, meets Interstate 95 approximately

twenty-four (24) miles south of the Development. The Daytona International Airport, the Jacksonville International Airport, and the Orlando International Airport are located approximately twenty-six (26) miles south, eighty-four (84) miles north and ninety-one (91) miles southwest of the Development, respectively.

Designed as a gated waterfront community, the Development is currently planned to include approximately 453 residential units along with 230,694 square feet of commercial space, recreational facilities and a marina. Development activities in the Development commenced in November 2022. Since then, a significant amount of development has been completed or is underway including construction of the landscaped spine road and additional horizontal infrastructure supporting the initial phases of the Development.

As described herein, the community has been designed to offer a diverse range of residential offerings, including custom estate homesites and builder constructed homes. The first three (3) phases of the Development are planned to include 335 lots comprised of (a) Phase 1, which is planned to include 122 direct intracoastal and intracoastal view custom estate homesites that front the Intracoastal Waterway, (b) Phase 2, which is planned to include 124 builder constructed homes situated just south off the main entry road of the Development, and (c) Phase 3, which is planned to include an additional eighty-nine (89) custom estate homesites situated just north off the main entry road of the Development (collectively and as previously defined, the "Phase 1-3 Tract").

To date, two (2) assessment areas have been established to facilitate the development and financing of the Phase 1-3 Tract, including (a) Assessment Area One, comprising the 211 custom estate homesites in Phases 1 and 3, and (b) Assessment Area Two, comprising the 124 builder constructed homes in Phase 2. The Series 2024-1 Special Assessments securing the Series 2024-1 Bonds will be levied on the units comprising Assessment Area One and the Series 2024-2 Special Assessments securing the Series 2024-2 Bonds will be levied on the units comprising Assessment Area Two.

### **Land Acquisition/Development Financing**

The Landowner acquired approximately 894 acres, including 839 acres within the District and the lands within the Phase 1-3 Tract therein, in May 2018 for an aggregate purchase price of approximately \$11.5 million. The acquisition of the lands was effectuated with cash and a \$10 million purchase money note and purchase money mortgage in favor of the seller. The purchase money note has been paid in full and the mortgage on the lands within the Development has been extinguished.

As indicated herein, development activities in Phase 1 have been completed and work on Phases 2 and 3 are underway. As of [February 29], 2024, the Landowner estimates approximately \$15 million has been expended in development related expenditures allocable to the Phase 1-3 Tract, including \$[ ] million allocable to the Assessment Area One CIP and \$[ ] million allocable to the Assessment Area Two CIP. To date, a development loan, together with equity, has been utilized to fund the construction of infrastructure. The development loan has since been paid in full and a final release of lien was recorded in August 2023. Proceeds of the Series 2024 Bonds totaling approximately \$10.9 million\* will be utilized

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\* Preliminary, subject to change.

to construct and/or acquire a portion of the Phase 1-3 CIP. The remainder of the Phase 1-3 CIP not funded with proceeds of the Series 2024 Bonds are anticipated to be funded with equity contributions from the Landowner.

### **Zoning and Permitting**

*Zoning.* In October 2005, 1,999 acres comprising the District or portions thereof, and the approximately 249 acres comprising the Phase 1-3 Tract, were re-zoned as Planned Unit Development (the "Hammock Beach River PUD") by the County pursuant to Ordinance No. 2005-22. The development agreement (the "Development Agreement") governing the Hammock Beach River PUD provides for the development of 453 units (limited to 150 multi-family residential units), an eighteen (18) hole golf course, recreational facilities, up to 230,694 square feet of commercial uses and approximately 1,000 acres of conservation and wetland area. The Development Agreement further sets forth various development conditions pertaining to, without limitation, utilities and school mitigation, certain of which are further memorialized in separate agreements as noted below.

- *Utility Agreement.* The City and the County have entered into an interlocal agreement which provides for the consent to allow the City to provide utility services to lands within the Hammock Beach River PUD. The Developer and the City entered into a water, reclaimed and wastewater treatment service agreement (the "Utility Agreement") for the provision of utility services to the Phase 1-3 Tract, which includes Assessment Area One and Assessment Area Two. The ability of the City to provide utility services to the Phase 1-3 Tract is conditioned on the construction of certain utility infrastructure necessary to serve 335 water and wastewater Equivalent Residential Connections.
- *School Agreement.* The Developer and the Flagler County School Board ("School Board") entered into a proportionate share mitigation agreement (the "School Agreement") which specified a proportionate share mitigation payment of \$2,660.78 per residential unit in the Phase 1-3 Tract. The total amount of \$891,360 is payable in three (3) payments concurrently with building permit issuance for each 100<sup>th</sup> residential unit in the Phase 1-3 Tract.
- A donation of approximately twelve (12) acres for a utility site, three (3) acres for a public boat ramp and three (3) acres for a county fire station.

*Permits.* Certain permits for the Phase 1-3 Tract, comprising Assessment Area One and Assessment Area Two, have been obtained including those issued by the St. Johns River Water Management District and U.S. Army Corps of Engineers for stormwater management and wetland mitigation for the Phase 1-3 Tract. Upon issuance of the Series 2024 Bonds, the Consulting Engineer will certify that any permits and approvals necessary for the Phase 1-3 Tract that have not previously been obtained are expected to be obtained in the ordinary course of business. As indicated herein, development activities in Phase 1 have been completed and work on Phases 2 and 3 are underway.

## Environmental

In April 2024, a Phase 1 Environmental Site Assessment was commissioned for all of the lands in the District from Atlantic Ecological Services, LLC (the "Phase 1 ESA"). The Phase 1 ESA revealed no evidence of environmentally recognized conditions.

## Utilities

The City will provide water, wastewater and reclaimed water services to the Phase 1-3 Tract. Electric power is being provided by Florida Power and Light. Telephone, internet and cable are being provided by AT&T and Hotwire Communications.

## Product Type/Phasing

As described herein, the Phase 1-3 Tract is planned to be developed in three (3) phases, with subphases therein, for the development of approximately 335 residential units. As discussed herein, Assessment Area One comprises 211 custom estate homesites in Phases 1 and 3 and Assessment Area Two comprises 124 builder constructed homes in Phase 2. The information in the table below depicts the number of units by product type for the three (3) planned development phases, which information is subject to change.

<u>Phase</u>	<u># of Units</u>
<b>Assessment Area One</b>	
<b><i>Phase 1</i></b>	
Subphase 1A ( <i>Intracoastal Direct &amp; View</i> )	56
Subphase 2A ( <i>Intracoastal Direct &amp; View</i> )	66
<i>Subtotal</i>	<u>122</u>
<b><i>Phase 3</i></b>	
Subphase 1B ( <i>Estate Lots</i> )	54
Subphase 1C ( <i>Estate Lots</i> )	35
<i>Subtotal</i>	<u>89</u>
<b><i>Assessment Area One Total</i></b>	<u><u>211</u></u>
<b>Assessment Area Two</b>	
<b><i>Phase 2</i></b>	
Subphase 2B ( <i>Toll Brothers, Estate Lots</i> )	65
Subphase 2C ( <i>Estate Lots</i> )	59
<i>Subtotal</i>	<u>124</u>
<b><i>Assessment Area Two Total</i></b>	<u>124</u>
<b>Total</b>	<u><u>335</u></u>

## Development Status

Development activities in the Phase 1-3 Tract commenced in November 2022. The Phase 1-3 Tract is being developed in three (3) phases with six (6) subphases therein.

Development activities for Assessment Area One, including Phase 1 and Phase 3, have commenced. Phase 1 is complete and includes the full development and platting of 122 custom estate homesites in subphase 1A and subphase 2A located along the Intracoastal Waterway. Development on horizontal infrastructure in Phase 3 has commenced, including

without limitation clearing and grubbing, and is planned to be completed in two (2) subphases, including subphases 1B and 1C planned for an additional eighty-nine (89) custom estate homesites. Further, the Developer has posted a performance bond and received final plat approval for all planned units in Phase 3, with completion of all development work therein anticipated by the fourth quarter of 2024.

Development activities for Phase 2 within Assessment Area Two has commenced, including without limitation clearing and grubbing, and is planned to be completed in two (2) subphases, including subphase 2B (sixty-five (65) single-family lots) and subphase 2C (fifty-nine (59) single-family lots). Development activities in Assessment Area Two planned for 124 builder constructed homes is anticipated to be complete in the second quarter of 2025.

In addition, work on Buena Vista Boulevard, the primary spine road traversing through the center of the Development, has been completed, providing access to all 335 homesites planned within the Phase 1-3 Tract.

### **Participating Builder Agreements/Builder Contract Activity**

The Development is being marketed as a waterfront community that is currently planned to feature 453 homesites built around resort-like amenities, natural lands and waterfront views. The Development will offer a variety of residential opportunities including custom estate homesites and builder constructed homes, each designed to reflect a coastal contemporary style. To maintain the integrity of the community, each homesite will be developed in accordance with the Development's Design Guidelines which provide specific criteria for the community's design theme, quality of design, and overall aesthetic experience and value.

As described herein, the first three (3) phases of the Development include 335 lots within the Phase 1-3 Tract. Assessment Area One comprises 211 custom estate homesites in Phases 1 and 3 and Assessment Area Two comprises 124 builder constructed homes in Phase 2. As detailed below, the Developer has been and intends to continue to sell homesites directly to retail purchasers who will in turn contract with a builder for home construction thereon. Accordingly, the Developer has curated a "Participating Builder Program" for custom estate homesites in Assessment Area One. Further, the Developer has entered into a purchase and sale contract with Toll Brothers for the takedown of sixty-five (65) residential lots planned in Assessment Area Two upon development completion of such lots and currently intends to contract for the sale of the remaining lots in Assessment Area Two with Toll Brothers or another builder.

#### *Assessment Area One*

The Developer has implemented a Participating Builder Program for the 211 custom estate homesites in Phases 1 and 3. The Developer has entered into a Participating Builder Agreement with four (4) premier builders in the region, including ICI Homes<sup>®</sup>, Marcus Allen Homes, Hulbert Homes and Olsen Custom Homes (each, a "Participating Builder" and collectively, the "Participating Builders"). All retail buyers of a custom estate homesite are required to use a Participating Builder to construct a home within the Development.



The following represents summary information and was obtained from the respective websites of the Participating Builders currently active in Assessment Area One as of the date of this Limited Offering Memorandum. Such information has not been independently verified by the Developer or its counsel, the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no person makes any representation or warranty as to the accuracy or completeness of such information.

**ICI Homes®** is a leading Florida new home builder founded in 1979. Headquartered in Daytona Beach, ICI Homes® is one of Florida's leading master-planned community developers and homebuilders, having been involved in over 140 projects around the State. To date, the company has built more than 15,000 homes, developed an estimated 20,000 lots and is currently operating in more than twenty (20) residential communities in six (6) major Florida markets including the greater Tampa, Orlando, Daytona Beach, Jacksonville/St. Augustine, Sarasota and Gainesville areas. Builder magazine, the homebuilding industry's leading publication, consistently ranks ICI Homes® among the nations' Top 100 Builders year after year.

**Marcus Allen Homes** is a luxury home builder in Clay, Duval, Flagler, and St. Johns Counties. A two-time AR Homes® 'Builder of the Year' award-winner, Marcus Allen Homes has an extensive collection of customizable home designs and exterior elevations that can be built on your lot.

**Hulbert Homes** is a premier award winning custom homebuilder that has been constructing homes since 1997 in Polk and Hillsborough Counties and has recently expanded into the City of Palm Coast in Flagler County and the Space Coast.

**Olsen Custom Homes**, founded by Eric and Shelly Olsen, is an award-winning builder with supreme values and a long-standing history of crafting homes of the highest quality.

#### Assessment Area Two

The Developer has entered into a lot purchase agreement (the "Purchase Agreement") with an affiliate of Toll Brothers, Inc. ("Toll Brothers") for the purchase of sixty-five (65) of the 124 single-family lots in Phase 2, which includes all sixty-five (65) lots in subphase 2B. The Purchase Agreement provides for closings on each homesite in a series of takedowns, which shall occur upon substantial completion of all development-related work pertaining to each takedown. The first takedown, consisting of thirty-two (32) lots, is anticipated to occur in the second quarter of 2025, with the final takedown consisting of the remaining thirty-three (33) lots scheduled to occur in the second quarter of 2026. See "– Absorption/Lot Sales" below for a detail of the estimated lot closings by product type.

The Purchase Agreement provides for the base lot purchase price of \$150,000 for each of the thirty-two (32) lots in the first takedown and \$157,500 for each of the thirty-three (33) lots in the second takedown. Further, in addition to the base lot purchase prices, Toll Brothers must also pay an additional purchase price at the time of each home closing equal to a percentage of the net purchase price to the homebuyer less the base lot purchase price.

Toll Brothers has made a non-refundable deposit equal to approximately \$1.255 million, which will be credited against the total purchase price due at each takedown on a pro-rata per lot basis.

Pursuant to the Purchase Agreement, prior to any takedown, the Developer is required to record a plat for the lots in such takedown and obtain an engineer's certificate of completion. The Developer must also satisfy certain offsite improvements prior to closing lots in the second takedown. Further, as part of its contract obligations, the Developer is responsible for the costs to develop and construct the entrance feature, the amenity center and common area landscaping in the Development. The Developer is required to commence construction of the entrance feature, the amenity center and common area landscaping prior to the initial closing of lots with completion thereof to occur prior to closing lots in the second takedown. Further, pursuant to the Purchase Agreement, Toll Brothers is required to pay the impact fees and the per lot proportionate share mitigation payment of \$2,660.78 associated with each lot takedown.

**Toll Brothers** is a Fortune 500 company and is the nation's leading builder of luxury homes. The company began business over fifty (50) years ago in 1967 and became a public company in 1986. The company serves move-up, empty-nester, active-adult, and second-home buyers and operates in twenty-four (24) states. Toll Brothers builds an array of luxury residential single-family detached and attached homes, master planned resort-style golf communities, and urban low-, mid-, and high-rise communities, principally on land it develops and improves. The company operates its own architectural, engineering, mortgage, title, land development and land sale, golf course development and management, home security, and landscape subsidiaries.

Toll Brothers is a publicly-traded company the common stock of which is listed on the New York Stock Exchange under the symbol TOL. Toll Brothers is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the SEC. The file number for Toll Brothers is 001-09186. The registration statement and other SEC filings are available at the SEC's website at [www.sec.gov](http://www.sec.gov) and at the SEC's Public Reference Room at the SEC's Headquarters, located at 100 F Street, NE, Washington, D.C. 20549. All documents subsequently filed by Toll Brothers 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.

## **Residential Product Offerings**

Veranda Bay is being marketed as a waterfront community featuring a coastal contemporary style, offering a collection of inland homes and waterfront homes facing the Intracoastal Waterway. Custom estate homesites are currently being offered at prices ranging from \$169,880 to \$285,880 for lots that front the main entry road of the Development and \$215,900 to \$385,900 for waterfront and water view lots that front the Intracoastal Waterway. Custom home prices are anticipated to start at \$800,000+. Further, Toll Brothers' estate homes are anticipated to start at \$625,000+.

<b>Product Type</b>	<b>Estimated Base Square Footage</b>	<b>Estimated Base Prices</b>
<b>Custom Estate Homes</b>		
Single-family ( <i>Intracoastal View</i> )	2,500 – 3,200	\$650,000 – \$800,000
Single-family ( <i>Intracoastal Direct</i> )	3,000+	\$1,200,000+
Single-family ( <i>Estate Lots</i> )	3,000+	\$800,000+
<b>Toll Brothers</b>		
Single-family ( <i>Estate Lots</i> )	2,200+	\$625,000+

### Absorption/Lot Sales

Pre-sale activities for homesites within Assessment Area One commenced in 2022. As of March 25, 2024, 157 of the 211 homesites in Assessment Area One had been contracted with retail buyers of which 121 had closed at an average lot price of \$285,438. Construction of custom homes must commence within five (5) years of closing on a homesite. Home construction activities in Phase 1 commenced in the third quarter of 2023 and there are currently eight (8) homes currently under construction.

Further, as of March 25, 2024, Toll Brothers had entered into a contract to purchase sixty-five (65) planned lots in Assessment Area Two. Pursuant to the Purchase Agreement described in more detail under the heading "– Participating Builder Agreements/Builder Contract Activity," lot takedowns in Phase 2 by Toll Brothers are anticipated to occur starting in the second quarter of 2025.

The information in the below table illustrates the current projected lot closings for the residential lot offerings in the Phase 1-3 Tract, which information is subject to change.

<b>Product Type</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
<b>Assessment Area One</b>				
Phase 1 ( <i>Intracoastal Direct &amp; View</i> )	122	0	0	122
Phase 3 ( <i>Estate Lots</i> )	89	0	0	89
<b>Assessment Area Two</b>				
Phase 2 ( <i>Toll Brothers Estate Lots</i> )	0	32	33	65
Phase 2 ( <i>Estate Lots</i> )	0	30	29	59
<b>Total</b>	<b>211</b>	<b>62</b>	<b>62</b>	<b>335</b>

The aforementioned projections are based upon estimates and assumptions that are inherently uncertain, though considered reasonable, and are subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict. As a result, there can be no assurance that such projections will occur or be realized in the time frames anticipated. See "BONDOWNERS' RISKS" herein.

### Recreational Amenities

The Development is planned to include recreational facilities to serve its residents. Such recreational facilities are planned to include a clubhouse, resort-style pool, fitness center, tennis and pickleball courts, dog park, and walking and biking trails. In addition, the Developer has proposed a marina with individual boat slips to which residents will be offered access, located along the Intracoastal Waterway adjacent south of Phase 1. The estimated cost for such recreational facilities is approximately \$5 million. Construction of the

recreational facilities is scheduled to commence in the second quarter of 2024 with a scheduled completion in the second quarter of 2025.

## **Schools**

Based upon current school districting, school-age children residing in the Development will attend Old Kings Elementary School, Buddy Taylor Middle School and Flagler-Palm Coast High School, which received ratings of "A," "C" and "B," respectively, from the Florida Department of Education for 2023. However, future capacity limitations or redistricting could result in a change to which schools children residing in the Development would attend.

## **Marketing**

The Developer intends to employ a marketing plan for the Development that includes using various strategies, outlets and media. Further, the Participating Builders are charged a marketing fee which funds are utilized as a contribution towards the marketing efforts for the Development. The Participating Builders are also undertaking their own marketing efforts to market homes in the first phases of the Development. In addition to using various strategies, outlets and media, the Participating Builders each anticipate building a model home within Assessment Area One, two (2) of which are currently under construction, and Toll Brothers anticipates building two (2) model homes in Assessment Area Two.

## **Fees and Assessments**

Each property owner in the Phase 1-3 Tract will be required to pay annual taxes, assessments, and fees on an ongoing basis as a result of their ownership of property within the District, including ad valorem property taxes, the Series 2024 Special Assessments levied by the District in connection with the Series 2024 Bonds, homeowner's association fees, and administrative, operation and maintenance assessments levied by the District, all as described in more detail below.

*Property Taxes.* The current millage rate for the area in which the District is located is 18.5274. Assuming a home with a taxable value of \$750,000, the annual property tax would be approximately \$13,896.

*Homeowner's Association Fees.* All homeowners in the Phase 1-3 Tract will be subject to annual master homeowner's association ("HOA") fees for architectural review, deed restriction enforcement and maintenance of any HOA-owned facilities. The annual HOA fee for all homes in the Phase 1-3 Tract is expected to total \$500 annually.

### *District Special Assessments*

#### *Series 2024-1 Special Assessments*

All property owners residing in Assessment Area One, which consists of 211 custom estate homesites, will be subject to the Series 2024-1 Special Assessments levied in connection with the Series 2024-1 Bonds which are expected to be paid annually over a thirty (30) year period. The table below illustrates the aforementioned Series 2024-1 Special

Assessments that will be levied by the District for each of the respective product types within Assessment Area One.

<u>Product Type</u>	<u># of Units</u>	<u>Est. Series 2024-1 Bonds Principal Per Unit*</u>	<u>Est. Series 2024-1 Bonds Gross Annual Debt Service Per Unit*</u>
<b>Phase 1</b>			
Single-family ( <i>Intracoastal View</i> )	122	\$22,643	\$1,750
<b>Phase 3</b>			
Single-family ( <i>Estate Lots</i> )	89	22,643	1,750
<b>Total</b>	<b>211</b>		

\*Preliminary, subject to change.

### *Series 2024-2 Special Assessments*

All property owners residing in Assessment Area Two, which consists of 124 residential lots, will be subject to the Series 2024-2 Special Assessments levied in connection with the Series 2024-2 Bonds which are expected to be paid annually over a thirty (30) year period. The table below illustrates the aforementioned Series 2024-2 Special Assessments that will be levied by the District for each of the respective product types within Assessment Area Two.

<u>Product Type</u>	<u># of Units</u>	<u>Est. Series 2024-2 Bonds Principal Per Unit*</u>	<u>Est. Series 2024-2 Bonds Gross Annual Debt Service Per Unit*</u>
Single-family ( <i>Estate Lots</i> )	124	\$68,710	\$5,311

\* Preliminary, subject to change. The Developer plans to prepay a portion of the Series 2024-2 Special Assessments to redeem approximately \$5.7 million of the Series 2024-2 Bonds. After such prepayments are made, the Series 2024-2 Special Assessments are expected to be reduced to approximately \$1,750 for a lot within Phase 2 of the Development.

### *Operation and Maintenance Assessments*

In addition to the Series 2024 Special Assessments, all property owners within the District will be subject to annual operation and maintenance assessments ("O&M Assessments") levied by the District which are derived from the District's annual budget and are subject to change each year. The estimated annual O&M Assessments at build out in the Development are anticipated to be \$1,000 per unit and are subject to change.

### **Competition**

The Developer expects that competition for the Development will primarily come from communities within its sub-market including Palm Coast Plantation, Marina del Palma, Grand Haven, Hammock Dunes and Island Estates.

This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather to provide a description of those that the Developer feels pose primary competition to the homes to be constructed in the Development.

## **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State. Certain of these risks are described in the section above entitled "ENFORCEMENT OF ASSESSMENT COLLECTIONS." However, certain additional risks are associated with the Series 2024 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2024 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum including all appendices hereto in its entirety to identify investment considerations relating to the Series 2024 Bonds.

### **Limited Pledge**

The principal security for the payment of the Debt Service Requirements on the Series 2024 Bonds is the timely collection of the Series 2024 Special Assessments. The Series 2024 Special Assessments do not constitute a personal indebtedness of the owners of the land subject thereto but are secured by a lien on such land. There is no assurance that the Landowner or any subsequent landowner will be able to pay the Series 2024 Special Assessments or that they will pay such Series 2024 Special Assessments even though financially able to do so. Neither the Landowner nor any subsequent landowner is a guarantor of payment of any Series 2024 Special Assessment, and the recourse for the failure of the Landowner or any subsequent landowner to pay the Series 2024 Special Assessments is limited to the collection proceedings against the land. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein. The District has not granted, and may not grant under State law, a mortgage or security interest in the Phase 1-3 CIP. Furthermore, the District has not pledged the revenues, if any, from the operation of the Phase 1-3 CIP as security for, or a source of payment of, the Series 2024 Bonds. The Series 2024 Bonds are payable solely from, and secured solely by, the Series 2024-1 Pledged Revenues or the Series 2024-2 Pledged Revenues, as applicable, including the Series 2024 Special Assessments. The failure of the Landowner or any subsequent landowner to pay the required Series 2024 Special Assessment on its property will not result in an increase in the amount of Series 2024 Special Assessments other landowners are or would be required to pay.

### **Concentration of Land Ownership and Bankruptcy Risks**

Until further development takes place in the Development and assessable properties are sold to end users, payment of the Series 2024 Special Assessments is substantially dependent upon their timely payment by the Landowner. In the event of the institution of bankruptcy or similar proceedings with respect to the Landowner or any other subsequent significant owner of property subject to the Series 2024 Special Assessments, delays and impairment could occur in the payment of the Debt Service Requirements on the Series 2024 Bonds as such bankruptcy could negatively impact the ability of (a) the Landowner or any other landowner being able to pay the Series 2024 Special Assessments, (b) the County to sell tax certificates in relation to such property with respect to the Series 2024 Special Assessments being collected pursuant to the Uniform Method, and (c) the District's ability to enforce collection with respect to the Series 2024 Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2024 Bonds, the Trustee and the District upon an Event of Default under the Indentures 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 during a bankruptcy of the Landowner or any other landowner, the remedies specified by federal, State and local law and in the Indentures and the Series 2024 Bonds, including, without limitation, enforcement of the obligation to pay Series 2024 Special Assessments and the ability of the District to foreclose the lien of the Series 2024 Special Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 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 available remedies respecting the Series 2024 Bonds could have a material adverse impact on the interest of the Owners thereof.

### **Delay and Discretion Regarding Remedies**

Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates in regard to delinquent Series 2024 Special Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two (2) years. Similarly, the ability of the District to enforce collection of delinquent Series 2024 Special Assessments collected directly by the District will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2024 Special Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. If the District should commence a foreclosure action against a landowner for nonpayment of Series 2024 Special Assessments which are not being collected pursuant to the Uniform Method and that are delinquent, such landowners may raise affirmative defenses to such foreclosure action, which although such affirmative defenses would likely be proven to be without merit, could result in delays in completing the foreclosure action.

### **Limitation on Funds Available to Exercise Remedies**

In the event of a default by a landowner in payment of Series 2024 Special Assessments that are not collected pursuant to the Uniform Method, the District is required under the Indentures to fund the costs of foreclosure of such delinquent Series 2024 Special Assessments. It is possible that the District will not have sufficient funds and will be compelled to request the Owners of the Series 2024 Bonds to allow funds on deposit under the Indentures to be used to pay such costs. Under the Internal Revenue Code of 1986, as amended (the "Code"), there are limitations on the amount of Series 2024 Bond proceeds that can be used for such purpose. As a result, there may be insufficient funds for the exercise of remedies.

### **Determination of Land Value upon Default**

The assessment of the benefits to be received by the benefited land within the District as a result of implementation and development of the Phase 1-3 CIP is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. In other words, the value of the land could potentially be ultimately

less than the debt secured by the Series 2024 Special Assessments associated with it. To the extent that the realizable or market value of the land benefited by the Phase 1-3 CIP is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land, or the District to realize sufficient value from a foreclosure action, may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2024 Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of the Debt Service Requirements on the Series 2024 Bonds.

### **Landowner Challenge of Assessed Valuation**

Under State 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 2024 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 2024 Special Assessment, even though the landowner is not contesting the amount of the Series 2024 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 seventy-five percent (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.

### **Failure to Comply with Assessment Proceedings**

The District is required to comply with statutory procedures in levying the Series 2024 Special Assessments. Failure of the District to follow these procedures could result in the Series 2024 Special Assessments not being levied or potential future challenges to such levy.

### **Other Taxes and Assessments**

The willingness and/or ability of a landowner within the District to pay the Series 2024 Special Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District, such as the County, the School Board and other special districts could, without the consent of the owners of the land within the District, impose additional taxes or assessments on the property within the District. County, municipal, school and special district taxes and assessments, including the Series 2024 Special Assessments, and any additional voter-approved ad valorem taxes, are payable at the same time when collected pursuant to the Uniform Method, except for partial payment schedules as may be provided by 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, such taxpayer cannot designate specific line items on the tax bill as deemed paid in full. Therefore, any failure by a landowner to pay any one line item, whether or not it is the Series



2024 Special Assessments, would result in such landowner's Series 2024 Special Assessments to not be fully collected, which could have a significant adverse impact on the District's ability to make full or punctual payment of the Debt Service Requirements on the Series 2024 Bonds.

As referenced herein, the Series 2024 Special Assessments are levied on lands within the District that are also subject to O&M Assessments and HOA fees. See "THE DEVELOPMENT – Fees and Assessments" herein.

### **Limited Secondary Market**

The Series 2024 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2024 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2024 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2024 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2024 Bonds, depending on the progress of the Development, existing market conditions and other factors.

### **Inadequacy of Series 2024 Debt Service Reserve Accounts**

Some of the risk factors described herein, if materialized, could result in a delay in the collection of the Series 2024 Special Assessments or a failure to collect the Series 2024 Special Assessments, but may not affect the timely payment of the Debt Service Requirements on the Series 2024-1 Bonds or Series 2024-2 Bonds because of the Series 2024-1 Debt Service Reserve Account and the Series 2024-2 Debt Service Reserve Account (hereinafter referred to collectively as the "Series 2024 Debt Service Reserve Accounts") established by the District for the Series 2024-1 Bonds and the Series 2024-2 Bonds, as applicable. However, the ability of the District to fund deficiencies caused by delinquent or delayed Series 2024 Special Assessments is dependent upon the amount, duration and frequency of such deficiencies or delays. If the District has difficulty in collecting the Series 2024 Special Assessments, the Series 2024 Debt Service Reserve Accounts could be rapidly depleted and the ability of the District to pay the Debt Service Requirements on the respective Series of Series 2024 Bonds could be materially adversely affected. Owners should note that although the Indentures contain the respective Series 2024 Debt Service Reserve Requirement for the Series 2024 Debt Service Reserve Accounts, and a corresponding obligation on the part of the District to replenish the Series 2024 Debt Service Reserve Accounts to the respective Series 2024 Debt Service Reserve Requirement, the District does not have a designated revenue source for replenishing the Series 2024 Debt Service Reserve Accounts. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2024 Special Assessments in order to provide for the replenishment of the Series 2024 Debt Service Reserve Accounts. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – No Parity Bonds; Limitation on Parity Liens" herein.

Moneys on deposit in the Series 2024 Debt Service Reserve Accounts may be invested in certain obligations permitted under the Indentures. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Series 2024 Debt Service Reserve Accounts to make up deficiencies or delays in collection of Series 2024 Special Assessments.

**The Series 2024-1 Debt Service Reserve Account does not secure the Series 2024-2 Bonds and amounts on deposit in the Series 2024-1 Debt Service Reserve Account may not be used to pay the Debt Service Requirements on the Series 2024-2 Bonds. The Series 2024-2 Debt Service Reserve Account does not secure the Series 2024-1 Bonds and amounts on deposit in the Series 2024-2 Debt Service Reserve Account may not be used to pay the Debt Service Requirements on the Series 2024-1 Bonds.**

### **Regulatory and Environmental Risks**

The Development 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. See "THE DEVELOPMENT – Zoning and Permitting" herein.

The value of the land within the District, the ability to complete the Phase 1-3 CIP, and the likelihood of timely payment of the Debt Service Requirements on the Series 2024 Bonds could be affected by environmental factors with respect to the lands in the District, such as contamination by hazardous materials. 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 of the lands within the District. 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" herein.

### **Economic Conditions**

The development of the Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Landowner or the District. Although the Development is anticipated to be developed as described herein, there can be no assurance that such development will occur or be realized in the manner or schedule currently anticipated.

### **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 assurance 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 the Debt Service Requirements on the Series 2024 Bonds.

### **Infectious Viruses and/or Diseases**

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 Landowner, the timely and successful completion of the Development, and the construction and sale to purchasers of residential units therein. Such impacts could include delays in obtaining development approvals, construction delays, supply chain delays, or increased costs.

### **Damage to District from Natural Disasters**

The value of the lands subject to the Series 2024 Special Assessments could be adversely affected 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 Development, such catastrophic events could potentially render the lands within the Development unable to support the construction of the Phase 1-3 CIP. The occurrence of any such events could materially adversely affect the District's ability to collect Series 2024 Special Assessments and pay the Debt Service Requirements on the Series 2024 Bonds. The Series 2024 Bonds are not insured and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

### **Change in Development Plans**

The Landowner has the right to modify or change plans for development of certain property within the District, 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.

### **Completion of Phase 1-3 CIP**

The Series 2024 Bond proceeds will not be sufficient to finance the completion of the Phase 1-3 CIP. The portions of the Phase 1-3 CIP not funded with proceeds of the Series 2024 Bonds are expected to be funded with contributions from the Landowner. There is no assurance that the Landowner will be able to pay for the cost of any of these improvements. Upon issuance of the Series 2024 Bonds, the Landowner will enter into the Completion Agreements with respect to any portions of the Phase 1-3 CIP not funded with the proceeds of the Series 2024 Bonds. Such obligation of the Landowner is an unsecured obligation. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Completion Agreements" herein. Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Owners of the Series 2024 Bonds should it be necessary to institute proceedings due to the nonpayment of the Series 2024 Special Assessments. Failure to complete or substantial delays in the completion of the Phase 1-3 CIP due to litigation or other causes may reduce the value of the lands in the

Development and increase the length of time during which Series 2024 Special Assessments will be payable from undeveloped property and may affect the willingness and ability of the landowners to pay the Series 2024 Special Assessments when due and likewise the ability of the District to make full or punctual payment of the Debt Service Requirements on the Series 2024 Bonds.

### **District May Not be Able to Obtain Permits**

In connection with a foreclosure of lien of assessments prior to completion of a development, the Circuit Court in and for Lake County, Florida concluded that a community development district had no right, title or interest in any permits and approvals owned by the owner of the parcels so foreclosed. As discussed herein, the District and the Landowner will enter into the Collateral Assignments upon issuance of the Series 2024 Bonds in which the Landowner collaterally assigns to the District certain of its Development Rights relating to the Phase 1-3 CIP. Notwithstanding the foregoing, in the event that the District forecloses on the property subject to the lien of the Series 2024 Special Assessments to enforce payment thereof, the District may not have the right, title or interest in the permits and approvals owned by the Landowner and failure to obtain any such permits or approvals in a timely manner could delay or adversely affect the completion of the Development. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Collateral Assignments" herein.

### **Interest Rate Risk; No Rate Adjustment for Taxability**

The interest rates borne by the Series 2024 Bonds are, in general, higher than interest rates borne by other bonds of political subdivisions that do not involve the same degree of risk as investment in the Series 2024 Bonds. These higher interest rates are intended to compensate investors in the Series 2024 Bonds for the risk inherent in the purchase of the Series 2024 Bonds. However, such higher interest rates, in and of themselves, increase the amount of Series 2024 Special Assessments that the District must levy in order to provide for payment of the Debt Service Requirements on the Series 2024 Bonds and, in turn, may increase the burden of landowners within the Development, thereby possibly increasing the likelihood of non-payment or delinquency in payment of such Series 2024 Special Assessments.

The Indentures do not contain an adjustment of the interest rates on the Series 2024 Bonds in the event of a determination of taxability of the interest thereon. Such a change could occur as a result of the District's failure to comply with tax covenants contained in the Indentures or the Arbitrage Certificate executed by the District upon issuance of the Series 2024 Bonds or due to a change in the United States income tax laws. Should interest on the Series 2024 Bonds become includable in gross income for federal income tax purposes, Owners of the Series 2024 Bonds will be required to pay income taxes on the interest received on such Series 2024 Bonds and related penalties. Because the interest rates on such Series 2024 Bonds will not be adequate to compensate Owners of the Series 2024 Bonds for the income taxes due on such interest, the value of the Series 2024 Bonds may decline. Prospective purchasers of the Series 2024 Bonds should evaluate whether they can own the Series 2024 Bonds in the event that the interest on the Series 2024 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.

## **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 paragraph, the "Audited Bonds") issued by Village Center Community Development District ("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 governmental 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 was 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 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 Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that 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 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 Village Center CDD.

On February 23, 2016, the IRS issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provided guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. However, on July 24, 2017, in response to Executive Order 13789 issued by President Trump, the Secretary of the Treasury (the "Secretary") identified the Proposed Regulations among a list of eight regulations that (a) impose an undue financial burden on U.S. taxpayers, (b) add undue complexity to the federal tax laws, or (c) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that the Treasury Department and the IRS believed that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that the Treasury Department and the IRS would continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future. Because the Proposed Regulations have been withdrawn, it is not

possible to determine the extent to which all or a portion of the discussion herein regarding the Village Center CDD and the TAMs may continue to be applicable in the absence of further guidance from the IRS.

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 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 (6) years or when there are 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 members of the Board were elected by the landowners within the District and none were elected by qualified electors. Although it is impossible to predict whether the IRS will select the Series 2024 Bonds for audit, 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 2024 Bonds are advised that, if the IRS does audit the Series 2024 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 2024 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 2024 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 2024 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 2024 Bonds would adversely affect the availability of any secondary market for the Series 2024 Bonds. Should interest on the Series 2024 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2024 Bonds be required to pay income taxes on the interest received on such Series 2024 Bonds and related penalties, but because the interest rates on such Series 2024 Bonds will not be adequate to compensate Owners of the Series 2024 Bonds for the income taxes due on such interest, the value of the Series 2024 Bonds may decline. See also "TAX MATTERS" herein.

### **Legislative Proposals and State Tax Reform**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2024 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2024 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2024 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2024 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could

significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2024 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for or marketability of the Series 2024 Bonds.

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming State 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. 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 2024 Bonds. It should be noted that Section 190.016(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 in any way impair the rights or remedies of such holders."

### **Loss of Exemption from Securities Registration**

Since the Series 2024 Bonds have not been, and will not be, registered under the Securities Act or any state securities laws, pursuant to the exemption for political subdivisions, and regardless of any potential IRS determination that the District is not a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could independently determine that the District is not a political subdivision for purposes of federal and state securities laws. Accordingly, the District and purchasers of the Series 2024 Bonds may not be able to rely on the exemption from registration relating to securities issued by political subdivisions. In that event, Owners of the Series 2024 Bonds would need to ensure that subsequent transfers of the Series 2024 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

### **Prepayment and Redemption Risk**

The Series 2024 Bonds are subject to extraordinary mandatory redemption as a result of prepayments of the Series 2024 Special Assessments by the Landowner or subsequent owners of property within the District. Any such redemptions of the Series 2024 Bonds would be at the principal amount of such Series 2024 Bonds being redeemed plus accrued interest to the date of redemption. In such event, Owners of the Series 2024 Bonds may not realize their anticipated rate of return on the Series 2024 Bonds and Owners of any Premium Bonds (hereinafter defined) may receive less than the price they paid for the Series 2024 Bonds. See "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions" herein.

### **Performance of District Professionals**

The District has represented to the Underwriter that it has selected its District Manager, District Counsel, Consulting Engineer, Assessment Consultant, Trustee and other professionals with the appropriate due diligence and care. While the foregoing professionals have each represented that they have the respective requisite experience to accurately and

timely perform the duties assigned to them in such roles, the District does not guarantee the performance of such professionals.

### **No Credit Enhancement or Rating**

No application for credit enhancement or a rating on the Series 2024 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2024 Bonds had application been made.

### **Mortgage Default and FDIC**

In the event a bank forecloses on property in the District because of a default on a mortgage with respect thereto 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 2024 Special Assessments. In addition, the District would be required to obtain the consent of the FDIC prior to commencing a foreclosure action on such property for failure to pay Series 2024 Special Assessments.

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**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**

<b><u>Sources of Funds</u></b>	<b><u>Series 2024-1 Bonds</u></b>	<b><u>Series 2024-2 Bonds</u></b>
Par Amount of Series 2024-1 Bonds		
Par Amount of Series 2024-2 Bonds		
Less/Plus Original Issue Discount/Premium		
<b>Total Sources</b>		
<b><u>Uses of Funds</u></b>		
Deposit to Series 2024-1 Acquisition and Construction Account		
Deposit to Series 2024-2 Acquisition and Construction Account		
Deposit to Series 2024-1 Debt Service Reserve Account		
Deposit to Series 2024-2 Debt Service Reserve Account		
Deposit to Series 2024-1 Interest Account <sup>(1)</sup>		
Deposit to Series 2024-2 Interest Account <sup>(2)</sup>		
Deposit to Series 2024-1 Costs of Issuance Subaccount <sup>(3)</sup>		
Deposit to Series 2024-2 Costs of Issuance Subaccount <sup>(3)</sup>		
Underwriter's Discount		
<b>Total Uses</b>		

<sup>(1)</sup> Represents Capitalized Interest on the Series 2024-1 Bonds through November 1, 2024.  
<sup>(2)</sup> Represents Capitalized Interest on the Series 2024-2 Bonds through November 1, 2025.  
<sup>(3)</sup> Costs of issuance include, without limitation, legal fees and other costs associated with the issuance of the Series 2024 Bonds.

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## DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2024 Bonds:

Period Ending November 1 <sup>st</sup>	Series 2024-1 Bonds		Series 2024-2 Bonds		Series 2024 Bonds
	Principal	Interest	Principal	Interest	Total Debt Service
<b>Total</b>					

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## TAX MATTERS

### General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2024 Bonds in order that interest on the Series 2024 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2024 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2024 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2024 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The District has covenanted in the Indentures with respect to the Series 2024 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2024 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2024 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2024 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2024 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2024 Bonds. Prospective purchasers of Series 2024 Bonds should be aware that the ownership of Series 2024 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2024 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2024 Bonds; (iii) the inclusion of interest on Series 2024 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2024 Bonds in 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; and (v) the inclusion of interest on Series 2024 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the District, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2024 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

**PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2024 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE**

ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDOWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2024 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 2024 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 2024 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2024 Bonds and proceeds from the sale of Series 2024 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2024 Bonds. This withholding generally applies if the owner of Series 2024 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 2024 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.

### **Other Tax Matters Relating to the Series 2024 Bonds**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2024 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2024 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2024 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2024 Bonds.

Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2024 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

On February 23, 2016, the Internal Revenue Service (the "IRS") issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provide guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. If adopted, the Proposed Regulations would have affected certain State and local governments that issue tax-exempt bonds, including community development districts such as the District. However, on July 24, 2017, in response to Executive Order

13789 issued by President Trump (the "Executive Order"), the Secretary of the Treasury (the "Secretary") identified the Proposed Regulations among a list of eight regulations that (i) impose an undue financial burden on U.S. taxpayers, (ii) add undue complexity to the federal tax laws, or (iii) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that Treasury and the IRS believe that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that Treasury and the IRS will continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future.

Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Villages and the Villages TAM (each as defined below) may continue to be applicable in the absence of further guidance from the IRS. Bond Counsel will render its opinion regarding the exclusion from gross income of interest on the Series 2024 Bonds as described below.

On May 30, 2013, the IRS delivered to Village Center CDD, a Florida special district established under Chapter 190, Florida Statutes, a private ruling, called a technical advice memorandum (the "Villages TAM"), in connection with the examination by the IRS of bonds issued by the Village Center CDD (the "Audited Bonds"). The Villages TAM concluded that, despite having certain eminent domain powers, the Village Center CDD is not a political subdivision permitted to issue tax-exempt bonds based on a number of facts including that its governing board is elected by a small group of landowners, and that it "was organized and operated to perpetuate private control and avoid indefinitely responsibility to a public electorate, either directly or through another elected state or local governmental body."

The Villages TAM, as a private, non-precedential, ruling, binds only the IRS and the Village Center CDD, and only in connection with the Audited Bonds. Moreover, the cited legal basis for the Villages TAM is extremely limited, and, therefore, the value of the Villages TAM as guidance is also limited. Nonetheless, the breadth and force of the language used in the Villages TAM may reflect the disfavor of the IRS toward governmental entities with governing boards elected by landowners, and this position may lead the enforcement branch of the IRS to select bonds of other issuers with landowner-controlled boards for examination.

In July 2016, the IRS closed the examination of the Audited Bonds with no change to their tax-exempt status. Although the audit was closed with no adverse impact on the Audited Bonds, the IRS's motivations and rationale for closing the examination are unknown. The Village Center CDD refunded the Audited Bonds with taxable bonds in 2014.

Like the board of the Village Center CDD, the Board of Supervisors of the District is necessarily elected by the landowners in the District since there are not yet enough qualified electors residing in the District to transition the Board of Supervisors to a resident-elected Board of Supervisors. The Act, which contains the uniform statutory charter for all community development districts and by which the District is governed, delegates to the District certain traditional sovereign powers including, but not limited to, eminent domain, ad valorem taxation and regulatory authority over rates, fees and charges for district facilities. On the basis of the Act and certain representations by the District forming a part of the District's tax certificate as to its reasonable expectations of transition to a resident-

elected Board of Supervisors, it does not appear from the facts and circumstances that the District was organized to avoid indefinitely responsibility to a public electorate. On the basis of the foregoing and other factors, Bond Counsel has concluded that under current law the District is a political subdivision for purposes of Section 103 of the Code, notwithstanding that its Board of Supervisors is temporarily elected by landowners. Bond counsel intends to deliver its unqualified approving opinion in the form attached hereto as "APPENDIX D – FORM OF OPINION OF BOND COUNSEL."

The release of the Villages TAM may cause an increased risk of examination of the Series 2024 Bonds. Owners of the Series 2024 Bonds are advised that if the IRS does audit the Series 2024 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 2024 Bonds may have limited rights to participate in such procedure. The Indentures do not provide for any adjustment to the interest rates borne by the Series 2024 Bonds in the event of a change in the tax-exempt status of the Series 2024 Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2024 Bonds could adversely impact both liquidity and pricing of the Series 2024 Bonds in the secondary market.

### **Tax Treatment of Original Issue Discount**

Under the Code, the difference between the maturity amount of the Series 2024 Bonds maturing on \_\_\_\_\_ 1, 20\_\_ through and including \_\_\_\_\_ 1, 20\_\_ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondowners of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bond.

### **Tax Treatment of Bond Premium**

The difference between the principal amount of the Series 2024 Bonds maturing on \_\_\_\_\_ (collectively, the "Premium Bonds"), and the initial offering price to the public, (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity, and, if applicable, interest rate, was sold constitutes

to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder, requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District has not previously issued any bonds or other indebtedness and the District is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

### **VALIDATION**

The Series 2024 Bonds are a portion of the Bonds that were validated by a Final Judgment of the Circuit Court of the Seventh Judicial Circuit of Florida, in and for Flagler County, Florida, entered on [\_\_\_\_\_]. The period during which an appeal can be taken has expired.

### **LITIGATION**

#### **District**

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2024 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the Indentures. Neither the creation, organization nor existence of the District, nor the title of the present members of the Board has been challenged.

From time to time, the District expects to experience routine litigation and claims incidental to the conduct of its affairs. In the opinion of District Counsel, there are no actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the Series 2024-1 Pledged Revenues or Series 2024-2 Pledged Revenues or the ability of the District to pay the Series 2024-1 Bonds or Series 2024-2 Bonds from the Series 2024-1 Pledged Revenues or Series 2024-2 Pledged Revenues, respectively.

## **Landowner**

In connection with the issuance of the Series 2024 Bonds, the Landowner will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Landowner, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Landowner to complete the Development as described herein or materially and adversely affect the ability of the Landowner to perform its obligations described in this Limited Offering Memorandum.

## **CONTINUING DISCLOSURE**

### **General**

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the SEC (the "Rule"), the District, the Landowner and Governmental Management Services – Central Florida, LLC, as dissemination agent (the "Dissemination Agent") will enter into a Continuing Disclosure Agreement with respect to Assessment Area One and a Continuing Disclosure Agreement with respect to Assessment Area Two (together, the "Disclosure Agreements"), the forms of which are attached hereto as APPENDIX E. Pursuant to the Disclosure Agreements, the District and the Landowner have each covenanted for the benefit of the Owners of the Series 2024 Bonds to provide to the Dissemination Agent certain financial information and operating data relating to the District, the Development and the Series 2024 Bonds (the "Reports"), and to provide notices of the occurrence of certain enumerated material events. Such covenants by the District and the Landowner shall only apply so long as the Series 2024 Bonds remain Outstanding under the Indentures or so long as the District or the Landowner remains an "obligated person" pursuant to the Rule.

The Reports will be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the Disclosure Agreements attached hereto as APPENDIX E. The notices of material events will also be filed by the Dissemination Agent with EMMA. The specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX E. The Disclosure Agreements will be executed at the time of issuance of the Series 2024 Bonds. With respect to the Series 2024 Bonds, no parties other than the District and the Landowner are obligated to provide, nor are expected to provide, any continuing disclosure information with respect to the Rule. The foregoing covenants have been made in order to assist the Underwriter in complying with the Rule.

### **District Continuing Compliance**

Since this is the first bond issuance of the District, the District has not previously entered into any continuing disclosure undertakings as an obligated person during the past five (5) Fiscal Years.

### **Landowner Continuing Compliance**

Neither entity constituting the Landowner has previously entered into any continuing disclosure undertakings as an obligated person during the past five (5) Fiscal Years.  
[CONFIRM]



## **UNDERWRITING**

The Underwriter has agreed, pursuant to a contract entered into with the District, subject to certain conditions, to purchase the Series 2024 Bonds from the District at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2024 Bonds of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_ and plus/less an original issue premium/discount of \$\_\_\_\_\_). See "ESTIMATED SOURCES AND USES OF BOND PROCEEDS" herein. The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Series 2024 Bonds if any are purchased.

The Underwriter intends to offer the Series 2024 Bonds at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Underwriter may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing the Series 2024 Bonds into investment trusts) at prices lower than the initial offering prices and such initial offering prices may be changed from time to time by the Underwriter.

## **LEGALITY FOR INVESTMENT**

The Act provides that the Series 2024 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 shall be and constitute security 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 or voluntary statutory deposits.

## **LEGAL MATTERS**

The Series 2024 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2024 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Chiumento Law, PLLC, Palm Coast, Florida, for the Landowner by its counsel, William Livingston, Esq., Flagler Beach, Florida, for the Trustee by its counsel, Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida, and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

Bond Counsel's opinions included herein are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinions 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 opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather, such opinions represent 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 opinions.

## **AGREEMENT BY THE STATE**

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2024 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 the 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 or other obligations and that it will not in any way impair the rights or remedies of such holders.

## **FINANCIAL STATEMENTS**

The general-purpose financial statements of the District for the Fiscal Year ended September 30, 2022, included in this Limited Offering Memorandum have been audited by Grau & Associates, Inc., independent certified public accountants, as stated in their report appearing in APPENDIX F. The consent of the District's auditor to include in this Limited Offering Memorandum the aforementioned report was not requested, and the general-purpose financial statements of the District are provided as publicly available documents. The auditor was not requested to, nor did they, perform any procedures with respect to the preparation of this Limited Offering Memorandum or the information presented herein. The District has covenanted in the Disclosure Agreement attached hereto as APPENDIX E to provide its annual audit commencing with the audit for the District Fiscal Year ended September 30, 2023, to certain information repositories as described therein.

## **EXPERTS AND CONSULTANTS**

The references herein to Parker Mynchenberg & Associates, Inc., as Consulting Engineer, have been approved by said firm. The Engineer's Report prepared by such firm has been included as composite APPENDIX A attached hereto in reliance upon such firm as an expert in engineering. References to and excerpts herein from such Engineer's Report do not purport to be adequate summaries of the Phase 1-3 CIP or complete in all respects. Such Engineer's Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

The references herein to Governmental Management Services – Central Florida, LLC, as Assessment Consultant, have been approved by said firm. The Assessment Report prepared by such firm has been included as composite APPENDIX B attached hereto in reliance upon such firm as an expert in developing assessment methodologies. References to and excerpts herein from such Assessment Report do not purport to be adequate summaries of such Assessment Report or complete in all respects. Such Assessment Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

## **CONTINGENT AND OTHER FEES**

The District has retained Bond Counsel, District Counsel, the Assessment Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery

of the Series 2024 Bonds. Except for the payment of fees to District Counsel and the Assessment Consultant, the payment of the fees of the other professionals retained by the District is each contingent upon the issuance of the Series 2024 Bonds.

### **NO CREDIT ENHANCEMENT OR RATING**

No application for credit enhancement or a rating on the Series 2024 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2024 Bonds had application been made.

### **MISCELLANEOUS**

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2024 Bonds.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable and is believed to be correct as of the date of this Limited Offering Memorandum, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The Underwriter listed on the cover page hereof has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District, the Landowner or the Development from the date hereof. However, certain parties to the transaction will, on the closing date of the Series 2024 Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of this Limited Offering Memorandum contain an untrue statement of a material fact or omit to state a material fact that should be included herein for the purpose for which this Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of this Limited Offering Memorandum to the date of closing of the Series 2024 Bonds that there has been no material adverse change in the information provided.

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This Limited Offering Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. The appendices hereof are integral parts of this Limited Offering Memorandum and must be read in their entirety together with all foregoing statements.

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Name: Clint Smith  
Its: Chairman

**APPENDIX A**  
**ENGINEER'S REPORT**

**APPENDIX B**  
**ASSESSMENT REPORT**

**APPENDIX C**

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

**APPENDIX D**

**FORM OF OPINION OF BOND COUNSEL**



**APPENDIX E**

**FORMS OF CONTINUING DISCLOSURE AGREEMENTS**

**APPENDIX F**

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

# SECTION 4

**EXHIBIT D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "**Disclosure Agreement**") dated as of [Closing Date], is executed and delivered by **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT** (the "**District**"), **PALM COAST INTRACOASTAL, LLC**, a Florida limited liability company and Veranda Bay Investments, LLC, a Florida limited liability company (together, the "**Landowner**"), and **GOVERNMENTAL MANAGEMENT SERVICES – CENTRAL FLORIDA, LLC** (the "**Dissemination Agent**") in connection with the issuance by the District of its \$[2024-1 Amount] Special Assessment Bonds (Assessment Area One), Series 2024-1 (the "**Bonds**"). The Bonds are being issued pursuant to a Master Trust Indenture, as supplemented by a First Supplemental Trust Indenture (collectively, the "**Indenture**"), each dated as of June 1, 2024, and each between the District and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). The District, the Landowner and the Dissemination Agent covenant and agree as follows:

**1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the District, the Landowner and the Dissemination Agent for the benefit of the Beneficial Owners (hereinafter defined) of the Bonds, from time to time, and to assist the Participating Underwriter (hereinafter defined) in complying with the applicable provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("**SEC**") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "**Rule**").

The District, the Landowner and the Dissemination Agent have 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 or a governmental regulatory agency that the Rule requires the District, the Landowner or the Dissemination Agent (as the case may be) to provide additional information, the District, the Landowner and the Dissemination Agent, as applicable, 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 District, 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 District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

**2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

**"Annual Filing Date"** shall mean the date set forth in Section 4(a) hereof by which the Annual Report is to be filed with the Repository.

**"Annual Financial Information"** shall mean annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 3(a) hereof.

**"Annual Report"** shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

**"Assessment Area One"** shall have the meaning ascribed to such term in the Limited Offering Memorandum.

**"Assessments"** shall mean the non-ad valorem special assessments pledged to the payment of the Bonds pursuant to the Indenture.

**"Audited Financial Statements"** shall mean the financial statements (if any) of the District for the applicable 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)(B) of the Rule and specified in Section 3(a) hereof.

**"Audited Financial Statements Filing Date"** shall mean the date under State law by which a unit of local government must file its Audited Financial Statements with the State, which as of the date hereof is nine (9) months after the end of the Fiscal Year of such unit of local government, including the District.

**"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 Bond for federal income tax purposes.

**"Business Day"** shall mean a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the designated corporate trust office of the Trustee and Paying Agent 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 (a) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent, (b) as to the Landowner, the individual(s) executing this Disclosure Agreement on behalf of the Landowner or such person(s) as the Landowner shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent, and (c) as to any Obligated Person other than the Landowner, such person(s) as the Obligated Person shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

**"Dissemination Agent"** shall mean the District or an entity appointed by the District to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District pursuant to Section 10 hereof. Governmental Management Services – Central Florida, LLC has been designated as the initial Dissemination Agent hereunder.

**"District Manager"** shall mean the person or entity serving as District Manager from time to time. As of the date hereof, Governmental Management Services – Central Florida, LLC is the District Manager.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"**Event of Bankruptcy**" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an 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 Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental 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 Obligated Person.

"**Financial Obligation**" shall mean (a) a debt obligation, (b) a 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) a guarantee of either (a) or (b). The term Financial Obligation does 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 fiscal year of the District, which is 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.

"**Limited Offering Memorandum**" shall mean the Limited Offering Memorandum dated [BPA Date], prepared in connection with the issuance of the Bonds.

"**Listed Event**" shall mean any of the events listed in Section 7(a) hereof.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board.

"**MSRB Website**" shall mean [www.emma.msrb.org](http://www.emma.msrb.org).

"**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 twenty percent (20%) or more of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the District and the Landowner.

"**Owners**" shall have the meaning ascribed thereto in the Indenture with respect to the Bonds and shall include Beneficial Owners of the Bonds.

"**Participating Underwriter**" shall mean MBS Capital Markets, LLC, in its capacity as the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"**Quarterly Filing Date**" shall mean the dates set forth in Section 6(a) hereof by which Quarterly Reports are required to be filed with the Repository.

**"Quarterly Report"** shall mean any Quarterly Report provided by the Landowner or any Obligated Person, its successors or assigns pursuant to, and as described in, Sections 5 and 6 hereof.

**"Repository"** shall mean each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. The Repositories currently approved by the SEC may be found by visiting the SEC's website at [www.sec.gov/municipal/nrmsir](http://www.sec.gov/municipal/nrmsir). As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through the MSRB Website.

**"State"** shall mean the State of Florida.

**3. Content of Annual Reports.**

(a) The Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the District, which includes an update of the financial and operating data of the District to the extent presented in the Limited Offering Memorandum, including:

(i) the amount of Assessments levied for the most recent prior Fiscal Year;

(ii) the amount of Assessments collected from property owners during the most recent prior Fiscal Year;

(iii) if available, the amount of delinquencies greater than 150 calendar days and, in the event that delinquencies amount to more than ten percent (10%) of the amount of Assessments due in any year, a list of delinquent property owners;

(iv) if available, the amount of tax certificates sold for lands within the District subject to the Assessments, if any, and the balance, if any, remaining for sale from the most recent prior Fiscal Year;

(v) the balances in all Funds and Accounts for the Bonds. Upon request, the District shall provide any Owners and the Dissemination Agent with this information more frequently than annually and, in such cases, within thirty (30) calendar days of the date of any written request from the Owners or the Dissemination Agent;

(vi) the total amount of Bonds Outstanding;

(vii) the amount of principal and interest due on the Bonds in the current Fiscal Year;

(viii) the most recent Audited Financial Statements of the District, unless such Audited Financial Statements have not yet been prepared, in which case unaudited financial statements shall be included in a format similar to the Audited Financial Statements; and



(ix) any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) 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. Any or all of the items listed above may be incorporated by specific reference to documents available to the public on the MSRB Website or filed with the SEC, including offering documents of debt issues of the District or related public entities, which have been submitted to the Repository. The District shall clearly identify any document incorporated by reference.

(c) The District and the Disclosure Representative of the District represent and warrant that they will supply, in a timely fashion, any information available to the District or the Disclosure Representative of the District and 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 acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Disclosure Representative of the District 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, the Disclosure Representative of the District or others as thereafter disseminated by the Dissemination Agent.

(d) 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.

#### **4. Provision of Annual Reports.**

(a) Subject to the following sentence, the District shall provide the Annual Report to the Dissemination Agent no later than March 30<sup>th</sup> after the close of the Fiscal Year (the "**Annual Filing Date**"), commencing with the Fiscal Year ending September 30, 2024, in an electronic format as prescribed by the Repository. 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 3(a) hereof; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report and later than the date required above, but in no event later than the Audited Financial Statements Filing Date, if they are not available by the Annual Filing Date. If the Audited Financial Statements are not available at the time of the filing of the Annual Report, unaudited financial statements are required to be delivered as part of the Annual Report in a format similar to the Audited Financial Statements. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 7(a). The District shall file a copy of its Audited Financial Statements for the Fiscal Year ended September 30, 2023 on or before June 30, 2024. The Dissemination Agent shall immediately file the Annual Report or Audited Financial Statements, as applicable, upon receipt from the District with each Repository.

(b) If on the fifteenth (15<sup>th</sup>) calendar day prior to each Annual Filing Date and/or Audited Financial Statements Filing Date, 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 of the District by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 4(a) above. Upon such reminder, the Disclosure Representative of the District shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or Audited Financial Statements, as applicable, in accordance with Section 4(a) above, or (ii) instruct the Dissemination Agent in writing that the District will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the time required under this Disclosure Agreement, state the date by which the Annual Report or Audited Financial Statements, as applicable, for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(xv) has occurred and to immediately send a notice to any Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report or Audited Financial Statements, as applicable, the name, address and filing requirements of any Repository; and

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

## **5. Content of Quarterly Reports.**

(a) Each Quarterly Report shall contain the following information with respect to the lands owned by the Landowner in Assessment Area One if such information is not otherwise provided pursuant to subsection (b) of this Section 5:

(i) a description and status of the infrastructure improvements in Assessment Area One that have been completed and that are currently under construction, including infrastructure financed by the Bonds;

(ii) the number of assessable residential units planned on property subject to the Assessments;

(iii) the number of assessable residential units under construction subject to the Assessments;

(iv) the number of assessable residential units for which construction has been completed subject to the Assessments;

(v) the number of residential units closed with end users subject to the Assessments;

(vi) the number of residential units under contract with end users subject to the Assessments;

(vii) the estimated date of complete build-out of residential units subject to the Assessments;

(viii) whether the Landowner has made any bulk sale of the land subject to the Assessments other than as contemplated by the Limited Offering Memorandum;

(ix) the status of development approvals for Assessment Area One that would affect property subject to the Assessments;

(x) materially adverse changes or determinations to permits or approvals for Assessment Area One which necessitate changes to the Landowner's land-use or other plans for Assessment Area One that would affect property subject to the Assessments;

(xi) updated plan of finance for Assessment Area One (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Landowner or an affiliate, additional mortgage debt, etc.) that would affect property subject to the Assessments;

(xii) any event that has a material adverse impact on the implementation of the development of Assessment Area One as described in the Limited Offering Memorandum or on the Landowner's ability to undertake the development of Assessment Area One as described in the Limited Offering Memorandum that would affect property subject to the Assessments; and

(xiii) any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) Any of the items listed in subsection (a) above may be incorporated by reference from other documents which are available to the public on the MSRB Website or filed with the SEC. The Landowner shall clearly identify each such other document so incorporated by reference.

(c) The Landowner and the Disclosure Representative of the Landowner each represent and warrant 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 Landowner acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Landowner, the Disclosure Representative of the Landowner 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 Landowner, the Disclosure Representative of the Landowner or others as thereafter disseminated by the Dissemination Agent.

(d) If the Landowner sells, assigns or otherwise transfers ownership of real property in Assessment Area One subject to the Assessments to a third party, which will in

turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "**Transfer**"), the Landowner hereby agrees to require such third party to assume the disclosure obligations of the Landowner hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Landowner involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5, 6, 7 and 9 hereof, the term "**Landowner**" shall be deemed to include each of the Landowner and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Landowner remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Landowner from its obligations hereunder.

## **6. Provision of Quarterly Reports.**

(a) The Landowner, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall provide a Quarterly Report to the Dissemination Agent no later than January 31 (for each calendar quarter ending December 31), April 30 (for each calendar quarter ending March 31), July 31 (for each calendar quarter ending June 30), and October 31 (for each calendar quarter ending September 30) after the end of each calendar quarter, commencing October 31, 2024, for the calendar quarter ending September 30, 2024; provided, however, that so long as the Landowner is a reporting company, such dates shall be extended to the date of filing of its respective 10-K or 10-Q, if later, as the case may be (each, a "**Quarterly Filing Date**"). At such time as the Landowner is no longer an Obligated Person, the Landowner will no longer be obligated to prepare any Quarterly Report pursuant to this Disclosure Agreement. The Dissemination Agent shall immediately file the Quarterly Report upon receipt from the Landowner with each Repository.

(b) If on the seventh (7<sup>th</sup>) calendar day prior to each Quarterly Filing Date the Dissemination Agent has not received a copy of the Quarterly Report due on such Quarterly Filing Date, the Dissemination Agent shall contact the Disclosure Representative of the Landowner by telephone and in writing (which may be by e-mail) to remind the Landowner of its undertaking to provide the Quarterly Report pursuant to Section 6(a) above. Upon such reminder, the Disclosure Representative of the Landowner shall either (i) provide the Dissemination Agent with an electronic copy of the Quarterly Report in accordance with Section 6(a) above, or (ii) instruct the Dissemination Agent in writing that the Landowner will not be able to file the Quarterly Report within the time required under this Disclosure Agreement and state the date by which such Quarterly Report will be provided. If the Dissemination Agent has not received a Quarterly Report that contains the information in Section 5 of this Disclosure Agreement by the Quarterly Filing Date, a Listed Event described in Section 7(a)(xv) shall have occurred and the District and the Landowner hereby direct the Dissemination Agent to immediately send a notice to each Repository in electronic format as required by such Repository, no later than the following Business Day in substantially the form attached as Exhibit A hereto, with a copy to the District.

(c) The Dissemination Agent shall:

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

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Landowner and the District certifying that the Quarterly Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

## **7. Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 7, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds and the Landowner shall give, or cause to be given, notice of the occurrence of items (x), (xii), (xiii), (xv), (xvi), (xvii) and (xviii) of the following 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 the occurrence of the event, with the exception of the event described in item (xv) below, which notice shall be given in a timely manner:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves 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 the holders of the Bonds, 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;
- (xi) ratings changes†;
- (xii) an Event of Bankruptcy or similar event of an Obligated Person;

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\* There is no credit enhancement for the Bonds as of the date hereof.

† The Bonds are not rated as of the date hereof.

(xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an 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 a trustee, if material;

(xv) notice of any failure on the part of the District to meet the requirements of Sections 3 and 4 hereof or of the Landowner to meet the requirements of Sections 5 and 6 hereof;

(xvi) termination of the District's or the Landowner's obligations under this Disclosure Agreement prior to the final maturity of the Bonds, pursuant to Section 9 hereof;

(xvii) incurrence of a Financial Obligation of the District 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 District or Obligated Person, any of which affect security holders, if material;

(xviii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District or Obligated Person, any of which reflect financial difficulties;

(xix) occurrence of an Event of Default under the Indenture (other than as described in clause (i) above);

(xx) any amendment to the Indenture or this Disclosure Agreement modifying the rights of the Owners of the Bonds; and

(xxi) any amendment to the accounting principles to be followed by the District in preparing its financial statements, as required by Section 11 hereof.

(b) The notice required to be given in Section 7(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

**8. Identifying Information.** In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

(a) the category of information being provided;

(b) the period covered by any Annual Financial Information, financial statement or other financial information or operating data;

(c) the issues or specific securities to which such documents are related (including CUSIP numbers, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);

- (d) the name of any Obligated Person other than the District;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

**9. Termination of Disclosure Agreement.** The District's obligations hereunder shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the District for payment of the Bonds, or if the Rule is repealed or no longer in effect. The Landowner's obligations hereunder shall terminate at the earlier of the legal defeasance, prior redemption or payment in full of all of the Bonds, or at such time as the Landowner is no longer an Obligated Person. If any such termination occurs prior to the final maturity of the Bonds, the District and/or the Landowner shall give notice of such termination in the same manner as for a Listed Event under Section 7.

**10. Dissemination Agent.** The District will either serve as the Dissemination Agent or appoint one under this Disclosure Agreement. Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the District or the Dissemination Agent, the District agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Dissemination Agent under this Disclosure Agreement for the benefit of the Owners 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. Notwithstanding any replacement or appointment of a successor, the District shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be Governmental Management Services – Central Florida, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Governmental Management Services – Central Florida, LLC. Governmental Management Services – Central Florida, LLC may terminate its role as Dissemination Agent at any time upon delivery of written notice to the District and the Landowner. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District or the Landowner pursuant to this Disclosure Agreement.

**11. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the District, the Landowner and the Dissemination Agent (if the Dissemination Agent is not the District) may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 6 or 7, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District and/or the Landowner, or the type of business conducted;

(b) the Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the District, the Landowner and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time without any other conditions.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District and/or the Landowner shall describe such amendment in its next Annual Report or Quarterly Report, as applicable, and 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 District or the Landowner, as applicable. In addition, if the amendment relates to the accounting principles to be followed by the District in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 7(a), and (ii) the Annual Report or Audited Financial Statements, as applicable, 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.

**12. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the District or the Landowner 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, Quarterly Report, or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the District or the Landowner chooses to include any information in any Annual Report, Quarterly Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District or the Landowner shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Quarterly Report, or notice of occurrence of a Listed Event.

**13. Default.** In the event of a failure of the District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of the Participating Underwriter or the Beneficial Owners of more than fifty percent (50%) 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 mandate or specific performance by court order, to cause the District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. 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 District, an Obligated



Person, a Disclosure Representative, or the Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

**14. Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format. Anything herein to the contrary notwithstanding, in the event that a Disclosure Representative and the Dissemination Agent are the same party, such party's limited duties in their capacity as Dissemination Agent, as described hereinabove, shall not in any way relieve or limit such party's duties in their capacity as Disclosure Representative under this Disclosure Agreement.

**15. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the District, the Landowner, the Dissemination Agent, the Trustee, the Participating Underwriter and Beneficial Owners of the Bonds (the Trustee, the Participating Underwriter and Beneficial 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.

**16. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**17. Governing Law.** This Disclosure Agreement shall be governed by the laws of the State and federal law.

**18. Trustee Cooperation.** The District represents that the Dissemination Agent is a bona fide agent of the District and directs the Trustee to deliver to the Dissemination Agent, at the expense of the District, any information or reports it requests that the District has a right to request from the Trustee (inclusive of balances, payments, etc.) that are in the possession of and readily available to the Trustee.

**19. 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 Landowner 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.

**20. Undertakings.** The Landowner represents that it has instituted internal processes to provide information to the Dissemination Agent on a timely basis and obtained assurances from the Dissemination Agent that they will in turn request the required reporting information timely and file such information timely with the appropriate Repository.

**SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT  
(Gardens at Hammock Beach Community Development District)**

IN WITNESS WHEREOF, the undersigned have executed this Disclosure Agreement as of the date and year set forth above.

[SEAL]

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**

Consented and Agreed to by:

**GOVERNMENTAL MANAGEMENT  
SERVICES – CENTRAL FLORIDA, LLC,**  
and its successors and assigns, as Disclosure  
Representative

By: \_\_\_\_\_  
Chairman, Board of Supervisors

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Joined by **U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION,** as Trustee for  
purposes of Sections 13, 15 and 18 only

**GOVERNMENTAL MANAGEMENT  
SERVICES – CENTRAL FLORIDA, LLC,**  
as initial Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PALM COAST INTRACOASTAL, LLC,**  
a Florida limited liability company,

**VERANDA BAY INVESTMENTS, LLC,**  
a Florida limited liability company,

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT  
(Gardens at Hammock Beach Community Development District)**

**NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT/QUARTERLY REPORT/  
AUDITED FINANCIAL STATEMENTS**

Name of District: Gardens at Hammock Beach Community Development District  
(the "District")

Obligated Person(s) Gardens at Hammock Beach Community Development District  
Palm Coast Intracoastal, LLC and Veranda Bay Investments,  
LLC (together, the "Landowner")

Name of Bond Issue: \$[2024-1 Amount] Special Assessment Bonds (Assessment Area  
One), Series 2024-1 (the "Bonds")

Date of Issuance: [Closing Date]

CUSIPS: [\_\_\_\_\_]

**NOTICE IS HEREBY GIVEN** that the [District] [Landowner] has not provided [an Annual Report] [Audited Financial Statements] [a Quarterly Report] with respect to the above-named Bonds as required by [Section 4] [Section 6] of the Continuing Disclosure Agreement dated [Closing Date], among the District, the Landowner and the Dissemination Agent named therein. The [District] [Landowner] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_, Dissemination Agent

cc: [District] [Landowner]  
Participating Underwriter

# SECTION E

**RESOLUTION 2024-03**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE PROPER OFFICIALS TO APPROVE THE FORM OF AND AUTHORIZE THE EXECUTION AND DELIVERY OF (A) THE COMPLETION AGREEMENT; (B) THE COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS RELATING TO THE PROPERTY; (C) DECLARATION OF CONSENT TO JURISDICTION OF GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT AND IMPOSITION OF SPECIAL ASSESSMENTS; AND (D) AGREEMENT FOR THE ACQUISITION OF CERTAIN WORK PRODUCT, MATERIALS, AND INFRASTRUCTURE; AND PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.**

**WHEREAS**, Gardens at Hammock Beach Community Development District (the "District") is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created by Ordinance 2006-21, adopted by the Board of County Commissioners of Flagler County, Florida, effective on October 9, 2006 (the "Ordinance"); and

**WHEREAS**, the District was created for the purpose of planning, financing, constructing, installing, operating, and/or maintaining certain infrastructure, including on-site and off-site roadways, transportation and roadway improvements, traffic signalization and other improvements as authorized by Chapter 190, Florida Statutes, and the Ordinance; and

**WHEREAS**, the District duly adopted Resolution No. 2020-02 on December 16, 2019 (the "Initial Resolution"), authorizing, among other things, the issuance in one or more series of not to exceed \$48,200,000 aggregate principal amount of its Special Assessment Bonds and appointed SunTrust Bank (succeeded in trust by U.S. Bank National Association) as Trustee (the "Trustee") under the Master Trust Indenture (the "Master Indenture") by and between the District and the Trustee; and

**WHEREAS**, the District has determined to issue its Gardens at Hammock Beach Community Development District Special Assessment Bonds, Series 2024-1, in one or more series, (the "Series 2024-1 Bonds"), for the purpose, among other things, of providing funds for the payment of the cost of construction in Assessment Area One (the "AA One Project"); and

**WHEREAS**, the District will cause to be issued the Gardens at Hammock Beach Community Development District Special Assessment Bonds, Series 2024-1 in the principal

amount of not to exceed \$7,000,000 for the purposes, among others, of providing funds for the payment of a portion of the costs of the AA One Project.

**WHEREAS**, there has been submitted to this meeting with respect to the issuance and sale of the Series 2024-1 Bonds and submitted to the Board:

(i) a form of *Completion Agreement* by and between Palm Coast Intracoastal, LLC and Veranda Bay Investments, LLC ("the Developers") and the District (hereinafter referred to as the "Completion Agreement") attached hereto as **Exhibit A**; and

(ii) a form of *Collateral Assignment and Assumption of Development Rights Relating to the Property* by the Developers in favor of the District (hereinafter referred to as the "Collateral Assignment Agreement") attached hereto as **Exhibit B**; and

(iii) a form of *Declaration of Consent to Jurisdiction of Gardens at Hammock Beach Community Development District and Imposition of Special Assessments* by and between the Developers and the District (hereinafter referred to as the "Declaration of Consent") attached hereto as **Exhibit C**; and

(iv) a form of *Agreement for the Acquisition of Certain Work Product, Materials, and Infrastructure* by and between the Developers and the District (hereinafter referred to as the "Acquisition Agreement") attached hereto as **Exhibit D**; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Gardens at Hammock Beach Community Development District, as follows:

**Section 1. Designation of Attesting Members.** The Chairman or the Secretary of the Board of Supervisors (the "Board") of the District, or in the case of the absence of either or the inability to act of either, the Vice Chairman or Assistant Secretaries and members of the Board (each individually a "Designated Member"), are hereby designated and authorized on behalf of the Board to attest to the seal of the Board and to the signature of the Chairman or Vice Chairman of the Board as they appear on the agreements or documents which may be necessary or helpful in connection with the issuance and delivery of the Series 2024-1 Bonds and in connection with the application of same.

**Section 2. Completion Agreement.** The District hereby approves the form and authorizes the execution by the Chairman or any Designated Member and the Secretary and the delivery of the Completion Agreement in substantially the form thereof attached hereto as **Exhibit A**, with such changes therein as shall be approved by the Chairman or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Completion Agreement attached hereto.

**Section 3. Collateral Assignment Agreement.** The District hereby approves the form and authorizes the execution by the Chairman or any Designated Member and the Secretary and the delivery of the Collateral Assignment Agreement in substantially the form thereof attached

hereto as **Exhibit B**, with such changes therein as shall be approved by the Chairman or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Collateral Assignment Agreement attached hereto.

**Section 4. Declaration of Consent.** The District hereby approves the form and authorizes the execution by the Chairman or any Designated Member and the Secretary and the delivery of the Declaration of Consent in substantially the form thereof attached hereto as **Exhibit C**, with such changes therein as shall be approved by the Chairman or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Declaration of Consent attached hereto.

**Section 5. Acquisition Agreement.** The District hereby approves the form and authorizes the execution by the Chairman or any Designated Member and the Secretary and the delivery of the Acquisition Agreement in substantially the form thereof attached hereto as **Exhibit D**, with such changes therein as shall be approved by the Chairman or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Acquisition Agreement attached hereto.

**Section 6. Severability.** If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

**Section 7. Inconsistent Proceedings.** All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

**Section 8. Effective Date.** This Resolution shall take effect immediately upon its adoption.

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**PASSED** in Public Session of the Board of Supervisors of Gardens at Hammock Beach Community Development District, this 17<sup>th</sup> day of May, 2024.

Attest:

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**

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Secretary/Assistant Secretary  
Board of Supervisors

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Chairman/Vice Chairman  
Board of Supervisors



**EXHIBIT A**

**FORM OF COMPLETION AGREEMENT**

## COMPLETION AGREEMENT

This **COMPLETION AGREEMENT** (the "**Agreement**") executed on this \_\_\_ day of June 2024 by and between Palm Coast Intracoastal LLC, a Florida limited liability company and Veranda Bay Investments, LLC a Florida limited liability company (collectively the "**Landowner**"), and the Gardens at Hammock Beach Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes (hereinafter the "**District**").

### RECITALS

**WHEREAS**, the Landowner owns certain lands located in Flagler County, Florida consisting of approximately 210 acres as more particularly described in **Exhibit A** (hereinafter the "**Property**");

**WHEREAS**, the District was created as a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes and pursuant to duly adopted Ordinance 2005-2, enacted by the Board of County Commissioners of Flagler County, Florida effective October 2005;

**WHEREAS**, the District is a residential planned unit development (the "**Development**") located entirely in Flagler County, Florida. The District is located South of State Road 100, West of the Intracoastal Waterway, West by John Anderson Highway with Daytona Beach to the South and St. Augustine to the North;

**WHEREAS**, the Development currently includes the District and the lands within the District consisting of approximately 210 acres;

**WHEREAS**, the District previously adopted that certain *Gardens at Hammock Beach Community Development District Amended and Restated Master Engineer's Report – Phase 1-3 Tract* dated April, 2024, which contains a description of the improvements anticipated to be funded, acquired, operated and/or maintained by the District ("**Improvement Plan**");

**WHEREAS**, the Landowner intends to develop the Property and the District intends to fund a portion of the improvements comprising the Assessment Area One CIP (hereinafter defined) through the issuance of its Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One) Series 2024-1 bonds (the "**2024-1 Bonds**");

**WHEREAS**, on May 17, 2024, the District adopted the *Gardens at Hammock Beach Community Development District Supplemental Engineer's Report – Phase 1-3 Tract* (hereinafter the "**2024 Engineer's Report**") which includes an estimate of the cost for the construction of infrastructure within the Property (the "**Assessment Area One CIP**" and the components being financed with the 2024-1 Bonds, hereinafter the "**2024-1 Project**"); and

**WHEREAS**, in order to ensure that the 2024-1 Project is completed and funding is available in a timely manner to provide for its completion, the Landowner and the District hereby

agree that the District will be obligated to issue no more than \$ \_\_\_\_\_ in 2024-1 Bonds to fund the 2024-1 Project and the Landowner will make provision for any additional funds that may be needed in the future for the completion of the 2024-1 Project over and above that amount including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs.

**NOW THEREFORE**, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which is hereby acknowledged, the District and the Landowner agree as follows:

**1. INCORPORATION OF RECITALS.** The recitals stated above are true and correct and by this reference are incorporated by reference as a material part of this Agreement.

**2. COMPLETION OF 2024-1 PROJECT.** The Landowner and District agree and acknowledge that the 2024-1 Bonds may provide only a portion of the funds necessary to complete the 2024-1 Project. In the event that the cost of the 2024-1 Project is such that the construction funds available from the 2024-1 Bond proceeds are insufficient to complete the 2024-1 Project, which determination shall be in the reasonable discretion of the District consistent with the 2024 Engineer's Report, the Landowner hereby agrees to complete or cause to be completed those portions of the 2024-1 Project which remain unfunded including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs (the "**Remaining 2024-1 Project**") whether pursuant to existing contracts, including change orders thereto, contracts assigned by the Landowner to the District, or future contracts. Nothing herein shall cause or be construed to require the District to (i) complete the construction of the 2024-1 Project or (ii) issue additional bonds or indebtedness to provide funds for any portion of the Remaining 2024-1 Project. The District and Landowner hereby acknowledge and agree that the District's execution of this Agreement constitutes the manner and means by which the District has elected to provide any and all portions of the Remaining 2024-1 Project not funded by the 2024-1 Bonds or other indebtedness.

When all or any portion of the Remaining 2024-1 Project is the subject of an existing District contract, the Landowner shall provide funds directly to the District as and when actually needed by the District to pay costs, in an amount sufficient to complete the Remaining 2024-1 Project pursuant to such contract, including change orders thereto. When any portion of the Remaining 2024-1 Project is not the subject of an existing District contract, the Landowner may choose to complete, cause to be completed, or provide funds to the District in an amount sufficient to allow the District to complete or cause to be completed, the Remaining 2024-1 Project, subject to a formal determination by the District that the option selected by the Landowner will not adversely impact the District, and is in the District's best interests. Nothing herein shall prevent the District and Landowner from agreeing to amend the Acquisition Agreement dated June \_\_, 2024 to include all or any portion of the Remaining 2024-1 Project.

**3. OTHER CONDITIONS AND ACKNOWLEDGMENTS**

(a) The District and the Landowner agree and acknowledge that the exact location, size, configuration and composition of the 2024-1 Project may change from that described in the 2024 Engineer's Report, depending upon final design of the development, permitting or other regulatory requirements over time, or other factors. Material changes to the 2024-1 Project shall be made by a written amendment to the 2024 Engineer's Report, which shall include an estimate of the cost of the changes.

(b) The District and Landowner agree and acknowledge that for any and all portions of the Remaining 2024-1 Project which are constructed, or caused to be constructed, by the Landowner for the benefit of the District shall be conveyed to the District or such other appropriate unit of local government as is designated in the 2024 Engineer's Report or required by governmental regulation or development approval. All conveyances to another governmental entity shall be in accordance with and in the same manner as provided in any agreement between the District and the appropriate unit of local government. All conveyances to the District shall be in accordance with an agreement or agreements governing conveyances between the Landowner and the District as approved by the District's engineer.

(c) Notwithstanding anything to the contrary contained in this Agreement, the payment or performance by Landowner of its completion obligations hereunder is expressly subject to, dependent and conditioned upon (a) the issuance of \$ \_\_\_\_\_ par amount of 2024-1 Bonds and use of the proceeds thereof to fund all or a portion of the 2024-1 Project, and (b) to the extent the District enters into a construction contract for any portion of the 2024-1 Project, the scope, configuration, size and/or composition of the 2024-1 Project not materially changing without the consent of the Landowner. Such consent is not necessary, and the Landowner must meet its completion obligations when the scope, configuration, size and/or composition of the 2024-1 Project are materially changed in response to a requirement imposed by a regulatory agency upon notice and coordination with the Landowner.

**4. DEFAULT AND PROTECTION AGAINST THIRD PARTY INTERFERENCE.** A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance. The District shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the District's right to protect its rights from interference by a third party to this Agreement.

**5. AMENDMENTS.** Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the District and the Landowner.

**6. AUTHORIZATION.** The execution of this Agreement has been duly authorized by the appropriate body or official of the District and the Landowner, both the District and the Landowner have complied with all the requirements of law, and both the District and the Landowner have full power and authority to comply with the terms and provisions of this instrument.

7. **NOTICES.** All notices, requests, consents and other communications under this Agreement ("**Notices**") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

(a)	If to Landowner:	Palm Coast Intracoastal, LLC 3129 Springbank Lane, Suite 201 Charolotte, NC 28226  AND  Veranda Bay Investments, LLC 5150 Tamiami Trail North, Suite 500 Naples, FL 34103
(b)	If to District:	Landings CDD c/o Governmental Management Services – Central Florida, LLC 219 East Livingston Street Orlando, FL 32801 Attn: District Manager Tel: (407) 841-5524
	With a copy to:	Chiumento Law P.L.L.C. 145 City Place, Suite 301 Palm Coast, FL 32164 Attn: Michael D. Chiumento III, Esq. Tel: (386) 445-8900

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Landowner may deliver Notice on behalf of the District and the Landowner. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

8. **ARM’S LENGTH TRANSACTION.** This Agreement has been negotiated fully between the District and the Landowner as an arm’s length transaction. Both parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either the District or the Landowner.

**9. THIRD PARTY BENEFICIARIES.** This Agreement is solely for the benefit of the District and the Landowner, and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and the Landowner any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Landowner and their respective representatives, successors, and assigns. Notwithstanding the foregoing, the Trustee for the 2024-1 Bonds, acting at the direction of the bondholders thereof, shall have the right to directly enforce the provisions of this Agreement. The Trustee shall not be deemed to have assumed any obligations under this Agreement.

**10. ASSIGNMENT.** Neither the District nor the Landowner may assign this Agreement or any monies to become due hereunder without the prior written approval of the other and the Trustee acting on behalf of the bondholders.

**11. CONTROLLING LAW.** This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida. Venue shall be in the State Circuit Court, in and for Flagler County, Florida.

**12. EFFECTIVENESS.** This Agreement shall be effective after execution by the District and the Landowner.

**13. PUBLIC RECORDS.** The Landowner understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and may be treated as such in accordance with Florida law.

**14. SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

**15. SOVEREIGN IMMUNITY.** Landowner agrees that nothing in this Agreement shall be deemed a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in section 768.28, Florida Statutes or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

**16. HEADINGS FOR CONVENIENCE ONLY.** The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

**17. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

**IN WITNESS WHEREOF,** the parties execute this agreement the day and year first written above.

GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT

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

Clint Smith, Chairman

Date: June \_\_, 2024

ATTEST:

\_\_\_\_\_

**[Landowner's Signature on Following Page]**

PALM COAST INTRACOASTAL, LLC

By: \_\_\_\_\_  
William G. Allen, Jr., Manager of Palm Coast  
Intracoastal, LLC

Date: June \_\_\_\_, 2024

ATTEST:

\_\_\_\_\_

VERANDA BAY INVESTMENTS, LLC

By: \_\_\_\_\_  
William G. Allen, Jr., Manager of Veranda Bay  
Investments, LLC

Date: June \_\_\_\_, 2024

ATTEST:

\_\_\_\_\_



**EXHIBIT B**

**FORM OF COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT  
RIGHTS RELATING TO THE PROPERTY**

**This instrument prepared by and  
return to:**

**VINCENT L. SULLIVAN, ESQ.  
Chimento Law, P.L.L.C.  
145 City Place, Suite 301  
Palm Coast, Florida 32164**

**COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS  
RELATING TO THE PROPERTY**

This COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS RELATING TO THE PROPERTY (herein, the "**Assignment**") is made this \_\_\_ day of June, 2024, by Palm Coast Intracoastal, LLC a Florida limited liability company and Veranda Bay Investments, LLC a Florida limited liability company (collectively the "**Landowner**") in favor of the GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT, a local unit of special purpose government created pursuant to Chapter 190, Florida Statutes, and located in Flagler County, Florida (together with its successors and assigns, the "**District**").

**RECITALS**

**WHEREAS**, the District proposes to issue its Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One) Series 2024-1 bonds (the "**2024-1 Bonds**") to purchase and/or construct certain public infrastructure which will provide special benefit to certain lands including but not limited to the real property described on Exhibit A (the "**Property**") in the development commonly referred to as Veranda Bay (the "**Development**"), which is located within the geographical boundaries of the District;

**WHEREAS**, the security for the repayment of the 2024-1 Bonds is the special assessments levied against the Property ("**2024-1 Bond Assessments**");

**WHEREAS**, the Landowner is currently the owner of the Property;

**WHEREAS**, the District or the Landowner, on behalf of the District, plans to make to finish improvements and development of the Property with proceeds of the 2024-1 Bonds;

**WHEREAS**, on May 17, 2024, the District adopted the Gardens a Hammock Beach Community Development District Supplemental Engineer's Report – Phase 1-3 Tract dated April 2024 (hereinafter the "**2024 Engineer Report**") which includes an estimate of the cost to purchase the completed public improvements within the Property (hereinafter the "**2024-1 Project**");

**WHEREAS**, the purchasers of the 2024-1 Bonds anticipate that the Property will finish being developed in accordance with the 2024-1 Engineer's Report (which is on file in the District's office), and developed lots sold to homebuilders and/or end-users ("**Development Completion**");

**WHEREAS**, the failure to achieve Development Completion may increase the likelihood that the purchasers of the 2024-1 Bonds will not receive the full benefit of their investment in the 2024 Bonds; and

**WHEREAS**, during the period in which the Property is being developed and has yet to reach Development Completion, there is an increased likelihood that adverse changes to local or national economic conditions may result in a default in the payment of the 2024-1 Bond Assessments;

**WHEREAS**, in the event of default in the payment of the 2024-1 Bond Assessments, the District has certain remedies – namely, if the 2024-1 Bond Assessments are direct billed, the remedy available to the District for non-payment of the 2024 Bond Assessments would be an action in foreclosure, or if the 2024-1 Bond Assessments are collected pursuant to Florida’s uniform method of collection, the remedy available to the District for non-payment of the 2024-1 Bond Assessments would be the sale of tax-certificates (collectively, “**Remedial Rights**”); and

**WHEREAS**, the Landowner and the District have entered into certain other agreements concurrently herewith with respect to the 2024-1 Bonds (such agreements being referred to collectively as the “**Bond Documents**”);

**WHEREAS**, in the event the District exercises its Remedial Rights, the District will require the assignment of certain Development Rights (defined in Section 2 below), to complete development of the Property to the extent that such Development Rights have not been previously assigned, transferred, or otherwise conveyed to: (1) a retail homebuyer in the ordinary course of business; (2) Flagler County, Florida; (3) the District; (4) any applicable property owner’s association; or (5) any other governmental entity or association as may be required by applicable permits, government approvals, plats, entitlements, or regulations associated with the development of the Property or affecting the Property (each a “**Partial Transfer**”); and

**WHEREAS**, in the event of a transfer, conveyance or sale of any portion of the Property that is not a Partial Transfer, the successors-in-interest to the real property so conveyed by Landowner shall be subject to this Assignment, which shall be recorded in the Official Records of Flagler County, Florida.

**NOW, THEREFORE**, in consideration of the above recitals which the parties hereby agree are true and correct and are hereby incorporated by reference and other good and valuable consideration, the sufficiency of which is acknowledged, Landowner and District agree as follows:

1. **Incorporation of Recitals and Exhibit**. The recitals set forth above and Exhibit A attached hereto are incorporated herein, as if restated in their entirety.

2. **Collateral Assignment**. Landowner hereby collaterally assigns to District, to the extent assignable and to the extent that they are owned or controlled by Landowner upon execution of this Assignment or acquired in the future, all of Landowner's development rights and contract rights relating to the Property and to the extent assigned pursuant to this Section 2 (herein the “**Development Rights**”) as security for Landowner's payment and performance of all of its obligations arising under the Bond Documents. This Assignment is made on an exclusive basis to

the extent that the Development Rights pertain solely to the Property or to the development of the Property, except as otherwise set forth in this Assignment. The Development Rights shall include, but shall not be limited to, all of the following to the extent that they pertain to the Property, but shall specifically exclude any such portion of the Development Rights which relate solely to any portion of the Property which has been conveyed or dedicated or is in the future conveyed or dedicated as a Partial Transfer:

(a) Zoning approvals, density approvals and entitlements, concurrency capacity certificates and development agreement rights.

(b) Engineering and construction plans and specifications for grading, roadways, site drainage, stormwater drainage, signage, water distribution, wastewater collection, and other improvements.

(c) Preliminary and final site plans.

(d) Architectural plans and specifications for buildings and other improvements to the lands in the Property (other than house, multi-family building and commercial building plans).

(e) Permits, approvals, resolutions, variances, licenses, and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the development of the Property and construction of improvements thereon and off-site to the extent improvements are necessary or required to complete the development of the Property.

(f) Contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the Property or the construction of improvements thereon.

(g) Contracts and agreements with private utility providers to provide utility services to the lands within the Property.

(h) All future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing.

(i) Any declaration of covenants of a homeowner's association governing the Property, as recorded in the Official Records of Flagler County, Florida, and as the same may be supplemented, amended and restated from time to time, including, without limitation, all of the right, title, interest, powers, privileges, benefits and options of the "developer" or "declarant" thereunder.

This Assignment is not intended to impair or interfere with the development of the Property or the Development, including, without limitation, Landowner's contracts with potential future homebuilders or homeowner's, and shall only be inchoate until becoming an effective and absolute assignment and assumption of the Development Rights upon an Event of Default (defined hereinafter) and the District's exercise of its Remedial Rights on account thereof; provided, however, that such assignment shall only be effective and absolute to the extent that this Assignment has not been terminated earlier pursuant to the provisions of this Assignment.

3. **Warranties by Landowner**. Landowner represents and warrants to District that:

(a) Subject to the sales contracts, Landowner has made no assignment of the Development Rights to any person other than District.

(b) During the Term (as defined in Section 8 below) of this Assignment, any transfer, conveyance or sale of the Property shall subject any and all affiliated entities or successors-in-interest of the Landowner to this Assignment, except to the extent of a Partial Transfer.

(c) Landowner is not prohibited under any agreement with any other person or under any judgment or decree from the execution, delivery and performance of this Assignment.

(d) No action has been brought or threatened which would in any way interfere with the right of Landowner to execute this Assignment and perform all of Landowner's obligations herein contained.

4. **Covenants.** Landowner covenants with District that during the Term:

(a) Landowner will use reasonable, good faith efforts to: (i) fulfill, perform, and observe each and every material condition and covenant of Landowner relating to the Development Rights; and (ii) give notice to District of any claim of default relating to the Development Rights received or given by Landowner, together with a complete copy of any such claim.

(b) If and when this Assignment becomes absolute, the Development Rights will include all of Landowner's right to modify the Development Rights, to terminate the Development Rights, and to waive or release the performance or observance of any obligation or condition of the Development Rights; unless such modification, termination, waiver or release affects any of the Development Rights which pertain to lands outside of the Property and/or not relating to development of the Property, or solely to any portion of the lands or the Property that were subject to a Partial Transfer.

(c) Landowner agrees to perform any and all actions necessary and use good faith efforts relating to any and all future creations, changes, extensions, revisions, modifications, substitutions, and replacements of the Development Rights, none of which actions or rights shall be limited by this Assignment except to the extent and as set forth in this Assignment.

5. **Event(s) of Default.** A breach of the Landowner's warranties contained in Section 3 hereof or breach of covenants contained in Section 4 hereof will, after the giving of notice and an opportunity to cure (which cure period shall be at least sixty (60) days and may be longer if District, in its reasonable discretion, agrees to a longer cure period), constitute an Event of Default under this Assignment.

6. **Remedies Upon Event of Default.** Upon an Event of Default, or upon the District's exercise of any of its Remedial Rights and the transfer of title to lands within the Property owned by Landowner pursuant to a judgment of foreclosure entered by a court of competent jurisdiction in favor of District (or its designee) or a deed in lieu of foreclosure to the District (or its designee) or the acquisition of title to such property through the sale of tax certificates, the District may, as the District's sole and exclusive remedies, take any or all of the following actions, at the District's option:

(a) Perform any and all obligations of Landowner relating to the Development Rights and exercise any and all rights of Landowner therein as fully as Landowner could.

(b) Initiate, appear in, or defend any action arising out of or affecting the Development Rights.

(c) Further assign any and all of the Development Rights to a third-party acquiring title to the property so acquired or any portion thereof on the District or bondholders' behalf.

7. **Authorization**. Upon the occurrence and during the continuation of an Event of Default, Landowner does hereby authorize and shall direct any party to any agreement relating to the Development Rights to tender performance thereunder to the District upon written notice and request from District. Any such performance in favor of the District shall constitute a full release and discharge to the extent of such performance as fully as though made directly to Landowner, but not a release of Landowner from any remaining obligations under this Assignment.

8. **Term and Termination**. In the event that this Assignment does not become an effective and absolute assignment and assumption of the Development Rights, this Assignment will automatically terminate upon the earliest to occur of the following ("**Term**"): (a) payment of the 2024-1 Bond Assessments in full; (b) Development Completion; or (c) upon occurrence of a Partial Transfer, but only to the extent that such Development Rights pertain solely to the Partial Transfer.

9. **Third Party Beneficiaries**. The Trustee for the 2024-1 Bonds, on behalf of the bondholders thereof, shall be a direct third-party beneficiary of the terms and conditions of this Assignment but only entitled to cause the District to enforce the Landowner's obligations hereunder. Except as set forth above, this Assignment is solely for the benefit of the parties to this Assignment, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any other third party. The Trustee shall not be deemed by virtue of this Assignment to have assumed any obligations or duties.

10. **Amendment**. This Assignment may be modified in writing only by the mutual agreement of all parties hereto and the prior written consent of the Trustee acting on behalf and at the direction of the bondholders owning a majority of the aggregate principal amount of the 2024-1 Bonds then outstanding.

11. **Miscellaneous**. Unless the context requires otherwise, whenever used herein, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders. The terms "person" and "party" shall include individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups and combinations. Titles of paragraphs contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Assignment or the intent of any provisions hereunder. This Assignment shall be construed under Florida law.

12. **Public Records**. As a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, all documents of any kind, whether made or received by the District

or provided to the District in connection with this Assignment may be public records subject to public disclosure in accordance with Florida Law.

IN WITNESS WHEREOF, Landowner and District have caused this Assignment to be executed and delivered on the day and year first written above.

GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

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

Clint Smith, Its Chairman

Date: June \_\_\_, 2024

\_\_\_\_\_  
, Secretary

STATE OF FLORIDA  
COUNTY OF FLAGLER

I hereby certify that on this day, before me, by means of X physical presence or \_\_\_\_\_ online notarization, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally Clint Smith, as Chairman of the Board of Supervisors of GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT, to me known to be the person described in and who executed the foregoing instrument and acknowledged before that he executed the same for the purpose therein expressed.

WITNESS my hand and official seal in the County and State aforesaid this \_\_\_day of June, 2024.

\_\_\_\_\_  
Notary Public

Printed Name:

My Commission Expires:

Signed, Sealed and Delivered in the presence of:

**PALM COAST INTRACOASTAL, LLC,**  
**A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

I hereby certify that on this day, before me, by means of \_\_\_\_ physical presence or \_\_\_\_ online notarization, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally William G. Allen, Jr., as Manager of Palm Coast Intracoastal, LLC a Florida limited liability company, to me known to be the person described in and who executed the foregoing instrument and acknowledged before that he executed the same for the purpose therein expressed.

WITNESS my and official seal in the County and State aforesaid this \_\_\_\_ day of June, 2024.

\_\_\_\_\_  
Notary Public  
Printed Name:  
My Commission Expires:



Signed, Sealed and Delivered in the presence of:

**VERANDA BAY INVESTMENTS, LLC,**  
**A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

\_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I hereby certify that on this day, before me, by means of \_\_\_\_ physical presence or \_\_\_\_ online notarization, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally William G. Allen, Jr., as Manager of Veranda Bay Investments, LLC a Florida limited liability company, to me known to be the person described in and who executed the foregoing instrument and acknowledged before that he executed the same for the purpose therein expressed.

WITNESS my and official seal in the County and State aforesaid this \_\_\_\_ day of June, 2024.

\_\_\_\_\_  
Notary Public

Printed Name:

My Commission Expires:

**EXHIBIT C**

**FORM OF DECLARATION OF CONSENT TO JURISDICTION OF GARDENS AT  
HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT AND IMPOSITION OF  
SPECIAL ASSESSMENTS**

This instrument prepared by and  
return to:

VINCENT L. SULLIVAN, ESQ.  
Chiumento Law, P.L.L.C.  
145 City Place, Suite 301  
Palm Coast, Florida 32164

**DECLARATION OF CONSENT TO JURISDICTION OF  
GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT  
AND TO IMPOSITION OF SPECIAL ASSESSMENTS**

Palm Coast Intracoastal, LLC, a Florida limited liability company and Veranda Bay Investments, LLC, a Florida limited liability company (herein referred to as the “Landowner”) is the owner of the land described in **Exhibit “A”** attached hereto, which land is located within the boundaries of the Gardens at Hammock Beach Community Development District (the “District”). The undersigned, intending that it and its respective successors in interest shall be legally bound by this Declaration, hereby declares, acknowledges and agrees as follows, as of this \_\_\_ day of June 2024:

1. The Landowner, its heirs, successors and assigns, hereby agrees that the District is, and has been at all times on and after October 9, 2006, a legally created, duly organized, and validly existing independent special district under the provisions of Chapter 190, *Florida Statutes*, as amended (the “Act”), and the members of the Board of Supervisors of the District (the “Supervisors”) and officers of the District as constituted from October 9, 2022, to and including the date of this Declaration were duly appointed or elected to their respective positions in accordance with all requirements of Federal and Florida law including the Constitution of the United States of America and of the State of Florida and had the authority and right to authorize, approve, and undertake all actions of the District approved and undertaken from October 9, 2022, to and including the date of this Declaration.
2. The Landowner, its heirs, successors and assigns, hereby confirm, acknowledge, and agree that the special assessments levied upon the Property securing the Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 (the "Series 2024-1 Bonds") and the Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "Series 2024-2 Bonds" and, together with the Series 2024-1 Bonds, the "Series 2024 Bonds") as provided in Resolution Nos. 2022-\_\_\_, 2022-\_\_\_, 2024-\_\_\_, and 2024-\_\_\_ and any resolution supplemental thereto, of the District (collectively, the “Assessment Resolutions”), are valid, legal, binding liens against the property with respect to which they are assessed, and the District acknowledges that its

recourse for any failure to pay the assessments shall be limited to enforcement of the assessments as provided by law.

3. The Landowner, its heirs, successors and assigns, hereby waives the right, if any, under Section 170.09, *Florida Statutes*, as amended, to prepay the special assessments imposed and levied pursuant to the Assessment Resolutions within thirty (30) days after the improvements financed with proceeds of the 2024 Bonds are completed, without interest, in consideration of the District's undertaking to make such improvements.
4. The Landowner acknowledges and agrees to the reassessment process (i.e., density reduction payment) as set forth in the Master Assessment Methodology and Supplemental Assessment Methodology for the Phase 1-3 Tract referred to in the Assessment Resolutions.
5. The Landowner acknowledges and agrees that the *Gardens at Hammock Beach Community Development District Supplemental Engineers Report – Phase 1-3 Tract* dated April 2024 (the "Engineer's Report") may be updated from time to time to reflect the current status of development at the time of issuance of certain bonds or other indebtedness to finance portions of the improvements identified in the Engineer's Report.
6. PUBLIC RECORDS. The Parties understand and agree that all documents of any kind provided to the District may be public records and treated as such in accordance with Florida law.

THE DECLARATIONS, ACKNOWLEDGMENTS, AND AGREEMENTS CONTAINED HEREIN SHALL RUN WITH THE LAND DESCRIBED IN EXHIBIT A HERETO AND SHALL BE BINDING ON PROPERTIES AND ON ALL PERSONS (INCLUDING CORPORATIONS, ASSOCIATIONS, TRUSTS, AND OTHER LEGAL ENTITIES) TAKING TITLE TO ALL OR ANY PART OF THE LAND, AND ITS SUCCESSORS IN INTEREST, WHETHER OR NOT THE LAND IS PLATTED AT SUCH TIME. BY TAKING SUCH TITLE SUCH PERSONS SHALL BE DEEMED TO HAVE CONSENTED AND AGREED TO THE PROVISIONS OF THIS DECLARATION TO THE SAME EXTENT AS IF THEY HAD EXECUTED IT AND BY TAKING SUCH TITLE SUCH PERSONS SHALL BE ESTOPPED FROM CONTESTING, IN COURT OR OTHERWISE, THE VALIDITY, LEGALITY, AND ENFORCEABILITY OF THIS DECLARATION OR OF ANY OF THE ORDINANCES, RESOLUTIONS, AGREEMENTS, DOCUMENTS, AND OTHER MATTERS DEALT WITH HEREIN.

Signed, Sealed and Delivered in the presence of:

**PALM COAST INTRACOASTAL, LLC,  
A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of June, 2024 by William G. Allen, Jr., as Manager of **Palm Coast Intracoastal, LLC, a Florida limited liability company**, on behalf of the Company. He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Name: \_\_\_\_\_

Signed, Sealed and Delivered in the presence of: **VERANDA BAY INVESTMENTS, LLC,**  
**A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of June, 2024 by William G. Allen, Jr., as Manager of **Veranda Bay Investments, LLC, a Florida limited liability company**, on behalf of the Company. He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT D**

**FORM OF AGREEMENT FOR THE ACQUISITION OF CERTAIN WORK PRODUCT,  
MATERIALS, AND INFRASTRUCTURE**

**AGREEMENT FOR THE ACQUISITION OF  
CERTAIN WORK PRODUCT, MATERIALS, AND INFRASTRUCTURE**

**THIS AGREEMENT** entered into as of this \_\_\_ day of June, 2024, by and between the **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT** (hereinafter the “District”), a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes, with a mailing address of 219 East Livingston Street, Orlando, Florida 32801, by and through its Board of Supervisors and **PALM COAST INTRACOASTAL, LLC**, a Florida limited liability company, and whose principal address is 3129 Springbank Lane, Suite 201, Charlotte, NC 28226 and **VERANDA BAY INVESTMENTS, LLC**, a Florida limited liability company 5150 Tamiami Trail North, Suite 500, Naples, FL 34103 (collectively the “Landowner”).

**RECITALS**

**WHEREAS**, the Landowner is the owner and/or developer of certain lands (hereinafter the “Development”) in Flagler County, Florida located within the boundaries of the District; and

**WHEREAS**, the District is a community development district located in Flagler County, Florida, which was established to plan, construct, install, acquire, finance, manage, and operate public improvements and community facilities pursuant to Chapter 190, Florida Statutes; and

**WHEREAS**, the District presently intends to finance the acquisition of certain infrastructure improvements and facilities supporting the Development and anticipates issuing its Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One) Series 2024-1 bonds (the “2024-1 Bonds”) together with other legally available funds for the payment of the costs of construction of a portion of the improvements identified as Assessment Area One as set forth in that certain *Gardens at Hammock Beach Community Development District Supplemental Engineers Report – Phase 1-3 Tract* dated April 2024, prepared by Parker



Mynchenberg & Associates (the "Supplemental Engineer's Report" and the improvements set forth therein, the "2024-1 Project"); and

**WHEREAS**, the District plans to acquire ownership of certain constructed, or partially constructed, public infrastructure improvements within the 2024-1 Project as outlined in the Supplemental Engineer's Report; and

**WHEREAS**, in order to permit the Landowner to continue with construction of the infrastructure such as mass grading for public areas, stormwater facilities, public roadways, potable water, wastewater and effluent reuse systems, electrical and lighting, landscape, hardscape and irrigation, pocket parks, open space and entrance gatehouse together with all real property underlying the improvements, Landowner has advanced, funded and commenced certain public infrastructure to enable the District to expeditiously provide the infrastructure comprising the 2024-1 Project; and

**WHEREAS**, Landowner acknowledges that upon its conveyance to the District, the District will have the right to use and rely upon the completed 2024-1 Project constructed at the direction of the Landowner for its intended purposes and further desires to release all of its right, title, and interest in and to the improvements conveyed (except as provided in this Agreement); and

**WHEREAS**, Landowner acknowledges that if it is conveying incomplete projects, Landowner shall have the obligation to complete construction of such project to the specifications outlined by the District; and

**WHEREAS**, the District desires to acquire ownership of the partially or fully completed 2024-1 Project improvements as well as the unrestricted right to use and rely upon the 2024-1 Project improvements for its intended purposes; and

**WHEREAS**, the District intends to finance the acquisition, construction and completion of the 2024-1 Project through the issuance of one or more series of bonds including but not limited to the 2024-1 Bonds dated **\*\*\*[Insert Bond Dates]\*\*\*; and**

**WHEREAS**, the District acknowledges the Landowner's need for expeditious development of the 2024-1 Project; and

**NOW THEREFORE**, in consideration of the mutual understandings and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the District and Landowner agree as follows:

**Section 1.**     General. The recitals so stated above are true and correct and by this reference are incorporated herein and made a part hereof.

**Section 2.**     2024-1 Project.

- A. MATERIALS. The Landowner shall purchase, or cause to be purchased, all materials needed to complete the 2024-1 Project.
- B. COST. The District agrees that it will not have sufficient monies to proceed with the conclusion of construction of the 2024-1 Project and in order to avoid development delays, Landowner has advanced, or will advance, funds to purchase the required materials to construct the 2024-1 Project and has begun, or will shortly begin, construction of the 2024-1 Project on behalf of the District. The Landowner agrees to provide the funds and cause construction of the 2024-1 Project in accordance with the provisions of this Agreement. Landowner shall provide copies of invoices, bills, receipts or other evidence of costs incurred by Landowner for the 2024-1 Project. The District's engineer shall review all evidence of costs and shall present to the District Board for

consideration the total actual amount of the cost that, in the District's engineer's commercially reasonable opinion, is reasonable for the 2024-1 Project; provided, however, that the District shall pay no more than the actual cost incurred, or the fair market value of the 2024-1 Project, whichever is less. The District's Engineer's opinion as to cost shall be set forth in an Engineer's Certificate that shall accompany the requisition for the funds from the District's bond trustee. In the event that the Landowner disputes the District's Engineer's opinion as to cost, the parties agree to use good faith best efforts to resolve such dispute. If the parties are unable to resolve any such dispute, the parties agree to jointly select a third party engineer whose decision as to any such dispute shall be binding upon the parties. Such a decision by a third-party engineer shall be set forth in an engineer's certificate that shall accompany the requisition for the funds from the District's bond trustee.

C. CONVEYANCE AND ACCEPTANCE. Landowner agrees to convey the 2024-1 Project to the District upon payment by the District to the Landowner of all of the 2024-1 Bond proceeds on deposit in the acquisition and construction account established under the indenture securing the 2024-1 Bonds provided the sums are determined to be reasonable by the District's engineer and approved by the District Board as set forth in section 2.B. above. The Landowner acknowledges that all the materials currently located on the property shall remain the property of the District upon final payment by the District and acceptance by the District in writing.

D. RELEASE AND ACCEPTANCE.

1. The District shall, upon payment of the sums described above, have non-exclusive rights, title and interest in and to the 2024-1 Project, as well as all common law, statutory and other reserved rights, including all copyrights therein and extensions and renewals thereof under United States Law and throughout the world and all publication rights and all subsidiary rights and other rights in and to the 2024-1 Project in all forms, mediums and media, now known or hereinafter devised to the extent owned by the Landowner and conveyed pursuant to this Agreement.
2. Upon payment of the sums described above, Landowner agrees to release to the District all right, title, and interest that the Landowner may have in and to the above described 2024-1 Project, as well as all common law, statutory, and other reserved rights including all copyrights therein and extensions and renewals thereof under United States Law and throughout the world and all publication rights and all subsidiary rights and other rights in and to the 2024-1 Project in all forms, mediums, and media, now known or hereinafter devised. To the extent determined necessary by the District, Landowner shall obtain all releases from any professional providing services in connection with the 2024-1 Project to enable the District to use and rely upon the 2024-1 Project, to the extent practical. Such releases may include, but are not limited to, any architectural, engineering, or other professional services. Such releases shall be provided in a timely manner to the District.

- E. USE AND RELIANCE. Landowner acknowledges the District's right to use and rely upon the 2024-1 Project only for the purposes for which it is intended.
- F. WARRANTY. Landowner agrees to warrant that, to the best of its knowledge, the 2024-1 Project is installed correctly, is fit for the purposes intended, provided, however, that the Landowner may provide such a warranty from a third party acceptable to the District. The Landowner shall assign to the District any warranties, indemnifications, or other third-party commitments relating to the 2024-1 Project as may be assigned.
- G. ACCESS. The District agrees to allow Landowner access to and use of the 2024-1 Project, whether through easement or real property dedication at no additional cost to the District.
- H. IMPROVEMENTS. Landowner, to the extent applicable, shall cooperate fully in the transfer of any permits to the District or a governmental entity with maintenance obligations for any portion of the 2024-1 Project conveyed pursuant to this Agreement. To the extent there is a delay in the conveyance of certain components of the 2024-1 Project between the District and the governmental entity that is due to actions or inactions of the Landowner, Landowner agrees to indemnify and hold the District harmless for any damage or repairs that may be required to such 2024-1 Project due to Landowner's actions or inactions. Landowner shall cooperate with the District to transfer any applicable permits, certifications, or other approvals necessary to convey the 2024-1 Project to the governmental entity and shall provide copies of such documents to the District as may be required for such transfer. Landowner

further acknowledges and agrees that any costs associated with work by District staff to process the acquisitions contemplated by this Agreement shall be paid by requisition from the District's available construction funds. Landowner further authorizes the District Board to approve such requisitions for payment. Nothing contained herein shall obligate the District to take ownership of partially complete improvements. The District may, in its reasonable discretion, determine that such improvements are not sufficiently close enough to completion and refuse to accept such improvements until such time as the District reasonably deems the improvements sufficiently complete, in reliance on the District's engineer.

**Section 3.**     Conveyance of Real Property Interests.

A. REAL PROPERTY INTERESTS. As the Landowner completes the 2024-1 Project, in one or more phases, the Landowner agrees to convey all necessary real property interest to the District, including warranty deeds or easements as determined by the parties, over which the 2024-1 Project has been constructed. This conveyance may occur in one or more transactions. Landowner agrees to provide the District the following, if applicable: (i) appropriate deeds or other instruments of conveyance reasonably acceptable to the District and (ii) legal descriptions, whether by metes and bounds or other reference to plats or recorded data, to the reasonable satisfaction of the District. Landowner and District agree that reasonable future adjustments to the legal descriptions may be made in order to accurately describe lands conveyed to the District. The parties agree to cooperate and act in good faith in relation to any such

adjustment(s) to legal descriptions. The parties agree that any land transfers made to accommodate such adjustments shall be accomplished by donation. The District reserves the right, consistent with the covenants in its bond documents, to require title insurance or an opinion of title at the expense of the Landowner. Costs associated with the closing on all transfers of real property, including those to third-party governmental bodies, shall be borne by the Landowner.

B. CONVEYANCE TO THIRD PARTIES. If real property is to be conveyed to a third-party governmental entity, the parties agree to cooperate in good faith to assist with the timely conveyance of the real property to the third-party governmental entity in the form or manner required by said third-party governmental entity.

**Section 4.** Entire Agreement. This instrument shall constitute the final and complete expression of the agreement between the parties relating to the subject matter of this Agreement.

**Section 5.** Amendment. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing that is executed by both of the parties hereto.

**Section 6.** Authority to Contract. The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law and each party has full power and authority to comply with the terms and provisions of this instrument.

**Section 7.** Assignment. This Agreement may be assigned, in whole or in part, by either party only upon written consent of the other, which consent shall not be unreasonably withheld.

**Section 8.** Effective Date. This Agreement shall have an effective date as of the date first written above.

**Section 9.** Negotiation at Arm's Length. This Agreement has been negotiated fully between the parties as an arm's length transaction. Both parties fully participated in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both parties are deemed to have drafted, chosen and selected language, and the doubtful language will not be interpreted or construed against either party.

**Section 10.** Default. A default by the Landowner under this Agreement shall entitle the District to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief and specific performance. A default by the District under this Agreement shall entitle the Landowner to all remedies available at law or in equity, which may include, but not be limited to, the rights of damages, injunctive relief and specific performance.

**Section 11.** Enforcement of Agreement. In the event the District is required to enforce this Agreement by court proceedings or otherwise, then the Landowner agrees that if the District is the prevailing party then the District shall be entitled to recover from the Landowner all fees and costs incurred, including reasonable attorney's fees and costs for trial, alternative dispute resolution or appellate proceedings. In the event that the Landowner is required to enforce this Agreement by court proceedings or otherwise, then the District agrees that if the Landowner is the prevailing party then the Landowner shall be entitled to recover from the District all fees and costs incurred, including reasonable attorney's fees and costs for trial, alternative dispute resolution, or appellate proceedings.



**Section 12.** Public Records. The Landowner understands and agrees that all documents of any kind provided to the District or to District staff in connection with the activities contemplated under this Agreement may be public records and may be treated as such in accordance with Florida law.

**Section 13.** Severability. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

**Section 14.** Execution in Counterparts. This instrument may be executed in any number of counterparts, each of which will constitute an original, and such counterparts together shall constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

**Section 15.** Sovereign Immunity. Landowner agrees that nothing herein shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28 of the Florida Statutes, or any other applicable laws.

*ATTEST:*

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_

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

Clint Smith, Chairman

Date: June \_\_, 2024

**[LANDOWNER'S SIGNATURE ON FOLLOWING PAGE]**

*ATTEST:*

**PALM COAST INTRACOASTAL, LLC**

\_\_\_\_\_  
Print: \_\_\_\_\_ By: \_\_\_\_\_  
William G. Allen, Jr., Manager of Palm Coast  
Intracoastal, LLC  
Date: June \_\_\_\_\_, 2024

*ATTEST:*

**VERANDA BAY INVESTMENTS, LLC**

\_\_\_\_\_  
Print: \_\_\_\_\_ By: \_\_\_\_\_  
William G. Allen, Jr., Manager of Veranda Bay  
Investments, LLC  
Date: June \_\_\_\_\_, 2024

# SECTION F

**RESOLUTION 2024-04**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$11,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS (ASSESSMENT AREA TWO) SERIES 2024-2, IN ONE OR MORE SERIES (THE "SERIES 2024-1 BONDS"); DETERMINING CERTAIN DETAILS OF THE SERIES 2024-2 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE SERIES 2024-2 BONDS; APPOINTING THE UNDERWRITER; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT OF PURCHASE WITH RESPECT TO THE SERIES 2024-2 BONDS AND AWARDING THE SERIES 2024-2 BONDS TO THE UNDERWRITER NAMED THEREIN PURSUANT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2024-2 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; APPOINTING A DISSEMINATION AGENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT, AND PROVIDING FOR THE APPLICATION OF THE SERIES 2024-2 BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2024-2 BONDS; MAKING CERTAIN DECLARATIONS; PROVIDING FOR THE REGISTRATION OF THE SERIES 2024-2 BONDS PURSUANT TO THE DTC BOOK-ENTRY SYSTEM; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.**

**WHEREAS,** Gardens at Hammock Beach Community Development District (the "District") is a local unit of special-purpose government organized and existing in accordance

with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created by Ordinance No. 2006-21 of the Board of County Commissioners of Flagler County, Florida, enacted, and effective on October 9, 2006; and

**WHEREAS**, the District was created for the purpose of delivering certain community development services and facilities within and outside its boundaries, and the District has decided to undertake the planning, acquisition, construction, equipping and installation of roadway improvements, bridges, stormwater management systems and landscape/hardscape improvements and other public infrastructure improvements, pursuant to the Act; and

**WHEREAS**, the District duly adopted Resolution No. 2020-02 on December 16, 2019 (the "Initial Resolution"), authorizing, among other things, the issuance in one or more series of not to exceed \$48,200,000 aggregate principal amount of its Special Assessment Bonds and appointed U.S. Bank Trust Company, National Association as Trustee (the "Trustee") under the Master Trust Indenture (the "Master Indenture") by and between the District and the Trustee; and

**WHEREAS**, the District has determined to issue its Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two) Series 2024-2, in one or more series, (the "Series 2024-2 Bonds"), for the purpose, among other things, of providing funds for the payment of the Costs of a portion of the Project described in the Engineer's Report as defined in the hereinafter described Second Supplemental Trust Indenture (the "Project"); and

**WHEREAS**, there has been submitted to this meeting with respect to the issuance and sale of the Series 2024-2 Bonds and submitted to the Board of Supervisors of Gardens at Hammock Beach Community Development District (the "Board"):

(i) a form of Second Supplemental Trust Indenture between the Trustee and the District attached hereto as **Exhibit A** (the "Second Supplemental Indenture" and together with the Master Indenture between the District and the Trustee, the "Indenture"); and

(ii) a form of Bond Purchase Agreement with respect to the Series 2024-2 Bonds between MBS Capital Markets, LLC (the "Underwriter") and the District attached hereto as **Exhibit B** (the "Contract of Purchase"), together with the form of disclosure statements attached to the Contract of Purchase in accordance with Section 218.385, Florida Statutes; and

(iii) the form of Preliminary Limited Offering Memorandum attached hereto as **Exhibit C** (the "Preliminary Limited Offering Memorandum"); and

(iv) a form of Continuing Disclosure Agreement, among the District, Palm Coast Intracoastal, LLC, a Florida limited liability company (the "Developer") and Veranda Bay Investments, LLC, a Florida limited liability company (collectively, the "Landowner") and the Dissemination Agent (hereinafter defined), and joined in part by

the Trustee, Governmental Management Services – Central Florida, LLC, as the Disclosure Representative named therein, attached hereto as **Exhibit D**.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Gardens at Hammock Beach Community Development District, as follows:

**Section 1. Definitions.** All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed to them in the Indenture.

**Section 2. Authorization, Designation and Principal Amount of the Series 2024-2 Bonds.** There are hereby authorized and directed to be issued the District's Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two) Series 2024-2, in the aggregate principal amount of not to exceed \$11,000,000 for the purposes, among others, of providing funds for the payment of a portion of the Costs of the Project. The purchase price of the Series 2024-2 Bonds shall be received and receipted by the District, or the Trustee on behalf of the District, and the Trustee shall apply the proceeds of the Series 2024-2 Bonds as set forth in the Second Supplemental Indenture and the final Limited Offering Memorandum (as defined below).

**Section 3. Designation of Attesting Members.** The Chair or the Secretary of the Board, or in the case of the absence of either or the inability to act of either, the Vice Chair or Assistant Secretaries and members of the Board (each individually a "Designated Member"), are hereby designated and authorized on behalf of the Board to attest to the seal of the Board and to the signature of the Chair or Vice Chair of the Board as they appear on the Series 2024-2 Bonds, the Indenture and any other documents which may be necessary or helpful in connection with the issuance and delivery of the Series 2024-2 Bonds and in connection with the application of the proceeds thereof.

**Section 4. Details of the Series 2024-2 Bonds.** The District hereby determines that the Series 2024-2 Bonds shall be dated, have such interest payment dates, have such maturities, have such redemption provisions and bear interest at such rates, all as provided in the Contract of Purchase and the final Limited Offering Memorandum.

**Section 5. Trust Indenture.** The District hereby approves and authorizes the execution by the Chair or any Designated Member and the Secretary and the delivery of the Second Supplemental Indenture in substantially the form thereof attached hereto as **Exhibit A**, with such changes therein as shall be approved by the Chair or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of Second Supplemental Indenture attached hereto.

**Section 6. Appointment of Underwriter; Negotiated Sale.** MBS Capital Markets, LLC is hereby appointed the Underwriter of the Series 2024-2 Bonds. The Series 2024-2 Bonds shall be sold by a negotiated sale to the Underwriter. It is hereby determined by the District that a negotiated sale of the Series 2024-2 Bonds to the Underwriter will best effectuate the purposes

of the Act, is in the best interest of the District and is necessitated by, in general, the characteristics of the issue and prevailing market conditions and specifically, the following additional reasons: (i) because of the complexity of the financing structure of the Series 2024-2 Bonds and the institutional market for unrated securities such as the Series 2024-2 Bonds, it is desirable to sell the Series 2024-2 Bonds pursuant to a negotiated sale so as to have an underwriter involved from the outset of the financing to assist in these matters; (ii) because of changing market conditions for tax-exempt bonds and the necessity of being able to adjust the terms of the Series 2024-2 Bonds, it is in the best interests of the District to sell the Series 2024-2 Bonds by a negotiated sale; (iii) the Underwriter has participated in structuring the issuance of the Series 2024-2 Bonds and can assist the District in attempting to obtain the most attractive financing for the District; and (iv) the District will not be adversely affected if the Series 2024-2 Bonds are not sold pursuant to a competitive sale.

#### **Section 7. Contract of Purchase.**

(i) The District hereby approves the form of the Contract of Purchase submitted by the Underwriter and attached as **Exhibit B** hereto, and the sale of the Series 2024-2 Bonds by the District upon the terms and conditions to be set forth in the Contract of Purchase and in compliance with subparagraph (ii) below are hereby approved. Provided the provisions of subparagraph (ii) have been complied with, the Chair or a Designated Member are each hereby authorized, acting individually, to execute the Contract of Purchase and to deliver the Contract of Purchase to the Underwriter. The Contract of Purchase shall be in substantially the form of the Contract of Purchase attached hereto as **Exhibit B** with such changes, amendments, modifications, omissions and additions as may be approved by the Chair or the Designated Member. The disclosure statements of the Underwriter as required by Section 218.385 of the Florida Statutes, to be delivered to the District prior to the execution of the Contract of Purchase, a copy of which is attached as an exhibit to the Contract of Purchase will be entered into the official records of the District. Execution by the Chair or a Designated Member of the Contract of Purchase shall be deemed to be conclusive evidence of approval of such changes;

(ii) Receipt by the Chair of a written offer to purchase the Series 2024-2 Bonds by the Underwriter substantially in the form of the Contract of Purchase, said offer to provide for, among other things, (A) the issuance of not exceeding \$11,000,000 initial aggregate principal amount of Series 2024-2 Bonds at the maximum statutory rate, (B) an underwriting discount (including management fee and all expenses but excluding original issue discount) not in excess of 2% of the par amount of the Series 2024-2 Bonds, and (C) the maturities of the Series 2024-2 Bonds not exceeding May 1, 2056.

**Section 8. Preliminary Limited Offering Memorandum; Final Limited Offering Memorandum.** The District hereby authorizes and approves the distribution and use of the Preliminary Limited Offering Memorandum in substantially the form submitted to this meeting and attached hereto as **Exhibit C** in connection with the limited offering for sale of the Series

2024-2 Bonds. The preparation of a final Limited Offering Memorandum is hereby approved and the Chair or any Designated Member is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the Series 2024-2 Bonds, and upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2024-2 Bonds. The final Limited Offering Memorandum shall be substantially in the form as the Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chair or Designated Member as necessary to conform to the details of the Series 2024-2 Bonds, the Contract of Purchase and such other insertions, modifications and changes as may be approved by the Chair or Designated Member. The execution and delivery of the final Limited Offering Memorandum by the Chair shall constitute evidence of the approval thereof. The District hereby authorizes the use of the final Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the Series 2024-2 Bonds. The District hereby authorizes the Chair or a Designated Member to deem "final" the Preliminary Limited Offering Memorandum except for permitted omissions all within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 and to execute a certificate in that regard. The District hereby authorizes the use of a draft of the Supplemental Assessment Methodology Report in the Preliminary Limited Offering Memorandum.

**Section 9. Continuing Disclosure.** The District does hereby authorize and approve the execution and delivery of a Continuing Disclosure Agreement by the Chair or a Designated Member substantially in the form presented to this meeting and attached hereto as **Exhibit D** with the Landowner. The Continuing Disclosure Agreement is being executed by the District in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). Governmental Management Services – Central Florida, LLC is hereby appointed as the initial dissemination agent (the “Dissemination Agent”).

**Section 10. Application of Bond Proceeds.** The proceeds of the Series 2024-2 Bonds shall be applied to (i) paying a portion of the Costs of the Project, (ii) paying interest becoming due on the Series 2024-2 Bonds through November 1, 2025, (iii) funding the Series 2024-2 Debt Service Reserve Account, and (iv) paying the costs of issuance of the Series 2024-2 Bonds.

**Section 11. Further Official Action; Ratification of Prior and Subsequent Acts.** The Chair, the Secretary and each member of the Board of Supervisors of the District and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2024-2 Bonds, any documents required in connection with implementation of a book-entry system of registration, any other agreements with the Landowner or the Developer, and investment agreements relating to the investment of the proceeds of the Series 2024-2 Bonds and any agreements in connection with maintaining the exclusion of interest on the Series 2024-2 Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chair or the Secretary or Assistant Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such



officer or official or any other duly authorized officer or official of the District. The Secretary or any Assistant Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chair or any Designated Member may, among other things, authorize the change of the date of any document accompanying this Resolution as an exhibit or incorporate the information and details related to the sale and pricing of the Series 2024-2 Bonds including any required changes to the District engineer's report or its assessment methodology. Execution by the Chair or a Designated Member of such document shall be deemed to be conclusive evidence of approval of such change of date or the incorporation of information and details relating to the sale and pricing of the Series 2024-2 Bonds. All of the acts and doings of such members of the Board, the officers of the District, and the agents and employees of the District, which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

**Section 12. Severability.** If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

**Section 13. Inconsistent Proceedings.** All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

**Section 14. Ratification of Initial Resolution.** Except to the extent hereby modified, the Initial Resolution of the District is hereby ratified, confirmed and approved in all respects.

**Section 15. Effective Date.** This Resolution shall take effect immediately upon its adoption.

PASSED in Public Session of the Board of Supervisors of Gardens at Hammock Beach Community Development District, this 17<sup>th</sup> day of May, 2024.

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**

Attest:

---

Secretary/Assistant Secretary,  
Board of Supervisors

---

Clint Smith, Chair,  
Board of Supervisors

# SECTION 1

**EXHIBIT A**

**FORM OF SECOND SUPPLEMENTAL TRUST INDENTURE**

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**SECOND SUPPLEMENTAL TRUST INDENTURE**

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**BETWEEN**

**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT  
AND**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
as Trustee**

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**Dated as of June 1, 2024**

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**Authorizing and Securing**

**\$\_[\_\_\_\_\_]  
GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT  
Special Assessment Bonds  
(Assessment Area Two), Series 2024-2**

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THIS SECOND SUPPLEMENTAL TRUST INDENTURE dated as of June 1, 2024 (the "Second Supplemental Indenture") between **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT** (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 laws of the United States of America, with its designated corporate trust office located at 500 West Cypress Creek Road, Suite 460, Fort Lauderdale, Florida 33309 (said banking association 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") and by Ordinance No. 2006-21 of the Board of County Commissioners of Flagler County, Florida (the "County"), enacted, and effective on October 9, 2006, for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure, within and without the boundaries of the premises to be governed by the Issuer; and

**WHEREAS**, the premises governed by the Issuer (referred to herein as the "District Lands") are described more fully in Exhibit A to the Master Trust Indenture dated as of June 1, 2024 (the "Master Indenture"), between the Issuer and the Trustee, and consists of approximately 953.37 acres of land located entirely within the County; and

**WHEREAS**, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of a portion of the capital improvement plan as described in the Engineer's Report, hereinafter defined (the "Assessment Area Two CIP"); and

**WHEREAS**, the Board of Supervisors of the Issuer (the "Board") duly adopted Resolution No. 2020-02 on December 16, 2019, authorizing, among other things, the issuance of not to exceed \$48,200,000 aggregate principal amount of its Gardens at Hammock Beach Community Development District Special Assessment Bonds in order to pay all or a portion of its capital improvement plan, as herein described; and

**WHEREAS**, the Issuer's Resolution No. 2024-[ ] was duly adopted by the Board on May 17, 2024, authorizing, among other things, the sale of its Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "Series 2024-2 Bonds") which are issued hereunder, as one Series of Bonds under, and as defined in, the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this Second Supplemental Indenture to secure the issuance of the Series 2024-2 Bonds and to set forth the terms of the Series 2024-2 Bonds; and



**WHEREAS**, the Issuer will apply the net proceeds of the Series 2024-2 Bonds to: (i) finance a portion of the Costs of the Assessment Area Two CIP; (ii) pay certain costs associated with the issuance of the Series 2024-2 Bonds; (iii) make a deposit into the Series 2024-2 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-2 Bonds; and (iv) pay the interest to become due on the Series 2024-2 Bonds through and including November 1, 2025; and

**WHEREAS**, the Series 2024-2 Bonds will be secured by a pledge of the Pledged Revenues (as hereinafter defined) to the extent provided herein, which Pledged Revenues consist primarily of the Series 2024-2 Special Assessments (as hereinafter defined) levied on that portion of the District Lands benefitted by the Assessment Area Two CIP; and

**NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH**, that to provide for the issuance of the Series 2024-2 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 2024-2 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2024-2 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 the 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 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 2024-2 Bonds issued hereunder and any other amounts owed hereunder, and any Bonds issued on a parity with the Series 2024-2 Bonds, 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.

**IN TRUST NEVERTHELESS**, for the equal and ratable benefit and security of all present and future Owners of the Series 2024-2 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 2024-2 Bond over any other Series 2024-2 Bond, all as provided in the Indenture (as hereinafter defined), and any Bonds issued on a parity with the Series 2024-2 Bonds.

**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 2024-2 Bonds issued, and any Bonds issued on a parity with the Series 2024-2 Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2024-2 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 shall 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, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Acquisition Agreement" shall mean, one or more acquisition agreements pursuant to which the Issuer agrees to purchase certain work product, plans and improvements comprising all or a portion of the Assessment Area Two CIP.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate of the Issuer, dated June 1, 2024, relating to certain restrictions on arbitrage under the Code.

"Assessment Consultant" shall mean, initially Governmental Management Services – Central Florida, LLC or such successor Assessment Consultant appointed by the Issuer.

"Assessment Methodology" shall mean, collectively, the Master Assessment Methodology for Assessment Area Two for Gardens at Hammock Beach Community Development District dated July 15, 2022, as supplemented by the [Supplemental Assessment Methodology], dated [\_\_\_\_], [\_\_], 2024, each as prepared by the Assessment Consultant and relating to the Series 2024-2 Bonds, including, without limitation, all exhibits and appendices thereto. [Name of Report may need to be revised]

"Assessment Resolutions" shall mean Resolution Nos. 2022-02 and 2022-03 adopted by the Board on July 15, 2022, Resolution No. 2022-05 adopted by the Board on August 19, 2022, and Resolution No. 2024-[\_\_] adopted by the Board on [\_\_\_\_] [\_\_], 2024, as amended and supplemented from time to time.

"Authorized Denomination" shall mean, with respect to the Series 2024-2 Bonds, \$5,000 or any integral multiple thereof; provided however, that the Series 2024-2 Bonds shall be delivered to the initial purchasers thereof in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

"Capitalized Interest" shall mean interest due or to become due on the Series 2024-2 Bonds, which will be paid, or is expected to be paid, from the proceeds of the Series 2024-2 Bonds.

"Collateral Assignment" shall mean the Collateral Assignment and Assumption of Development and Contract Rights, dated June [\_\_\_], 2024, between the Issuer, the Developer and the Landowner.

"Completion Agreement" shall mean the Agreement by and Between the Issuer and the Landowner Regarding the Completion of Certain Improvements, dated June [\_\_\_], 2024, as such agreement may be modified from time to time.

"Declaration of Consent" shall mean the Declaration of Consent to Jurisdiction of Gardens at Hammock Beach Community Development District and to Imposition of Special Assessments for Series 2024-2 Bonds, dated June [\_\_\_], 2024, delivered by the Landowner.

"Developer" shall mean Palm Coast Intracoastal, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity.

"District Manager" shall mean the person or entity serving as the Issuer's District Manager from time to time. The initial District Manager shall be Governmental Management Services – Central Florida, LLC.

"Engineer's Report" shall mean the Gardens at Hammock Beach Community Development District Engineer's Report dated [\_\_\_\_] as supplemented by the [Gardens at Hammock Beach Community Development District Second Supplemental Engineer's Report (Assessment Area Two)] dated [\_\_\_\_], 2024, each as prepared by Parker Mynchenberg & Associates, Inc. [Name of Report may need to be revised]

"Second Supplemental Indenture" shall mean this Second Supplemental Trust Indenture dated as of June 1, 2024, by and between the Issuer and the Trustee, as supplemented or amended.

"Indenture" shall mean, collectively, the Master Indenture and this Second Supplemental Indenture.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing November 1, 2024.

"Landowner" shall mean the Developer and Veranda Bay Investments, LLC, a Florida limited liability company and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity.

“Paying Agent” shall mean the Trustee, and its successors and assigns as Paying Agent hereunder.

“Pledged Revenues” shall mean, with respect to the Series 2024-2 Bonds (a) all revenues received by the Issuer from the Series 2024-2 Special Assessments levied and collected on that portion of the District Lands benefited by the Assessment Area Two CIP, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2024-2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) “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 (A) and (B) of this proviso).

“Quarterly Redemption Date” shall mean each February 1, May 1, August 1, and November 1.

“Registrar” shall mean the Trustee, and its successors and assigns as Registrar hereunder.

“Regular Record Date” shall mean the fifteenth (15<sup>th</sup>) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date or the date on which the principal amount of the Series 2024-2 Bond is to be paid.

“Reserve Account Release Conditions” shall mean, collectively, that (i) all homes subject to Series 2024-2 Special Assessments have been built, sold and closed with end-users, (ii) all Series 2024-2 Special Assessments are being collected pursuant to the Uniform Method, and (iii) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2024-2 Bonds. Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer shall provide a written certification to the Trustee certifying that the events in clauses (i) and (ii) have occurred and affirming clause (iii) on which certifications the Trustee may conclusively rely (collectively, the “Reserve Release Certifications”).

“Resolution” shall mean, collectively, Resolution No. 2020-02 of the Issuer adopted on December 16, 2019, as supplemented by Resolution No. 2024-[\_\_] of the Issuer adopted on May 17, 2024.

“Series 2024-2 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 2024-2 Bonds” shall mean Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2.

“Series 2024-2 Bond Redemption Fund” shall mean the Series 2024-2 Bond Redemption Fund established pursuant to Section 4.01(g) of this Second Supplemental Indenture.

“Series 2024-2 Costs of Issuance Subaccount” shall mean the Subaccount so designated, established as a separate Subaccount within the Series 2024-2 Acquisition and Construction Account pursuant to Section 4.01(a) of this Second Supplemental Indenture.

“Series 2024-2 Debt Service Reserve Account” shall mean the Account so designated, established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this Second Supplemental Indenture.

“Series 2024-2 Debt Service Reserve Requirement” shall mean initially an amount equal to one hundred percent (100%) of the maximum annual Debt Service Requirements for all Outstanding Series 2024-2 Bonds, as of the time of any such calculation, which on the date of issuance of the Series 2024-2 Bonds is equal to \$[\_\_\_\_\_]. Upon receipt by the Trustee of the Reserve Release Certifications and thereafter, the Series 2024-2 Debt Service Reserve Requirement shall be an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirements for all Outstanding Series 2024-2 Bonds, as of the time of any such calculation. Excess amounts on deposit in the Series 2024-2 Debt Service Reserve Account as a result of the deposit of Series 2024-2 Prepayment Principal and/or as a result of the Reserve Account Release Conditions having been met shall be transferred, as directed by a Responsible Officer, as provided in Section 401 hereof.

“Series 2024-2 General Account” shall mean the Account so designated, established as a separate Account under the Series 2024-2 Bond Redemption Fund pursuant to Section 4.01(g) of this Second Supplemental Indenture.

“Series 2024-2 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 2024-2 Prepayment” shall mean the payment by any owner of property of the amount of Series 2024-2 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the “true-up” mechanism contained in the Assessment Resolutions. “Prepayments” shall include, without limitation, Series 2024-2 Prepayment Principal.

“Series 2024-2 Prepayment Account” shall mean the Account so designated, established as a separate Account under the Series 2024-2 Bond Redemption Fund pursuant to Section 4.01(g) of this Second Supplemental Indenture.

“Series 2024-2 Prepayment Principal” shall mean the portion of a Prepayment corresponding to the principal amount of Series 2024-2 Special Assessments being prepaid.

“Series 2024-2 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 2024-2 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 2024-2 Special Assessments” shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Assessment Area Two CIP or any portion thereof, which assessments correspond in amount to the debt service on the Series 2024-2 Bonds.

"Substantially Absorbed" shall mean the date on which a principal amount of the Series 2024-2 Special Assessments equaling at least 90% of the then Outstanding principal amount of the Series 2024-2 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon.

“Trustee” shall mean U.S. Bank Trust Company, National Association, a national banking association, and its successors and assigns.

"True-Up Agreement" shall mean the Agreement between the Issuer and the Landowner regarding the true-up and payment of Series 2024-2 Assessments, dated June [\_\_\_], 2024.

"Underwriter" shall mean MBS Capital Markets, LLC, the underwriter of the Series 2024-2 Bonds.

“Uniform Method” shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the forms of Series 2024-2 Bonds), refer to the entire 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 a 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.

**ARTICLE II**  
**THE SERIES 2024-2 BONDS**

SECTION 2.01. Amounts and Terms of Series 2024-2 Bonds; Issue of Series 2024-2 Bonds. No Series 2024-2 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 2024-2 Bonds that may be issued under this Second Supplemental Indenture is expressly limited to \$[\_\_\_\_\_]. The Series 2024-2 Bonds shall be numbered consecutively from 2024-2R-1 and upwards.

(b) Any and all Series 2024-2 Bonds shall be issued substantially in the form attached as Exhibit C to the Master Indenture, 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 and this Second Supplemental Indenture. The Issuer shall issue the Series 2024-2 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 written request, authenticate such Series 2024-2 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2024-2 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2024-2 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2024-2 Bonds 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 2024-2 Bonds.

(a) The Series 2024-2 Bonds are being issued hereunder in order to provide funds to (i) pay the Costs of a portion of the Assessment Area Two CIP, (ii) fund the Series 2024-2 Debt Service Reserve Account, (iii) pay the costs of issuance of the Series 2024-2 Bonds, and (iv) to pay Capitalized Interest due on the Series 2024-2 Bonds through November 1, 2025. The Series 2024-2 Bonds shall be designated "Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2024-2 Bonds shall be dated the date of original issuance thereof. Interest on the Series 2024-2 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2024-2 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 November 1, 2024, in which case from the date of original issuance of the Series 2024-2 Bonds, 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 2024-2 Bonds, the principal or Redemption Price of the Series 2024-2 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 2024-2 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 2024-2 Bonds, the payment of interest on the Series 2024-2 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2024-2 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 such Owner's address as it appears on the Bond Register. Any interest on any Series 2024-2 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 2024-2 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 (5<sup>th</sup>) 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 2024-2 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 Interest Payment 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 Interest Payment Date.

SECTION 2.05. Debt Service on the Series 2024-2 Bonds.

(a) The Series 2024-2 Bonds will mature on May 1 in the years, be issued in the principal amounts and bear interest at the rates per annum, subject to the right of prior redemption in accordance with their terms, as follows.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1		



\$ %

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1		

\$ %

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1		

\$ %

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1		

\$ %

Interest on the Series 2024-2 Bonds will be computed in all cases on the basis of a 360-day year comprised 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 2024-2 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2024-2 Bond Proceeds. From the proceeds of the Series 2024-2 Bonds received by the Trustee, which shall be \$[\_\_\_\_\_] (reflecting the aggregate principal amount of the Series 2024-2 Bonds, less/plus original issue discount/premium in the amount of \$[\_\_\_\_\_] and less an underwriter's discount in the amount of \$[\_\_\_\_\_] )::

(a) \$[\_\_\_\_\_] which is an amount equal to the initial Series 2024-2 Debt Service Reserve Requirement, shall be deposited in the Series 2024-2 Debt Service Reserve Account of the Debt Service Reserve Fund;

(b) \$[\_\_\_\_\_] shall be deposited into the Series 2024-2 Costs of Issuance Subaccount of the Series 2024-2 Acquisition and Construction Account and applied to pay costs of issuance of the Series 2024-2 Bonds;

(c) \$[\_\_\_\_\_] shall be deposited into the Series 2024-2 Interest Account and applied to pay Capitalized Interest on the Series 2024-2 Bonds through and including November 1, 2025; and

(d) \$[\_\_\_\_\_] constituting all remaining proceeds of the Series 2024-2 Bonds, shall be deposited in the Series 2024-2 Acquisition and Construction Account of the Acquisition and Construction Fund to be applied to pay Costs of the Assessment Area Two CIP in accordance with Article V of the Master Indenture.

SECTION 2.07. Book-Entry Form of Series 2024-2 Bonds. The Series 2024-2 Bonds shall be issued as one fully registered bond per maturity 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.

The Issuer shall enter into a letter of representations with DTC providing for such book-entry only system, in accordance with the provisions of Section 2.11 of the Master Indenture. 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. If the Issuer does not replace DTC within sixty (60) days of such termination and, in all instances, prior to the next Interest Payment Date, the Trustee will, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Series 2024-2 Bonds in the form of fully registered Series 2024-2 Bonds in accordance with the instructions from Cede & Co. While the Series 2024-2 Bonds are registered in book-entry only, presentation of the Series 2024-2 Bonds is not necessary for payment thereon.

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 2024-2 Bonds, and hereby appoints the Trustee, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. The Trustee 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 the Trustee as Paying Agent for the Series 2024-2 Bonds. The Trustee hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to the Issuance of the Series 2024-2 Bonds. In addition to complying with the requirements set forth in Section 3.01 of the Master Indenture in connection with the issuance of the Series 2024-2 Bonds, all the Series 2024-2 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 copies of the Master Indenture and this Second Supplemental Indenture;
- (c) The Opinion of Counsel to the Issuer required by the Master Indenture;
- (d) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2024-2 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;
- (e) An Engineer's Certificate certifying as to the accuracy of the information set forth in the Engineer's Report regarding the Assessment Area Two CIP;
- (f) Executed copies of the Acquisition Agreement, Collateral Assignment Agreement, Completion Agreement and True-Up Agreement, if applicable; and
- (g) A certificate of the Assessment Consultant as required by the Master Indenture.

Delivery to the Trustee of the net proceeds from the issuance and sale of the Series 2024-2 Bonds is conclusive evidence that the conditions precedent for authentication of the Series 2024-2 Bonds have been met to the satisfaction of the Underwriter and the Issuer.

### ARTICLE III REDEMPTION OF SERIES 2024-2 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2024-2 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 2024-2 Bonds shall be made on the dates hereinafter required. If less than all the Series 2024-2 Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2024-2 Bonds to be redeemed shall be selected as provided in Section 8.03 of the Master Indenture unless specifically provided herein. Partial redemptions of Series 2024-2 Bonds shall be made in such a manner that the remaining Series 2024-2 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2024-2 Bond of each maturity.

(a) Optional Redemption. The Series 2024-2 Bonds are subject to redemption prior to maturity at the option of the Issuer in whole or in part on any date on or after May 1, 20[\_\_\_], at the Redemption Price of the principal amount of the Series 2024-2 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2024-2 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together

with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

(i) on or after the Completion Date of the Assessment Area Two CIP, pursuant to Section 4.01(a) hereof by application of moneys transferred from the Series 2024-2 Acquisition and Construction Account of the Acquisition and Construction Fund established under the Indenture to the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund in accordance with the terms of the Indenture; or

(ii) from amounts required by the Indenture to be deposited into the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund including, but not limited to, Series 2024-2 Prepayment Principal and any excess amounts in the Series 2024-2 Debt Service Reserve Account as a result of the deposit of such Series 2024-2 Prepayment Principal and any excess amount on deposit in the Series 2024-2 Debt Service Reserve Account resulting from a reduction in the Series 2024-2 Reserve Account Requirement; or

(iii) on the date on which the amount on deposit in the Series 2024-2 Debt Service Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024-2 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024-2 Bonds shall be called for redemption, the particular Series 2024-2 Bonds or portions of Series 2024-2 Bonds to be redeemed shall, unless otherwise provided in the Indenture, be selected by lot by the Registrar as provided in the Indenture.

(c) Mandatory Sinking Fund Redemption. The Series 2024-2 Bond maturing on May 1, 20[\_\_\_], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year May 1	Sinking Fund Installment	Year May 1	Sinking Fund Installment
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\* Final Maturity

The Series 2024-2 Bond maturing on May 1, 20[\_\_\_], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking

Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year May 1</u>	<u>Sinking Fund Installment</u>	<u>Year May 1</u>	<u>Sinking Fund Installment</u>
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\* Final Maturity

The Series 2024-2 Bond maturing on May 1, 20[\_\_\_], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>
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\*Final Maturity

The Series 2024-2 Bond maturing on May 1, [\_\_\_], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>
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\*Final Maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2024-2 Bonds other than in

accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2024-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

SECTION 3.02. Notice of Redemption. When required to redeem Series 2024-2 Bonds under any provision of this Second Supplemental Indenture or directed to redeem Series 2024-2 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2024-2 Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

**ARTICLE IV  
ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS;  
ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL  
ASSESSMENT LIENS**

SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2024-2 Acquisition and Construction Account." Net proceeds of the Series 2024-2 Bonds shall be deposited into the Series 2024-2 Acquisition and Construction Account hereunder in the amounts set forth in Section 2.06 of this Second Supplemental Indenture, together with any excess moneys transferred to the Series 2024-2 Acquisition and Construction Account. Such moneys in the Series 2024-2 Acquisition and Construction Account shall be applied as set forth in Article V of the Master Indenture and this Sections 4.01(a) and 3.01(b)(i) of this Second Supplemental Indenture to pay costs to acquire and/or construct portions of the Assessment Area Two CIP, or as otherwise provided herein after the Completion Date. Each requisition shall substantially be in the form of requisition is attached as **Exhibit D** to the Master Indenture. The Trustee shall have no duty to review the requisition to determine if the amount requested is for payment of a cost permitted hereunder. Earnings on investments in the 2024-2 Acquisition and Construction Account shall remain therein.

After the Completion Date of the Assessment Area Two CIP, which shall not occur until the satisfaction of the Reserve Account Release Conditions and after transferring any resulting excess Series 2024-2 Debt Service Reserve Requirement from the Series 2024-2 Debt Service Reserve Account to the Series 2024-2 Acquisition and Construction Account, and after retaining in the Series 2024-2 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the Assessment Area Two CIP set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the Series 2024-2 Acquisition and Construction Account shall be transferred to and deposited into the Series 2024-2 General Account of the Series 2024-2 Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2024-2 Bonds, and the Series 2024-2 Acquisition and Construction Account shall be closed. The Series 2024-2 Acquisition and

Construction Account shall remain open until the Reserve Account Release Conditions have been satisfied.

There is hereby established within the Series 2024-2 Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2024-2 Costs of Issuance Subaccount." Amounts in the Series 2024-2 Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2024-2 Bonds. Six months after the date of issuance of the Series 2024-2 Bonds, any moneys remaining in the Series 2024-2 Costs of Issuance Subaccount which have not been requisitioned by the Issuer to pay costs relating to the issuance of the Series 2024-2 Bonds shall be deposited into the Series 2024-2 Acquisition and Construction Account and applied as set forth in Article V of the Master Indenture and Section 4.01(a) of this Second Supplemental Indenture, and the Series 2024-2 Costs of Issuance Subaccount shall be 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 2024-2 Revenue Account." Series 2024-2 Special Assessments (except for Series 2024-2 Prepayments which shall be identified as such by the Issuer to the Trustee to be deposited in the Series 2024-2 Prepayment Account) shall be deposited by the Trustee into the Series 2024-2 Revenue Account which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this Second Supplemental Indenture.

(c) Reserved.

(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 2024-2 Interest Account." Net proceeds of the Series 2024-2 Bonds shall be deposited into the Series 2024-2 Interest Account in the amount set forth in Section 2.06(c) of this Second Supplemental Indenture. Moneys deposited into the Series 2024-2 Interest Account shall be applied for the purposes provided therein and in Section 4.02 of this Second Supplemental Indenture.

(e) 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 2024-2 Sinking Fund Account." Moneys shall be deposited into such Account as provided in Article VI 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 an Account within the Debt Service Reserve Fund designated as the "Series 2024-2 Debt Service Reserve Account."

The Series 2024-2 Debt Service Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2024-2 Debt Service Reserve Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2024-2 Debt Service Reserve Account shall be used only for the purpose of making payments into the Series

2024-2 Interest Account and the Series 2024-2 Sinking Fund Account to pay Debt Service Requirements on the Series 2024-2 Bonds, when due, to the extent the moneys on deposit in such Account and available therefor are insufficient and for no other purpose.

Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer of the Issuer shall provide Reserve Release Certifications to the Trustee, upon which certifications the Trustee may conclusively rely, and thereupon a Responsible Officer of the Issuer shall recalculate the Series 2024-2 Debt Service Reserve Requirement and instruct the Trustee to transfer any excess as a result of having met such Reserve Account Release Conditions to the Series 2024-2 Acquisition and Construction Account of the Acquisition and Construction Fund to be used for the purposes of such Account.

On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business Day preceding such forty-fifth (45th) day), the Issuer shall recalculate the Series 2024-2 Debt Service Reserve Requirement taking into account any Series 2024-2 Prepayment Principal on deposit in the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2024-2 Debt Service Reserve Account in excess of the Series 2024-2 Debt Service Reserve Requirement as a result of such Series 2024-2 Prepayment Principal to the Series 2024-2 Prepayment Account as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel. Following the foregoing transfer, such amounts in the Series 2024-2 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2024-2 Bonds on the earliest date permitted for redemption therein and herein. The Trustee is authorized to make such transfers and has no duty to verify such calculations.

On the earliest date on which there is on deposit in the Series 2024-2 Debt Service Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2024-2 Bonds, together with accrued interest on such Series 2024-2 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2024-2 Debt Service Reserve Account into the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund to pay and redeem all of the Outstanding Series 2024-2 Bonds on the earliest date permitted for redemption therein and herein.

Anything in the Master Indenture or herein to the contrary notwithstanding, amounts on deposit in the Series 2024-2 Debt Service Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of delinquent Series 2024-2 Special Assessments.

Earnings on investments in the Series 2024-2 Debt Service Reserve Account shall be disposed of as follows:

- (A) If as of the last date on which amounts on deposit in the Series 2024-2 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2024-2 Debt Service Reserve Account, or if after such date withdrawals have



been made from the Series 2024-2 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2024-2 Debt Service Reserve Account shall be deposited to the credit of the Series 2024-2 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2024-2 Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2024-2 Debt Service Reserve Account is not reduced below the then Series 2024-2 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the Completion Date of the Assessment Area Two CIP, to the Series 2024-2 Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of the Assessment Area Two CIP, to the Series 2024-2 Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2024-2 Debt Service Reserve Account shall remain therein.

(c) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2024-2 Bond Redemption Fund" and within such Fund, a "Series 2024-2 General Account" and a "Series 2024-2 Prepayment Account." Except as otherwise provided in this Second Supplemental Indenture, moneys to be deposited into the Series 2024-2 Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2024-2 General Account of the Series 2024-2 Bond Redemption Fund. Series 2024-2 Prepayments shall be identified as such by the Issuer to the Trustee to then be deposited directly into the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund, as provided in the Indenture.

(d) Moneys in the Series 2024-2 General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2024-2 Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2024-2 General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture; and

SECOND, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2024-2 Bonds that are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Series 2024-2 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

(i) Moneys in the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(ii) hereof an amount of Series 2024-2 Bonds equal to the amount of money transferred to the Series 2024-2 Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in Section 3.01(b)(ii) hereof.

SECTION 4.02. Series 2024-2 Revenue Account. The Trustee shall deposit into the Series 2024-2 Revenue Account the Pledged Revenues, other than Series 2024-2 Prepayment Principal, which shall be identified by the Issuer to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund, and any other revenues required by other provisions of the Indenture to be deposited therein. The Trustee may conclusively rely on the assumption that, unless otherwise instructed in writing by the Issuer at the time of deposit to the Trustee, Pledged Revenues paid to the Trustee shall be deposited into the Series 2024-2 Revenue Account, and that Pledged Revenues which the Issuer informs the Trustee constitute Series 2024-2 Prepayment Principal shall be deposited into the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund.

On the forty-fifth (45th) day preceding each Quarterly Redemption Date with respect to the Series 2024-2 Bonds (or if such forty-fifth (45th) day is not a Business Day, on the Business Day preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund and, if the balance therein is greater than zero, shall, upon written direction from the Issuer, transfer from the Series 2024-2 Revenue Account for deposit into the Series 2024-2 Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next highest integral multiple of \$5,000 (provided that there are sufficient funds remaining therein to pay the Debt Service Requirements coming due on the Series 2024-2 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2024-2 Bonds in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2024-2 Prepayment Account in accordance with the provisions for extraordinary mandatory redemption of the Series 2024-2 Bonds set forth in Article III hereof.

Following the foregoing transfers, the Trustee shall transfer from amounts on deposit in the Series 2024-2 Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, no later than the Business Day preceding each May 1 and November 1, to the Series 2024-2 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2024-2 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2024-2 Interest Account representing Capitalized Interest in accordance with Section 4.01(d) and less any other amounts already on deposit in the Series 2024-2 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2024-2 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2024-2 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2024-2 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2024-2 Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2024-2 Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2024-2 Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2024-2 Interest Account the amount necessary to pay interest on the Series 2024-2 Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2024-2 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the balance on deposit in the Series 2024-2 Revenue Account on such November 2 shall (i) before the Completion Date of the Assessment Area Two CIP, be transferred into the Series 2024-2 Acquisition and Construction Account, and (ii) on and after the Completion Date of the Assessment Area Two CIP, be paid over to the Issuer at the written direction of a Responsible Officer and used for any lawful purpose of the Issuer; provided, however, that on the date of either such proposed transfer the Trustee shall not have received written notice of an Event of Default under the Indenture relating to the Series 2024-2 Bonds, and all Trustee's fees and expenses relating to the Series 2024-2 Bonds shall have been paid.

SECTION 4.03. Power to Issue Series 2024-2 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2024-2 Bonds, to execute and deliver the Indenture and to pledge the Pledged Revenues for the benefit of the Series 2024-2 Bonds to the extent set forth herein. 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 Series 2024-2 Bonds, except for Bonds issued to refund all or a portion of the Series 2024-2 Bonds. The Series 2024-2 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 2024-2 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Assessment Area Two CIP to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete the Assessment Area Two CIP, as described in

the Engineer's Report, in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such amendment of the plans and specifications for the Assessment Area Two CIP, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

SECTION 4.05. Prepayments; Removal of Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2024-2 Special Assessments may, at its option, or 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 reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2024-2 Special Assessments by paying to the Issuer all or a portion of the Series 2024-2 Special Assessment which shall constitute Series 2024-2 Prepayments as directed in writing by the Issuer pursuant to the provisions of Section 4.01(b) of this Second Supplemental Indenture, plus accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within forty-five (45) calendar days before a Quarterly Redemption Date), attributable to the property subject to such Series 2024-2 Special Assessment owned by such owner; provided, however, to the extent that such payments are to be used to redeem Series 2024-2 Bonds in the event the amount in the Series 2024-2 Debt Service Reserve Account will exceed the Series 2024-2 Debt Service Reserve Requirement as a result of a Series 2024-2 Prepayment in accordance with Section 4.01(f) and the resulting redemption of Series 2024-2 Bonds in accordance with Section 3.01(b)(ii) of this Second Supplemental Indenture, the excess amount above the Series 2024-2 Debt Service Reserve Requirement shall be transferred from the Series 2024-2 Debt Service Reserve Account to the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund, as a credit against the Series 2024-2 Prepayment otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer together with a certificate of a Responsible Officer of the Issuer stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2024-2 Debt Service Reserve Account to equal or exceed the Series 2024-2 Debt Service Reserve Requirement and accompanied by cash flows which demonstrate that, after giving effect to the proposed redemption of Series 2024-2 Bonds, there will be sufficient Pledged Revenues to pay the principal and interest, when due, on all Series 2024-2 Bonds that will remain Outstanding. The written instructions shall be delivered to the Trustee on or before the 46th day prior to a Quarterly Redemption Date. The Trustee is authorized to make such transfers as provided in this section and has no duty to verify such calculations.

(b) Upon receipt of Series 2024-2 Prepayments as described in paragraph (a) above, which includes accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within forty-five (45) calendar days before a Quarterly Redemption Date), subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2024-2 Prepayment 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 the District Manager, to the effect that the Series 2024-2 Special Assessment has been paid in whole or in part and that such Series 2024-2 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Series 2024-2 Prepayment Account of the Series 2024-2 Bond Redemption Fund to be applied in accordance with Section 4.01(h)(i) of this Second Supplemental Indenture, to the redemption of Series 2024-2 Bonds in accordance with Section 3.01(b)(ii) of this Second Supplemental Indenture.

The Trustee shall conclusively rely on the Issuer's determination of what moneys constitute Series 2024-2 Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2024-2 Bonds pursuant to Section 3.01(b)(ii) of this Second Supplemental Indenture on each March 15, June 15, September 15 and December 15.

## ARTICLE V ADDITIONAL COVENANTS OF THE ISSUER

SECTION 5.01. Collection of Series 2024-2 Special Assessments. Notwithstanding Section 9.04 of the Master Indenture, the Series 2024-2 Special Assessments shall be directly collected and enforced by the Issuer pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2024-2 Special Assessments levied on platted lots and pledged hereunder to secure the Series 2024-2 Bonds will be collected pursuant to the Uniform Method pursuant to Section 9.04 of the Master Indenture. The Issuer covenants to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of this Section.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners, requests that the Issuer not use the Uniform Method, but instead collect and enforce Series 2024-2 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Series 2024-2 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2024-2 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Additional Covenant Regarding Series 2024-2 Special Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in the Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2024-2 Special Assessments, including the Assessment Resolutions

and the Assessment Methodology, and to levy the Series 2024-2 Special Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2024-2 Bonds, when due.

SECTION 5.03. Foreclosure of Assessment Lien. Notwithstanding Section 9.06 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2024-2 Special Assessments and Series 2024-2 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2024-2 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2024-2 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 Series 2024-2 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 Series 2024-2 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners, 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 Series 2024-2 Revenue Account. 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 Series 2024-2 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners.

SECTION 5.04. No Parity Bonds; Limitation on Parity Liens. Other than Bonds issued to refund the Outstanding Series 2024-2 Bonds, the Issuer shall not, while any Series 2024-2 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Pledged Revenues. The Issuer further covenants and agrees that so long as the Series 2024-2 Bonds are Outstanding, the Issuer will not impose debt service Special Assessments for capital projects on any lands then subject to the Series 2024-2 Special Assessments without the written consent of the Majority Owners; provided, however, such consent shall not be required if the Series 2024-2 Special Assessments have been Substantially Absorbed evidence of which shall be provided by the Issuer to the Trustee in a written certificate upon which the Trustee may conclusively rely. The Trustee shall have no duty to verify if the Series 2024-2 Special Assessments are Substantially Absorbed and in the absence of a certification as provided above can assume that the Series 2024-2 Special Assessments have not been Substantially Absorbed. Notwithstanding the foregoing, the Issuer is not precluded from imposing capital assessments (or the issuance of Bonds secured by such capital assessments) on property then subject to the Series 2024-2 Special Assessments which are necessary for health, safety or welfare reasons, or

to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the Issuer.

SECTION 5.05. Acknowledgment Regarding Series 2024-2 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, the Series 2024-2 Bonds are payable solely from the Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that the Pledged Revenues include, without limitation, all amounts on deposit in the Series 2024-2 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, and upon the occurrence of an Event of Default with respect to the Series 2024-2 Bonds, (i) the Pledged Revenues may not be used by the Issuer (whether to pay Costs of the Assessment Area Two CIP or otherwise) without the consent of the Majority Owners of the Series 2024-2 Bonds, except to the extent that prior to the occurrence of an Event of Default the Issuer had incurred a binding obligation with third parties for work on the Assessment Area Two CIP and payment is for such work and (ii) the Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2024-2 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture or as otherwise provided in the Master Indenture.

SECTION 5.06. Enforcement of Completion Agreement and True-Up Agreement. The Issuer, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement, and, upon the occurrence and continuance of a default under either or both of such Agreements, the Issuer covenants and agrees that the Trustee, at the written direction of the Majority Owners of the Series 2024-2 Bonds may, subject to the provisions of Section 11.04 of the Master Indenture act on behalf of, and in the Issuer's stead, to enforce the provisions of such Agreement and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the Issuer to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners of the Series 2024-2 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2024-2 Bonds, shall constitute an Event of Default under the Indenture, provided, however, that the Issuer shall have a reasonable opportunity to cure.

SECTION 5.07. Assignment of Issuer's Rights Under Collateral Assignment. The Issuer hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2024-2 Bonds Outstanding under the Indenture. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment; provided, however, the Trustee shall act in accordance with the written directions of the Majority Owners of the Series 2024-2 Bonds. Notwithstanding anything to the contrary herein, prior to taking any action under this Section 5.07, the Trustee shall have first been indemnified to its satisfaction.

SECTION 5.08. Continuing Disclosure Agreement. 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, as amended. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but instead shall be enforceable by mandamus, injunction or any other means of specific performance.

## ARTICLE VI CONCERNING THE TRUSTEE

SECTION 6.01 Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Second Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture.

SECTION 6.02. Limitation of Trustee's Responsibility. 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, all of which are made solely by the Issuer.

SECTION 6.03. Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article XI thereof.

## ARTICLE VII MISCELLANEOUS PROVISIONS

SECTION 7.01. Interpretation of Supplemental Indenture. This Second Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2024-2 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 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. Payment Dates. In any case in which an Interest Payment Date, principal payment date or the maturity date of the Series 2024-2 Bonds or the date fixed for the redemption of any Series 2024-2 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 7.05. 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 2024-2 Bonds.

SECTION 7.06. Tax Reporting Obligations. If the Bonds are ever held in other than book entry form of registration, upon the Trustee's written request, the Issuer and each Owner shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation the cost basis reporting obligations under Section 6045 of the Code and the applicable regulations thereunder, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

**IN WITNESS WHEREOF**, Gardens at Hammock Beach Community Development District has caused this Second Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by a 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 a Vice President, all as of the day and year first above written.

**SEAL**

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT**

Attest:

By: \_\_\_\_\_  
Clint Smith, Chairperson,  
Board of Supervisors

By: \_\_\_\_\_  
Secretary/Assistant Secretary,  
Board of Supervisors

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION**, a national banking  
association, as Trustee, Paying Agent and  
Registrar

By: \_\_\_\_\_  
Name: Scott A. Schuhle  
Title: Vice President

# SECTION 2

**EXHIBIT B**

**FORM OF CONTRACT OF PURCHASE**

**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT  
(Flagler County, Florida)**

<b>[\$[2024-1 Amount] Special Assessment Bonds (Assessment Area One), Series 2024-1</b>	<b>[\$[2024-2 Amount] Special Assessment Bonds (Assessment Area Two), Series 2024-2</b>
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**[BPA Date]**

**BOND PURCHASE AGREEMENT**

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

Ladies and Gentlemen:

MBS Capital Markets, LLC (the "Underwriter"), offers to enter into this Bond Purchase Agreement ("Purchase Agreement") with the Gardens at Hammock Beach Community Development District (the "District"). This offer is made subject to written acceptance hereof by the District at or before 11:59 p.m., New York time, on the date hereof. If not so accepted, this offer will be subject to withdrawal by the Underwriter upon written notice delivered to the District at any time prior to the acceptance hereof by the District. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum or in the Indentures, as applicable, each as defined herein.

**1. Purchase and Sale.** Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 (the "Series 2024-1 Bonds") and \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "Series 2024-2 Bonds" and collectively with the Series 2024-1 Bonds, the "Series 2024 Bonds"). The Series 2024 Bonds shall be dated as of the date of their delivery and shall be payable on the dates and principal amounts, bear such rates of interest and be subject to redemption, all as set forth in Exhibit A attached hereto. Interest on the Series 2024 Bonds is payable semi-annually on May 1 and November 1 each year, commencing November 1, 2024. The purchase price for the Series 2024-1 Bonds shall be \$[2024-1 PP] (representing the aggregate par amount of the Series 2024-1 Bonds of \$[2024-1 Amount].00, [less/plus] [net] original issue [discount/premium] of \$[2024-1 OID/OIP] and less an Underwriter's discount of \$[2024-1 UD]) and the purchase price for the Series 2024-2 Bonds shall be \$[2024-2 PP] (representing the aggregate par amount of the Series 2024-2 Bonds of \$[2024-2 Amount].00, [less/plus] [net] original issue [discount/premium] of \$[2024-2 OID/OIP] and less an Underwriter's discount of \$[2024-2 UD]).

The disclosure statement required by Section 218.385, Florida Statutes, is attached hereto as Exhibit B.

**2. The Series 2024 Bonds.** The Series 2024 Bonds are authorized and issued pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and Ordinance No. 2006-21, enacted by the Board of County Commissioners of Flagler County, Florida on October 9, 2006. The District was established for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the District. The Series 2024 Bonds are being issued pursuant to the Act and a Master Trust Indenture, dated as of June 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by (a) a First Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-1 Bonds (the "First Supplemental Indenture" and, together with the Master Indenture, the "2024-1 Indenture"), and (b) a Second Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-2 Bonds (the "Second Supplemental Indenture" and, together with the Master Indenture, the "2024-2 Indenture" and, collectively with the 2024-1 Indenture, the "Indentures"), and Resolution Nos. 2020-02, 2024-[ ] and 2024-[ ], adopted by the Board of Supervisors of the District (the "Board") on December 16, 2019 and May [17], 2024 (collectively, the "Bond Resolution"), authorizing the issuance of the Series 2024 Bonds. The Series 2024-1 Special Assessments comprising the Series 2024-1 Pledged Revenues and the Series 2024-2 Special Assessments comprising the Series 2024-2 Pledged Revenues have been levied by the District on the lands within the District specially benefited by the Phase 1-3 CIP pursuant to Resolution Nos. 2022-02 and 2022-03 adopted by the Board on July 15, 2022, Resolution No. 2022-05 adopted by the Board on September 16, 2022 and a resolution to be adopted by the Board on or about [ ], 2024 (collectively, the "Assessment Resolutions").

The Series 2024-1 Bonds are being issued to (a) finance a portion of the Costs of the Phase 1-3 CIP, (b) pay certain costs associated with the issuance of the Series 2024-1 Bonds, (c) make a deposit into the Series 2024-1 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-1 Bonds, and (d) pay the interest to become due on the Series 2024-1 Bonds through and including November 1, 2024.

The Series 2024-2 Bonds are being issued to (a) finance a portion of the Costs of the Phase 1-3 CIP, (b) pay certain costs associated with the issuance of the Series 2024-2 Bonds, (c) make a deposit into the Series 2024-2 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-2 Bonds, and (d) pay the interest to become due on the Series 2024-2 Bonds through and including November 1, 2025.

The principal and interest on the Series 2024-1 Bonds are payable from and secured by the Series 2024-1 Pledged Revenues. The Series 2024-1 Pledged Revenues consist primarily of the revenues received by the District from the Series 2024-1 Special Assessments levied against certain lands in the District that are subject to assessment as a result of the Phase 1-3 CIP or any portion thereof.

The principal and interest on the Series 2024-2 Bonds are payable from and secured by the Series 2024-2 Pledged Revenues. The Series 2024-2 Pledged Revenues consist primarily of the revenues received by the District from the Series 2024-2 Special

Assessments levied against certain lands in the District that are subject to assessment as a result of the Phase 1-3 CIP or any portion thereof.

The Series 2024-1 Special Assessments and the Series 2024-2 Special Assessments are hereinafter collectively referred to as the "Series 2024 Special Assessments" and the Series 202-1 Pledged Revenues and the Series 2024-2 Pledged Revenues are hereinafter collectively referred to as the "Series 2024 Pledged Revenues."

At the time of issuance of the Series 2024 Bonds, the District, Palm Coast Intracoastal, LLC, a Florida limited liability company and Veranda Bay Investments, LLC, a Florida limited liability company (together, the "Landowner") will enter into:

(a) the Continuing Disclosure Agreement with respect to Assessment Area One (the "Area One Disclosure Agreement") among the District, the Landowner, and Governmental Management Services – Central Florida, LLC (the "Dissemination Agent") dated as of the date of Closing (hereinafter defined);

(b) the Continuing Disclosure Agreement with respect to Assessment Area Two (the "Area Two Disclosure Agreement") among the District, the Landowner, and the Dissemination Agent dated as of the date of Closing;

(c) the [True-Up Agreement] (the "Area One True Up Agreement") between the District and the Landowner with respect to Assessment Area One dated as of the date of Closing;

(d) the [True-Up Agreement] (the "Area Two True Up Agreement") between the District and the Landowner with respect to Assessment Area Two dated as of the date of Closing

(e) the [Collateral Assignment] (the "Area One Collateral Assignment") between the District and the Landowner with respect to Assessment Area One dated as of the date of Closing;

(f) the [Collateral Assignment] (the "Area Two Collateral Assignment") between the District and the Landowner with respect to Assessment Area Two dated as of the date of Closing;

(g) the [Completion Agreement] (the "Area One Completion Agreement") between the District and the Landowner with respect to Assessment Area One dated as of the date of Closing;

(h) the [Completion Agreement] (the "Area Two Completion Agreement") between the District and the Landowner with respect to Assessment Area Two dated as of the date of Closing;

(i) the [Acquisition Agreement] (the "Area One Acquisition Agreement") between the District and the Landowner with respect to Assessment Area One dated as of the date of Closing;

(j) the [Acquisition Agreement] (the "Area Two Acquisition Agreement") between the District and the Landowner with respect to Assessment Area Two dated as of the date of Closing;

(k) the [Declaration of Consent to Jurisdiction] (the "Area One Declaration of Consent") by the Landowner with respect to Assessment Area One dated as of the date of Closing.

(l) the [Declaration of Consent to Jurisdiction] (the "Area Two Declaration of Consent") by the Landowner with respect to Assessment Area Two dated as of the date of Closing.

For purposes hereof, this Purchase Agreement, the Indentures, the Area One Disclosure Agreement, the Area Two Disclosure Agreement, the Area One True-Up Agreement, the Area Two True-Up Agreement, the Area One Collateral Assignment, the Area Two Collateral Assignment, the Area One Completion Agreement, the Area Two Completion Agreement, the Area One Acquisition Agreement, the Area Two Acquisition Agreement, the Area One Declaration of Consent and the Area Two Declaration of Consent, are referred to herein collectively as the "Financing Documents."

### **3. Delivery of Limited Offering Memorandum and Other Documents.**

(a) Prior to the date hereof, the District provided to the Underwriter for its review the Preliminary Limited Offering Memorandum, dated [PLOM Date] (the "Preliminary Limited Offering Memorandum"), that the District deemed final as of its date, except for certain permitted omissions (the "permitted omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule") in connection with the pricing of the Series 2024 Bonds. The District hereby confirms that the Preliminary Limited Offering Memorandum was deemed final as of its date, except for the permitted omissions.

(b) The District shall deliver, or cause to be delivered, at its expense, to the Underwriter, within seven (7) business days after the date hereof, or use good faith to deliver within such shorter period as may be requested by the Underwriter and at least one (1) business day prior to the date of Closing, or within such other period as the Underwriter may inform the District which is necessary for the Underwriter to comply with regulations of the Municipal Securities Rulemaking Board ("MSRB") in order to accompany any confirmation that requests payment from any customer, sufficient copies of the final Limited Offering Memorandum (the "Limited Offering Memorandum") to enable the Underwriter to fulfill its obligations pursuant to the securities laws of the State of Florida (the "State") and the United States, in form and substance satisfactory to the Underwriter. In determining whether the number of copies to be delivered by the District are reasonably necessary, at a minimum, the number shall be determined by the Underwriter and conveyed to the District as shall be sufficient to enable the Underwriter to comply with the requirements of the SEC Rule, all applicable rules of the MSRB, and to fulfill its duties and responsibilities under State and federal securities laws generally.

The Underwriter agrees to file the Limited Offering Memorandum in accordance with applicable MSRB rules.



The District authorizes, or ratifies as the case may be, the use and distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in connection with the limited public offering and sale of the Series 2024 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2024 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Limited Offering Memorandum.

(c) From the date hereof until the earlier of (1) ninety (90) days from the "end of the underwriting period" (as defined in the SEC Rule), or (2) the time when the Limited Offering Memorandum is available to any person from the MSRB (but in no case less than twenty-five (25) days following the end of the underwriting period), if the District has knowledge of the occurrence of any event which may make it necessary to amend or supplement the Limited Offering Memorandum in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter and if, in the reasonable opinion of the District or the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Limited Offering Memorandum, the District, at its expense (unless such event was caused by the Underwriter), shall promptly prepare an appropriate amendment or supplement thereto (and file, or cause to be filed, the same with the MSRB, and mail such amendment or supplement to each record owner of Series 2024 Bonds) so that the statements in the Limited Offering Memorandum as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Underwriter. The District will promptly notify the Underwriter of the occurrence of any event of which it has knowledge which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Series 2024 Bonds are hereinafter included within the term "Limited Offering Memorandum."

**4. Authority of the Underwriter.** The Underwriter is duly authorized to execute this Purchase Agreement and to perform its obligations hereunder. The Underwriter hereby represents that neither it nor any "person" or "affiliate" has been on the "convicted vendor list" during the past 36 months, as all such terms are defined in Section 287.133, Florida Statutes.

**5. Offering and Sale of Series 2024 Bonds.** The Underwriter agrees to make a bona fide limited offering to "accredited investors" representing the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of all of the Series 2024 Bonds at not in excess of the initial public offering price or prices (or below the yield or yields) set forth in Exhibit A attached hereto; provided, however, that the Underwriter may (a) offer and sell the Series 2024 Bonds to certain bond houses, brokers or to similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices set forth in Exhibit A attached hereto, or (b) change such initial offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Series 2024 Bonds. The Underwriter agrees to assist the District in establishing the issue price as provided in Section 20 hereof.

The District hereby authorizes the Underwriter to use the Limited Offering Memorandum in connection with the limited public offering and sale of the Series 2024

Bonds and ratifies and confirms the distribution and use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with such limited public offering and sale.

**6. District Representations, Warranties, Covenants and Agreements.**

The District represents and warrants to and covenants and agrees with the Underwriter that, as of the date hereof and as of the date of Closing:

(a) The District is a local unit of special purpose government, duly organized and established and validly existing under the Act and the Constitution and laws of the State, with full legal right, power and authority to (1) impose, levy and collect the Series 2024 Special Assessments in the manner described in the Limited Offering Memorandum, (2) issue the Series 2024 Bonds for the purposes for which they are to be issued, as described in the Limited Offering Memorandum, (3) secure the Series 2024 Bonds as provided by the Indentures, (4) enter into the Financing Documents to which it is a party, (5) carry out and consummate all of the transactions contemplated by the Bond Resolution, the Assessment Resolutions and the Financing Documents to which it is a party, and (6) undertake the completion of the Phase 1-3 CIP.

(b) The District has complied and will at Closing be in compliance in all respects with the Bond Resolution, the Assessment Resolutions, the Act, and the Constitution and laws of the State in all matters relating to the Financing Documents and the Series 2024 Bonds, and the imposition, levy and collection of the Series 2024 Special Assessments.

(c) The District has, or by Closing will have, duly authorized and approved (1) the execution and delivery, or adoption, as the case may be, and performance of the Bond Resolution, the Assessment Resolutions, the Financing Documents to which it is a party, the Series 2024 Special Assessments and the Series 2024 Bonds, (2) the use and distribution of the Preliminary Limited Offering Memorandum and the delivery and distribution of the Limited Offering Memorandum, and (3) the taking of any and all such action as may be required on the part of the District to carry out, give effect to and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Series 2024 Special Assessments, the Series 2024 Bonds and the Limited Offering Memorandum.

(d) Each of the Financing Documents to which the District is a party constitutes, or will constitute at Closing, a legally valid and binding obligation of the District enforceable in accordance with its terms and, upon due authorization, execution and delivery thereof by the parties thereto, will constitute a legally valid and binding obligation of the District enforceable in accordance with its terms.

(e) When delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Agreement, the Series 2024 Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute legally valid and binding special obligations of the District, conforming to the Act, and entitled to the benefit and security of the Indentures.

(f) Upon the execution, authentication, issuance and delivery of the Series 2024 Bonds as aforesaid, the Indentures will provide, for the benefit of the holders from time to

time of the respective Series of Series 2024 Bonds, a legally valid and binding pledge of and a security interest in and to the respective Series 2024 Pledged Revenues pledged to the respective Series of Series 2024 Bonds, subject only to the provisions of the Indentures permitting the application of such respective Series 2024 Pledged Revenues for the purposes and on the terms and conditions set forth in the Indentures.

(g) Other than any approvals that might be required under the securities laws of any state, no approval, permit, consent or authorization of, or registration or filing with, any governmental or public agency or authority or any other entity not already obtained or made, or to be obtained or made simultaneously with the issuance of the Series 2024 Bonds, is required to be obtained or made by the District in connection with the issuance and sale of the Series 2024 Bonds, or the execution and delivery by the District of, or the due performance of its obligations under, the Financing Documents to which it is a party and the Series 2024 Bonds, and any such approvals, permits, consents or authorizations so obtained are in full force and effect.

(h) Other than as disclosed in the Limited Offering Memorandum, the District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States, the Financing Documents to which it is a party, the Series 2024 Bonds or any applicable judgment or decree or any other 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, that could have a materially adverse effect on the business or operations of the District, and no event of default by the District has occurred and is continuing under any such instrument except as otherwise stated herein.

(i) The execution and delivery by the District of the Financing Documents, the Series 2024 Bonds and any other instrument to which the District is a party and which is used or contemplated for use in conjunction with the transactions contemplated by the Financing Documents, the Series 2024 Bonds, or the Limited Offering Memorandum, and the compliance with the provisions of each such instrument and the consummation of any transactions contemplated hereby and thereby, will not conflict with or constitute a breach of or default under any indenture, contract, agreement, or other instrument to which the District is a party or by which it is bound, or to the best of its knowledge under any provision of the Constitution of the State or any existing law, rule, regulation, ordinance, judgment, order or decree to which the District (or any of its supervisors or officers in their respective capacities as such) or its properties is subject.

(j) Except as disclosed in the Limited Offering Memorandum, there is no action, suit, hearing, inquiry or investigation, at law or in equity, before or by any court, public board, agency or body, pending or, to the best knowledge of the District, threatened against or affecting the District or any of its supervisors in their respective capacities as such, in which an unfavorable decision, ruling or finding would, in any material way, adversely affect (1) the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents or the Series 2024 Bonds, (2) the organization, existence or powers of the District or any of its supervisors or officers in their respective capacities as such, (3) the business, properties or assets or the condition, financial or otherwise, of the District, (4) the validity or enforceability of the Series 2024 Bonds, the Financing Documents to which it is a party, the Series 2024 Special Assessments or any

other agreement or instrument to which the District is a party and which is used or contemplated for use in the transactions contemplated hereby or by the Indentures, (5) the exclusion from gross income for federal income tax purposes of the interest on the Series 2024 Bonds, (6) the exemption under the Act of the Series 2024 Bonds and the interest thereon from taxation imposed by the State, (7) the legality of investment in the Series 2024 Bonds for certain investors as provided in the Act, (8) the issuance, sale or delivery of the Series 2024 Bonds, or (9) the collection of the Series 2024 Special Assessments and the pledge thereof under the Indentures to pay the principal, premium, if any, or interest on the Series 2024 Bonds.

(k) The District has not issued, assumed or guaranteed any indebtedness, incurred any material liabilities, direct or contingent, or entered into any contract or arrangement of any kind payable from or secured by a pledge of the respective Series 2024 Pledged Revenues pledged to the respective Series of Series 2024 Bonds with a lien thereon prior to or on a parity with the lien of the respective Series of Series 2024 Bonds.

(l) Between the date of this Purchase Agreement and the date of Closing, the District will not, without the prior written consent of the Underwriter, incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, other than (1) as contemplated by the Limited Offering Memorandum, or (2) in the ordinary course of business.

(m) Any certificates signed by any official of the District authorized to do so shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein.

(n) No representation or warranty by the District in this Purchase Agreement nor any statement, certificate, document or exhibit furnished or to be furnished by the District pursuant to this Purchase Agreement or the Limited Offering Memorandum or in connection with the transactions contemplated hereby contains or will contain on the date of Closing any untrue statement of a material fact or omits or will omit 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 no representation is made with respect to information concerning The Depository Trust Company, the Underwriter, or concerning information in the Limited Offering Memorandum under the captions "SUITABILITY FOR INVESTMENT," "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System," "THE DISTRICT – District Manager and Other Consultants," "THE LANDOWNER AND THE DEVELOPER," "THE DEVELOPMENT," "TAX MATTERS," "LITIGATION – Landowner," "CONTINUING DISCLOSURE – Landowner Continuing Compliance," and "UNDERWRITING."

(o) Except as disclosed in the Limited Offering Memorandum, the District is not in default and has not been in default at any time after December 31, 1975, as to principal or interest with respect to any obligations issued or guaranteed by the District.

**7. The Closing.** At 12:00 noon, New York time, on [Closing Date], or at such earlier or later time or date to which the District and the Underwriter may mutually agree, the District will, subject to the terms and conditions hereof, deliver the Series 2024 Bonds

to the Underwriter in full book-entry form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the aggregate purchase price of the Series 2024 Bonds as set forth in Section 1 hereof (such delivery of and payment for the Series 2024 Bonds is herein called the "Closing"). The District shall cause CUSIP identification numbers to be printed on the Series 2024 Bonds, but neither the failure to print such number on any Series 2024 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Series 2024 Bonds in accordance with the terms of this Purchase Agreement. The Closing shall occur at the offices of the District, or such other place to which the District and the Underwriter shall have mutually agreed. The Series 2024 Bonds shall be prepared and delivered as fully registered bonds in such authorized denominations and registered in full book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and shall be delivered to DTC during the business day prior to the Closing for purposes of inspection, unless the DTC "F.A.S.T." procedure is used which requires the Registrar to retain possession of the Series 2024 Bonds.

**8. Closing Conditions.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties, covenants and agreements of the District contained herein and contained in the documents and instruments delivered at the Closing, and upon the performance by the District of its obligations hereunder, as of the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Agreement to cause the purchase, acceptance of delivery and payment for the Series 2024 Bonds shall be subject to the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct on and as of the date of Closing, the statements made in all certificates and other documents delivered to the Underwriter at the Closing shall be true, complete and correct as of the date of Closing, and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement and the Indentures as of the date of Closing;

(b) At the Closing, (1) the Bond Resolution, the Assessment Resolutions, the Financing Documents and the Series 2024 Special Assessments shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and the District shall have adopted and there shall be in full force and effect such additional agreements therewith and in connection with the issuance of the Series 2024 Bonds all such action as in the reasonable opinion of Bond Counsel shall be necessary in connection with the transactions contemplated hereby, (2) the Limited Offering Memorandum shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, (3) there shall not have occurred any event that causes the Limited Offering Memorandum or any amendment or supplement thereto to contain an untrue or misleading statement of fact that in the opinion of the Underwriter or its counsel is material or omits to state a fact that in the opinion of the Underwriter or its counsel is material and necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (4) the District shall perform or shall have performed all of its obligations

under or specified in the Financing Documents to which it is a party to be performed at or prior to the Closing, and (5) the Series 2024 Bonds shall have been duly authorized, executed, authenticated and delivered; and

(c) At or prior to the Closing, the Underwriter shall have received executed or certified copies of the following documents:

(1) a certificate of the District, dated the date of Closing, regarding the Limited Offering Memorandum and no default;

(2) the Bond Resolution and Assessment Resolutions, certified by authorized officers of the District under its seal as true and correct copies and as having been adopted with only such amendments, modifications or supplements as may have been approved by the Underwriter;

(3) copies of the Indentures;

(4) a copy of the Limited Offering Memorandum, and any amendments or supplements thereto;

(5) a certificate of the District, dated the date of Closing, signed on its behalf by the Chairman or Vice Chairman and the Secretary or an Assistant Secretary of its Board of Supervisors, in substantially the form attached hereto as Exhibit C;

(6) an opinion, dated the date of Closing, of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, substantially in the form attached as an Appendix to the Limited Offering Memorandum;

(7) a supplemental opinion, dated the date of Closing, of Bond Counsel to the effect that (A) the Underwriter may rely on the approving opinion of Bond Counsel as though such opinion were addressed to it, (B) the Series 2024 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indentures are exempt from qualification under the Trust Indenture Act of 1939, as amended, and (C) Bond Counsel has reviewed (i) the statements contained in the Limited Offering Memorandum under the sections captioned "DESCRIPTION OF THE SERIES 2024 BONDS" (other than the portion thereof captioned "Book-Entry Only System" and other than any information therein relating to DTC or the book-entry system) and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" (other than the portions thereof captioned "Agreement for Assignment of Development Rights," "Completion Agreement" and "True-Up Agreement") and is of the opinion that insofar as such statements purport to summarize certain provisions of the Series 2024 Bonds and the Indentures, such statements are accurate summaries of the provisions purported to be summarized therein, and (ii) the information contained in the Limited Offering Memorandum under the section captioned "TAX MATTERS" and believes that such information is accurate;

(8) an opinion, dated the date of Closing, of Chiumento Law, PLLC, Palm Coast, Florida, District Counsel, in substantially the form attached hereto as Exhibit D;

(9) an opinion, dated the date of Closing, of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Counsel to the Underwriter (the "Underwriter's Counsel"), in form and substance satisfactory to the Underwriter;

(10) an opinion, dated the date of Closing and addressed to the Underwriter and the District, of counsel to the Trustee, in form and substance acceptable to the Underwriter and the District and a customary authorization and incumbency certificate, dated the date of Closing, signed by authorized officers of the Trustee;

(11) a certificate, dated the date of Closing, of the authorized officers of the District to the effect that, on the basis of the facts, estimates and circumstances in effect on the date of Closing, it is not expected that the proceeds of the Series 2024 Bonds will be used in a manner that would cause the Series 2024 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

(12) specimen Series 2024 Bonds;

(13) executed Financing Documents;

(14) a copy of the executed Letter of Representations between the District and DTC;

(15) copies of the Master Assessment Methodology for Assessment Area One, dated [July 15, 2022], and the [Supplemental Assessment Methodology], dated on or about the date hereof, each prepared by the Assessment Consultant;

(16) a certificate of the Assessment Consultant, in substantially the form attached hereto as Exhibit E;

(17) copies of the Master Engineer's Report – Assessment Area One, dated July 12, 2022, and the [Supplement to Engineer's Report for the Phase 1-3 Tract], dated [April \_\_, 2024], each prepared by the Consulting Engineer;

(18) a certificate of the Consulting Engineer, in substantially the form attached hereto as Exhibit F;

(19) a certificate of the District Manager and Dissemination Agent, in substantially the form attached hereto as Exhibit G;

(20) a certificate of the Landowner, in substantially the form attached hereto as Exhibit H and an opinion of counsel to the Landowner in substantially the form attached hereto as Exhibit I;

(21) evidence of compliance with the requirements of Section 189.051 and Section 215.84, Florida Statutes;

(22) copies of the final judgment and certificate of no appeal; and

(23) such additional legal opinions, certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax exempt character of the Series 2024 Bonds, which certificates shall be satisfactory in form and substance to Bond Counsel), and other evidence as the Underwriter, Bond Counsel or Underwriter's Counsel may deem necessary to evidence the truth and accuracy as of the date of Closing of the representations and warranties of the District herein contained and of the information contained in the Limited Offering Memorandum and the due performance and satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by it.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance as set forth herein or as described herein or as otherwise satisfactory to the Underwriter. Receipt of, and payment for, the Series 2024 Bonds shall constitute evidence of the satisfactory nature of such as to the Underwriter. The performance of any and all obligations of the District hereunder and the performance of any and all conditions herein for the benefit of the Underwriter may be waived by the Underwriter in its sole discretion.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to cause the purchase, acceptance of delivery and payment for the Series 2024 Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to cause the purchase, acceptance of delivery and payment for the Series 2024 Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate, and neither the Underwriter nor the District shall be under further obligation hereunder; provided, however, that the respective obligations of the Underwriter and the District set forth in Section 10 hereof shall continue in full force and effect.

**9. Termination.** The Underwriter may terminate this Purchase Agreement by written notice to the District in the event that between the date hereof and the date of Closing:

(a) the marketability of the Series 2024 Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by (1) an amendment to the Constitution of the United States, (2) any legislation (other than any actions taken by either House of Congress on or prior to the date hereof) (A) enacted or adopted by the United States, (B) recommended to the Congress or otherwise endorsed for passage, by press release, other form of notice or otherwise, by the President of the United States, the Chairman 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, the Treasury Department of the United States or the Internal Revenue Service, or (C) favorably reported out of the appropriate Committee for passage to either



House of the Congress by any full Committee of such House to which such legislation has been referred for consideration, (3) any decision of any court of the United States, (4) any order, rule or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority or regulatory body of the United States, (5) a release or announcement or communication issued or sent by the Treasury Department of the United States or the Internal Revenue Service, or (6) any comparable legislative, judicial or administrative development affecting the federal tax status of the District, its property or income, obligations of the general character of the Series 2024 Bonds, as contemplated hereby, or the interest thereon; or

(b) any legislation, rule, or regulation shall be introduced in, or be enacted or adopted in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(c) any amendment to the Limited Offering Memorandum is proposed by the District or deemed necessary by Bond Counsel or the Underwriter which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(d) there shall have occurred any outbreak or escalation of hostility, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriter, impractical or inadvisable to proceed with the offering or delivery of the Series 2024 Bonds as contemplated by the Limited Offering Memorandum (exclusive of any amendment or supplement thereto); or

(e) legislation shall be enacted or adopted, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission (the "SEC") which, in the reasonable opinion of Bond Counsel, has the effect of requiring the contemplated distribution of the Series 2024 Bonds to be registered under the Securities Act of 1933, as amended (the "1933 Act"), or the Indentures to be qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing; or

(f) legislation shall be introduced by amendment or otherwise in or be enacted by the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, release, regulation, official statement or no-action letter by or on behalf of the SEC or any other governmental authority having jurisdiction of the subject matter of the Series 2024 Bonds shall have been proposed, issued or made (which is beyond the control of the Underwriter or the District to prevent or avoid) to the effect that the issuance, offering or sale of the Series 2024 Bonds as contemplated hereby or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Series 2024 Bonds is or would be in violation of any of the federal securities laws at Closing, including the 1933 Act, as amended and then in effect, the Securities Exchange Act of 1934, as amended and then in effect, or the 1939 Act, as amended and then in effect, or with the purpose or effect of

otherwise prohibiting the offering and sale of either the Series 2024 Bonds as contemplated hereby, or of obligations of the general character of the Series 2024 Bonds; or

(g) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the District or proceedings under the federal or State bankruptcy laws shall have been instituted by the District, in either case the effect of which, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect the market price or the marketability of the Series 2024 Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Series 2024 Bonds; or

(h) a general banking moratorium shall have been declared by the United States, New York or State authorities which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(i) any national securities exchange or any governmental authority shall impose, as to the Series 2024 Bonds or obligations of the general character of the Series 2024 Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the establishment of material restrictions upon trading of securities, including limited or minimum prices, by any governmental authority or by any national securities exchange which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(j) legal action shall have been filed against the District wherein an adverse ruling would materially adversely affect the transactions contemplated hereby or by the Limited Offering Memorandum or the validity of the Series 2024 Bonds, the Bond Resolution, the Assessment Resolutions or any of the Financing Documents; provided, however, that as to any such litigation, the District may request and the Underwriter may accept an opinion by Bond Counsel, or other counsel acceptable to the Underwriter, that in such counsel's opinion the issues raised by any such litigation or proceeding are without substance or that the contentions of any plaintiffs therein are without merit; or

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the District's obligations; or

(l) any information shall have become known which, in the Underwriter's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Limited Offering Memorandum, as the information contained therein has been supplemented or amended by other information, or causes the Limited Offering Memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit 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 and upon the receipt of notice of same by the District, the District fails to promptly amend or supplement the Limited Offering Memorandum; or

(m) an event occurs as a result of which the Limited Offering Memorandum, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact which is 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 which, in the reasonable opinion of the Underwriter, requires an amendment or supplement to the Limited Offering Memorandum and, in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Series 2024 Bonds or the contemplated offering prices thereof and upon the receipt of notice by the District, the District fails to promptly amend or supplement the Limited Offering Memorandum; or

(n) the Internal Revenue Service makes a determination with respect to any special purpose development district formed under State law (referred to herein as a "Special District") deeming that all or certain of such Special Districts are not a "political subdivision" for purposes of Section 103(a) of the Internal Revenue Code, and such determination, in the reasonable opinion of the Underwriter, materially adversely affects the federal tax status of the District, the tax exempt character or marketability of the Series 2024 Bonds or the contemplated offering prices thereof.

#### **10. Expenses.**

(a) The District agrees to pay from the proceeds of the Series 2024 Bonds, and the Underwriter shall be under no obligation to pay, all expenses incident to the performance of the District's obligations hereunder, including but not limited to (1) the cost of the preparation, printing or other reproduction (for distribution prior to, on or after the date of acceptance of this Purchase Agreement) of a reasonable number of copies of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, (2) the fees and disbursements of Bond Counsel, District Counsel, Underwriter's Counsel, Governmental Management Services – Central Florida, LLC, as Assessment Consultant, Parker Mynchenberg & Associates, Inc., as Consulting Engineer, and any other experts or consultants retained by the District, including, but not limited to, the fees and expenses of the District Manager and the Dissemination Agent, (3) the fees and disbursements of the Trustee, Registrar and Paying Agent under the Indentures, and (4) out-of-pocket expenses of the District.

(b) The Underwriter shall pay (1) the cost of qualifying the Series 2024 Bonds for sale in various states chosen by the Underwriter and the cost of preparing or printing any Blue Sky and legal investment memoranda to be used in connection with such sale, and (2) out-of-pocket expenses and advertising incurred by it in connection with their offering and distribution of the Series 2024 Bonds.

(c) In the event that either the District or the Underwriter shall have paid obligations of the other as set forth in this Section, adjustment shall be made at or prior to Closing.

**11. Notices.** All notices, demands and formal actions hereunder shall be in writing and mailed, telegraphed or delivered to:

The Underwriter: MBS Capital Markets, LLC  
152 Lincoln Avenue  
Winter Park, Florida 32789  
Attn: Brett Sealy

The District: Gardens at Hammock Beach Community Development  
District  
c/o Governmental Management Services – Central  
Florida, LLC  
219 East Livingston Street  
Orlando, Florida 32801  
Attn: George Flint

Copy to District Counsel: Chiumento Law, PLLC  
145 City Place, Suite 301  
Palm Coast, Florida 32164  
Attn: Michael D. Chiumento III, Esq.

**12. Parties in Interest.** This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assignees of the District or the Underwriter) and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriter, (b) the delivery of and payment for the Series 2024 Bonds pursuant to this Purchase Agreement, or (c) any termination of this Purchase Agreement but only to the extent provided by the last paragraph of Section 8 hereof.

**13. Waiver.** Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in its sole discretion.

**14. Effectiveness.** This Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Chairman or Vice Chairman and shall be valid and enforceable at the time of such acceptance.

**15. Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as a net original and all of which shall constitute one and the same document.

**16. Headings.** The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

**17. Florida Law Governs.** The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State.

**18. Truth In Bonding Statement.** Pursuant to the provisions of Section 218.385(2) and (3), Florida Statutes, as amended, the Underwriter provides the following truth-in-bonding statement:

(a) The District is proposing to issue \$[2024-1 Amount].00 of its Series 2024-1 Bonds for the purposes described in Section 2 hereof. This obligation is expected to be repaid over a period of approximately [30] years. At a true interest cost of approximately [2024-1 TIC]%, total interest paid over the life of the obligation will be \$[\_\_\_\_\_]. The District is proposing to issue \$[2024-2 Amount].00 of its Series 2024-2 Bonds for the purposes described in Section 2 hereof. This obligation is expected to be repaid over a period of approximately [30] years. At a true interest cost of approximately [2024-2 TIC]%, total interest paid over the life of the obligation will be \$[\_\_\_\_\_].

(b) The source of repayment for the Series 2024-1 Bonds is the Series 2024-1 Pledged Revenues (as described in Section 2 hereof). Authorizing this obligation will result in an average of approximately \$[\_\_\_\_\_] not being available to finance other services of the District every year for approximately [30] years; provided however, that in the event that the Series 2024-1 Bonds were not issued, the District would not be entitled to impose and collect the Series 2024-1 Special Assessments in the amount of the principal of and interest to be paid on the Series 2024-1 Bonds. The source of repayment for the Series 2024-2 Bonds is the Series 2024-2 Pledged Revenues (as described in Section 2 hereof). Authorizing this obligation will result in an average of approximately \$[\_\_\_\_\_] not being available to finance other services of the District every year for approximately [30] years; provided however, that in the event that the Series 2024-2 Bonds were not issued, the District would not be entitled to impose and collect the Series 2024-2 Special Assessments in the amount of the principal of and interest to be paid on the Series 2024-2 Bonds.

**19. No Advisory or Fiduciary Role.** The District acknowledges and agrees that (a) the purchase and sale of the Series 2024 Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as an 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), agent or fiduciary of the District, (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter or any affiliate of the Underwriter has provided other services or is currently providing other services to the District on other matters) and the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement, (d) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering of the Series 2024 Bonds, (e) the Underwriter has financial and other interests that differ from those of the District, and (f) the District has received the Underwriter's G-17 Disclosure Letter.

**20. Establishment of Issue Price.**

(a) The Underwriter agrees to assist the District in establishing the issue price of the Series 2024 Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit J, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2024 Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first price at which 10% of each maturity of the Series 2024 Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Series 2024 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2024 Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Series 2024 Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until the 10% test has been satisfied as to the Series 2024 Bonds of that maturity or until all Series 2024 Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Series 2024 Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Series 2024 Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2024 Bonds, the Underwriter will neither offer nor sell unsold Series 2024 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter acknowledges that sales of any Series 2024 Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) "public" means any person other than an underwriter or a related party;

(2) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the public);

(3) a purchaser of any of the Series 2024 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) "sale date" means the date of execution of this Purchase Agreement by all parties.

[Remainder of Page Intentionally Left Blank]

21. **Entire Agreement.** This Purchase Agreement when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the District or the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Brett Sealy, Managing Partner

Accepted by:

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Clint Smith, Chairman,  
Board of Supervisors



**EXHIBIT A**

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS,  
PRICES AND INITIAL CUSIP NUMBERS†**

The purchase price for the Series 2024-1 Bonds shall be \$[2024-1 PP] (representing the \$[2024-1 Amount].00 aggregate principal amount of the Series 2024-1 Bonds, [less/plus] [net] original issue [discount/premium] of \$[2024-1 OID/OIP] and less an Underwriter's discount of \$[2024-1 UD]) and the purchase price for the Series 2024-2 Bonds shall be \$[2024-2 PP] (representing the \$[2024-2 Amount].00 aggregate principal amount of the Series 2024-2 Bonds, [less/plus] [net] original issue [discount/premium] of \$[2024-2 OID/OIP] and less an Underwriter's discount of \$[2024-2 UD]).

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<u>Number</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
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\* Represents maturity for which 10% test has been met as of sale date.

† The District is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness.

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**Redemption Provisions**

*Optional Redemption.* The Series 2024-1 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20[\_\_\_], at the Redemption Price of the principal amount of the Series 2024-1 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2024-2 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20[\_\_\_], at the Redemption Price of the principal amount of the Series 2024-2 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

*Mandatory Sinking Fund Redemption.* The Series 2024-1 Bond maturing on May 1, 20[\_\_\_], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

[Remainder of Page Intentionally Left Blank]

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-1 Bond maturing on May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-1 Bond maturing on May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2024-1 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2024-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

The Series 2024-2 Bond maturing on May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal

amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-2 Bond maturing on May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-2 Bond maturing on May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2024-2 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2024-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

Extraordinary Mandatory Redemption. The Series 2024-1 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

(a) on or after the Completion Date of the Phase 1-3 CIP, by application of moneys transferred from the Series 2024-1 Acquisition and Construction Account to the Series 2024-1 Prepayment Account in accordance with the terms of the 2024-1 Indenture; or

(b) from amounts required by the 2024-1 Indenture to be deposited into the Series 2024-1 Prepayment Account including, but not limited to, Series 2024-1 Prepayment Principal and any excess amounts in the Series 2024-1 Debt Service Reserve Account as a result of the deposit of such Series 2024-1 Prepayment Principal and any excess amount on deposit in the Series 2024-1 Debt Service Reserve Account resulting from a reduction in the Series 2024-1 Debt Service Reserve Requirement; or

(c) on the date on which the amount on deposit in the Series 2024-1 Debt Service Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024-1 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024-1 Bonds shall be called for redemption, the particular Series 2024-1 Bonds or portions of Series 2024-1 Bonds to be redeemed shall, unless otherwise provided in the 2024-1 Indenture, be selected by lot by the Registrar as provided in the 2024-1 Indenture.

The Series 2024-2 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

(a) on or after the Completion Date of the Phase 1-3 CIP, by application of moneys transferred from the Series 2024-2 Acquisition and Construction Account to the Series 2024-2 Prepayment Account in accordance with the terms of the 2024-2 Indenture; or

(b) from amounts required by the 2024-2 Indenture to be deposited into the Series 2024-2 Prepayment Account including, but not limited to, Series 2024-2 Prepayment Principal and any excess amounts in the Series 2024-2 Debt Service Reserve Account as a result of the deposit of such Series 2024-2 Prepayment Principal and any excess amount on deposit in the Series 2024-2 Debt Service Reserve Account resulting from a reduction in the Series 2024-2 Debt Service Reserve Requirement; or

(c) on the date on which the amount on deposit in the Series 2024-2 Debt Service Reserve Account, together with other moneys available therefor, are sufficient to pay and

redeem all of the Series 2024-2 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024-2 Bonds shall be called for redemption, the particular Series 2024-2 Bonds or portions of Series 2024-2 Bonds to be redeemed shall, unless otherwise provided in the 2024-2 Indenture, be selected by lot by the Registrar as provided in the 2024-2 Indenture.

**EXHIBIT B**

**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT  
(Flagler County, Florida)**

**[\$[2024-1 Amount] Special Assessment Bonds (Assessment Area One),  
Series 2024-1**      **[\$[2024-2 Amount] Special Assessment Bonds (Assessment Area Two),  
Series 2024-2**

**DISCLOSURE STATEMENT**

[BPA Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (collectively, the "Series 2024 Bonds"), MBS Capital Markets, LLC (the "Underwriter"), having purchased the Series 2024 Bonds pursuant to a Bond Purchase Agreement, dated as of [BPA Date] (the "Purchase Agreement"), between the Underwriter and Gardens at Hammock Beach Community Development District (the "District"), makes the following disclosures in connection with the limited public offering and sale of the Series 2024 Bonds:

(a) The total underwriting discount paid to the Underwriter pursuant to the Purchase Agreement is \$[\_\_\_\_\_] (approximately [\_\_]%).

(b) The total amount of expenses estimated to be incurred by the Underwriter in connection with the issuance of the Series 2024 Bonds is \$[\_\_\_\_\_]. An itemization of these expenses is attached hereto as Schedule I.

(c) 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 2024 Bonds.

(d) The components of the Underwriter's discount are as follows:

	Per \$1,000
Management Fee	_____
Takedown	
Expenses	_____

(e) There are no other fees, bonuses, or other compensation estimated to be paid by the Underwriter in connection with the Series 2024 Bonds to any person not regularly employed or retained by the Underwriter.

(f) The name and address of the Underwriter is set forth below:

MBS Capital Markets, LLC  
152 Lincoln Avenue  
Winter Park, Florida 32789

We understand that you do not require any further disclosure from the Underwriter, pursuant to Section 218.385(6), Florida Statutes.

Very truly yours,

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Brett Sealy, Managing Partner

**SCHEDULE I**

**ESTIMATED EXPENSES TO BE INCURRED BY UNDERWRITER**

Travel Expenses

Communication

Day Loan

Clearance & Settlement Charges

CUSIP / DTC

Contingency

**Total**

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**EXHIBIT C**

**FORM OF CERTIFICATE OF DISTRICT**

The undersigned, as Chairman and Secretary, respectively, of the Board of Supervisors (the "Board") of Gardens at Hammock Beach Community Development District (the "District"), a local unit of special-purpose government duly established and validly existing under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (the "Act"), hereby certify to MBS Capital Markets, LLC (the "Underwriter") in satisfaction of Section 8(c)(5) of the Bond Purchase Agreement, dated [BPA Date], between the District and the Underwriter (the "Purchase Agreement") in connection with the issuance by the District of its \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and its \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "Series 2024 Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Purchase Agreement):

1. Clint Smith is the duly appointed and acting Chairman of, and George S. Flint is the duly appointed and acting Secretary to, the Board, authorized by resolution of the Board pursuant to the Act to be custodian of all bonds, documents and papers filed with the District and the official seal of the District.

2. The following named persons are as of the date hereof the duly elected, qualified and acting members of the Board:

<u>Name</u>	<u>Term Expires</u>
Clint Smith*	November 2026
David Lusby*	November 2024
William Livingston*	November 2024
David R. Root*	November 2026
Denise Bunch*	November 2024

\*Elected or appointed by the Landowner.

3. The following named persons are the only designated, elected or appointed, qualified and acting officers of the Board, holding the office of appointment set forth opposite their names, respectively:

<u>Name</u>	<u>Title</u>	<u>Name</u>	<u>Title</u>
Clint Smith	Chairman	George S. Flint	Secretary
David Lusby	Vice Chairman	Jill Burns	Treasurer
William Livingston	Assistant Secretary	Katie Costa	Assistant Treasurer
David R. Root	Assistant Secretary	Darrin Mossing	Assistant Treasurer
Denise Bunch	Assistant Secretary		

Each of said persons since his or her appointment as aforesaid has been and now is the duly designated and qualified officer of the Board holding the office set forth opposite

his or her name, if required to file an oath of office, has done so, and if legally required to give a bond or undertaking has filed such bond or undertaking in form and amount required by law.

4. The seal, an impression of which appears below, is the only proper and official seal of the District.

5. At duly called and held meetings of the Board on December 16, 2019 and May [17], 2024, the Board duly adopted Resolution Nos. 2020-02, 2024-[\_\_] and 2024-[\_\_] (collectively, the "Bond Resolution"), which Bond Resolution remains in full force and effect on the date hereof.

6. At duly called and held meetings of the Board on July 15, 2022, September 16, 2022, and [\_\_\_\_], 2024, the Board duly adopted Resolution Nos. 2022-02, 2022-03, 2022-05 and 2024-\_\_ (collectively, the "Assessment Resolution"), which Assessment Resolution remains in full force and effect on the date hereof.

7. The above referenced meetings of the Board at which the Bond Resolution and Assessment Resolution were adopted were duly called in accordance with applicable law and at said meetings a quorum was present and acted throughout. All meetings of the Board at which the Board considered any matters related to the Bond Resolution, the Assessment Resolution, the Indentures, the Series 2024 Bonds or any documents related to the issuance of the Series 2024 Bonds have been open to the public and held in accordance with the procedures required by Section 189.015 and Chapter 286, Florida Statutes, and all laws amendatory thereof and supplementary thereto.

8. The District has complied with the provisions of Chapters 170, 190 and 197, Florida Statutes, related to the imposition, levy, collection and enforcement of the Series 2024 Special Assessments.

9. Upon authentication and delivery of the Series 2024 Bonds, the District will not be in default in the performance of the terms and provisions of the Bond Resolution, the Assessment Resolution or the Indentures.

10. Each of the representations and warranties made by the District in the Purchase Agreement is true and accurate on and as of this date.

11. The District has complied with all the agreements and satisfied all the conditions on its part to be complied with on or before the date hereof for delivery of the Series 2024 Bonds pursuant to the Purchase Agreement, the Bond Resolution, the Assessment Resolution and the Indentures.

12. To the best of our knowledge, since the date of the Limited Offering Memorandum, no material or adverse change has occurred in the business, properties, other assets or financial position of the District or results of operations of the District, and to the best of our knowledge, the District has not, since the date of the Limited Offering Memorandum, incurred any material liabilities other than as set forth in or contemplated by the Limited Offering Memorandum.

13. To the best of our knowledge, the statements appearing in the Limited Offering Memorandum did not as of its date and do not as of the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be included therein or necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading; provided, however, that no representation is made with respect to information concerning The Depository Trust Company or its book-entry only system, or concerning information in the Limited Offering Memorandum under the captions "SUITABILITY FOR INVESTMENT," "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System," "THE DISTRICT – District Manager and Other Consultants," "THE LANDOWNER AND THE DEVELOPER," "THE DEVELOPMENT," "TAX MATTERS," "LITIGATION – Landowner," "CONTINUING DISCLOSURE – Landowner Continuing Compliance," and "UNDERWRITING." Subject to the foregoing limitations, nothing has come to our attention which would lead us to believe that the Limited Offering Memorandum, as of its date or as of the date hereof contained an untrue statement of a material fact, or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

14. Except as set forth in the Limited Offering Memorandum, no litigation or other proceedings are pending or to the knowledge of the District threatened in or before any agency, court or tribunal, state or federal, (a) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2024 Bonds or the imposition, levy and collection of the Series 2024 Special Assessments or the pledge thereof to the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds, (b) questioning or affecting the validity of any provision of the Series 2024 Bonds, the Bond Resolution, the Assessment Resolution, the Financing Documents or the Series 2024 Special Assessments, (c) questioning or affecting the validity of any of the proceedings or the authority for the authorization, sale, execution or delivery of the Series 2024 Bonds, (d) questioning or affecting the organization or existence of the District or the title of any of its officers to their respective offices or any powers of the District under the laws of the State, (e) contesting or affecting the Series 2024 Special Assessments or the Phase 1-3 CIP, (f) contesting the accuracy or completeness of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or any amendment or supplement thereto, (g) contesting the exclusion of interest on the Series 2024 Bonds from federal income taxation, or (h) contesting the exemption from taxation of the Series 2024 Bonds and the interest thereon under State law or the legality for investment therein.

15. To the best of our knowledge, the interest rates on the Series 2024 Bonds are in compliance with the requirements of Section 215.84(3), Florida Statutes.

[Remainder of Page Intentionally Left Blank]

**IN WITNESS WHEREOF**, we have executed this certificate and affixed the official seal of the District as of the [ ] day of June, 2024.

(SEAL)

By: \_\_\_\_\_  
Clint Smith, Chairman, Board of Supervisors  
Gardens at Hammock Beach  
Community Development District

By: \_\_\_\_\_  
George S. Flint, Secretary,  
Gardens at Hammock Beach  
Community Development District

## EXHIBIT D

### FORM OF DISTRICT COUNSEL OPINION

[Closing Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

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

MBS Capital Markets, LLC  
Winter Park, Florida

Re:     \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "**Series 2024 Bonds**")

Ladies and Gentlemen:

We serve as legal counsel to Gardens at Hammock Beach Community Development District (the "District"), a community development district established pursuant to the laws of the State of Florida, in connection with the sale by the District of the above referenced Series 2024 Bonds. Unless otherwise expressly defined herein, capitalized terms used herein have the respective meanings assigned to them in the Bond Purchase Agreement, dated [BPA Date] (the "Contract of Purchase") with respect to the Series 2024 Bonds between MBS Capital Markets, LLC (the "Underwriter"), and the District.

In our capacity as legal counsel to the District, we have examined such documents and have made such examinations of law 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, the Underwriter, Bond Counsel, counsel for the Underwriter, the landowners and the Consulting Engineer relative to the Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum") and other related documents pertaining to the Series 2024 Bonds as described below.

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

1. Under the Constitution and laws of the State of Florida, the District has been duly established and validly exists as a community development district with such powers as set forth in the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act") with good, right and lawful authority to, among other things, carry out the Phase 1-3 CIP, provide funds therefore through the issuance of the Series 2024 Bonds,

assess, levy and collect the Series 2024 Special Assessments and perform under the terms and conditions of the Master Trust Indenture, dated as of June 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Trust Indenture and the Second Supplemental Trust Indenture, each dated as of June 1, 2024 (the "Supplemental Indentures" and together with the Master Indenture, the "Indenture"), between the District and the Trustee, and the Contract of Purchase as it relates to the Development.

2. The District is authorized under the Constitution and the laws of the State of Florida, including the Act, to (a) issue the Series 2024 Bonds for the purposes for which they are to be issued, (b) secure the Series 2024 Bonds as provided by the Indenture, (c) enter into and perform under the Contract of Purchase and Indenture, and (d) undertake the Phase 1-3 CIP.

3. The District has full right, power and authority to (a) adopt a resolution authorizing the issuance of the Series 2024 Bonds and the execution and delivery of the Contract of Purchase and the Indenture and adopt resolutions levying, imposing and equalizing the Series 2024 Special Assessments (collectively, the "Resolutions"), (b) execute, deliver and perform its obligations under the Contract of Purchase, the Indenture and the following agreements (collectively referred to as the "Bond Documents"):

- (i) Continuing Disclosure Agreements,
- (ii) [True Up Agreements],
- (iii) [Completion Agreements],
- (iv) [Collateral Assignments and Assumption of Development Rights Relating to the Property], and
- (v) [Agreements for the Acquisition of Certain Work Product, Materials, and Infrastructure]; and

(c) consummate the transactions contemplated by such instruments; and the District has complied with all provisions of the applicable law in all matters relating to such transactions.

4. The District has duly authorized the execution, delivery and lawful distribution of the Limited Offering Memorandum.

The District has duly authorized all necessary action to be taken by it for: (a) the issuance and sale of the Series 2024 Bonds upon the terms set forth in the Contract of Purchase and in the Limited Offering Memorandum; (b) the approval of the Limited Offering Memorandum and the execution of the Limited Offering Memorandum by a duly authorized officer; and (c) the execution, delivery and receipt of the Contract of Purchase, the Series 2024 Bonds, the Indenture, the Bond Documents, and any and all such other agreements and documents as may be required to be executed, delivered and received by the District in order to carry out, give effect to, and consummate the transactions contemplated by the Series 2024 Bonds and the Resolutions.

5. All proceeds undertaken by the District with respect to the Series 2024 Special Assessments have been in accordance with applicable Florida law and the District has

taken all action necessary to assess and impose the Series 2024 Special Assessments. The Series 2024 Special Assessments are made, co-equal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid.

6. As of the date hereof, the Resolutions are in full force and have been duly adopted by the District. As of the date hereof, assuming the due authorization, execution and delivery of such instruments by the parties thereto and their authority to perform such instruments, the Resolutions, the Indenture, the Contract of Purchase and the Bond Documents will constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms (except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws affecting creditors rights generally and general principles of equity).

To the best of our knowledge, the consummation of the transactions described in all the foregoing instruments did not at the time of such adoption, authorization, execution, delivery or distribution, do not on the date hereof and will not at the time of such consummation, conflict with or constitute on the part of the District a breach or violation of the terms and provisions of, or constitute a default under, (a) any existing constitution, laws, court or administrative rules or regulations, to which it is subject, or any decree, order or judgment to which it is a party or by which it is bound in force and effect on the date hereof, (b) any existing agreement, indenture, mortgage, lease, deed of trust, note or other instrument known to it which the District is subject or by which it is or its properties are bound, or (c) the Act, and will not result in the creation or imposition of any encumbrance upon any of the properties or assets of the District other than those contemplated by the Resolutions.

9. To the best of our knowledge, the District is not in default under the terms and provisions of the Indenture. In addition, to the best of our knowledge, the District is not in default under any other agreement, indenture, mortgage, lease, deed of trust, note or other instrument to which the District is subject or by which it or its properties are bound, which default would have a material adverse effect on the condition of the District, financial or otherwise.

10. There is no known action, suit or proceedings at law or in equity by or before any court or public board or body pending or to our knowledge threatened against the District (or any basis therefore) (a) seeking to restrain or enjoin the issuance or delivery of the Series 2024 Bonds or the application of the proceeds thereof, (b) contesting or affecting the authority for the Series 2024 Special Assessments or the issuance of the Series 2024 Bonds or the validity or enforceability of the Series 2024 Bonds, the Indenture, the Contract of Purchase, the Bond Documents or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence of the District or any of its Supervisors, officers or employees, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the District, including its power to enter into the agreements described herein, or its power to determine, assess, levy and collect the Series 2024 Special Assessments, or (d) contesting or affecting the exclusion from federal gross income of interest on the Series 2024 Bonds.

11. In the course of our representation of the District, nothing has come to our attention which would lead us to believe that the statements contained in the Limited Offering Memorandum under the captions "INTRODUCTION," "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Collateral Assignment," "– Completion Agreement," and "– True-Up Agreement," "ENFORCEMENT OF ASSESSMENT COLLECTIONS," "THE DISTRICT," "LITIGATION – District," "CONTINUING DISCLOSURE – General" and "CONTINUING DISCLOSURE – District Continuing Compliance," contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements, in light of the circumstances in which they were made, not misleading.

12. All conditions prescribed in the Indenture as precedent to the issuance of the Series 2024 Bonds have been fulfilled. The Series 2024 Bonds have been validly authorized and executed and when authenticated and delivered pursuant to the request of the District will be valid obligations of the District entitled to the benefit of the trusts created in the Indenture 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. Any consents of any Regulatory Body (as such term is defined in the Indenture) required in connection with the issuance of the Series 2024 Bonds or in connection with the acquisition of the improvements included in the Phase 1-3 CIP have been obtained or can be reasonably expected to be obtained based on certifications from the Consulting Engineer.

This opinion shall not be deemed or treated as an offering circular, prospectus, official statement or other disclosure statement to be used in connection with the sale or delivery of the Series 2024 Bonds. In addition, this opinion is predicated upon present laws, facts and circumstances and we assume no obligation to update this opinion if such laws, facts or circumstances change after the date hereof. The opinions or statements expressed above are based solely on the laws of the State of Florida and of the United States of America. Accordingly, we express no opinion nor make any statement regarding the effect or application of the laws of any other state or jurisdiction.

This letter is solely for your benefit, and it is not to be used, circulated, quoted or otherwise referred to for any purpose other than the sale of the Series 2024 Bonds and may not be relied upon without our express written permission, except that reference may be made to it in any list of closing documents pertaining to the sale and delivery of the Series 2024 Bonds.

Sincerely,

Michael D. Chiumento III  
Attorney  
MDC/cm



## EXHIBIT E

### FORM OF CERTIFICATE OF ASSESSMENT CONSULTANT

[Closing Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

I, George S. Flint, Vice President of Governmental Management Services – Central Florida, LLC ("GMS-CF"), do hereby certify to Gardens at Hammock Beach Community Development District (the "District") and MBS Capital Markets, LLC (the "Underwriter"), in connection with the issuance, sale and delivery by the District on this date of its \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and its \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "Series 2024 Bonds") as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum") of the District relating to the Series 2024 Bonds):

1. GMS-CF has been retained by the District to prepare the Master Assessment Methodology for Assessment Area One, dated [July 15, 2022], and the [Supplemental Assessment Methodology], dated [BPA Date], comprising a part of the assessment proceedings of the District (collectively, the "Report");

2. the Series 2024 Special Assessments when, as and if finally determined in accordance with the methodology set forth in such Report will be sufficient to meet the debt service requirements on the Series 2024 Bonds;

3. the Phase 1-3 CIP provides a special benefit to the properties assessed and the Series 2024 Special Assessments are fairly and reasonably allocated to the properties assessed;

4. GMS-CF consents to the use of the Report included as Appendix B to the Limited Offering Memorandum;

5. GMS-CF consents to the references to the firm in the Limited Offering Memorandum;

6. the Report was prepared in accordance with all applicable provisions of State law;

7. except as disclosed in the Limited Offering Memorandum, GMS-CF knows of no material change in the matters described in the Report and is of the opinion that the considerations and assumptions used in compiling the Report are reasonable; and

8. the information contained in the Report and in the Limited Offering Memorandum under the caption "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" is true and correct in all material respects and such information did not, and does not, contain any untrue statement of a material fact and did not, and does not, omit to state any fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

**IN WITNESS WHEREOF**, the undersigned has executed this certificate as of the date set forth above.

**GOVERNMENTAL MANAGEMENT  
SERVICES – CENTRAL FLORIDA, LLC**

By: \_\_\_\_\_  
George S. Flint, Vice President

## EXHIBIT F

### FORM OF CERTIFICATE OF CONSULTING ENGINEER

[Closing Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

Re: Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "Series 2024 Bonds")

Ladies and Gentlemen:

The undersigned serves as the Consulting Engineer to the Gardens at Hammock Beach Community Development District (the "District"). This Certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase Agreement, dated [BPA Date], between the District and MBS Capital Markets, LLC (the "Purchase Agreement"), relating to the sale of the Series 2024 Bonds. Terms used herein in capitalized form and not otherwise defined herein shall have the meaning ascribed thereto in said Purchase Agreement or in the Limited Offering Memorandum, dated [BPA Date], relating to the Series 2024 Bonds (the "Limited Offering Memorandum").

1. Parker Mynchenberg & Associates, Inc. (the "Firm") has been retained by the District to serve as the Consulting Engineer and to prepare the Master Engineer's Report – Assessment Area One, dated July 12, 2022, and the [Supplement to Engineer's Report for the Phase 1-3 Tract], dated [April \_\_, 2024] (collectively, the "Report") included as an appendix to the Limited Offering Memorandum. Consent is hereby given to the references to the Firm and the Report in the Limited Offering Memorandum and to the inclusion of the Report as an appendix to the Limited Offering Memorandum.

2. The Report was prepared in accordance with generally accepted engineering practices. The cost estimates in the Report are fair, reasonable, and consistent with current market conditions, and do not exceed the lesser of the actual costs of completing the Phase 1-3 CIP or fair market value thereof.

3. In connection with the preparation of the Report personnel of the Firm participated in meetings with representatives of the District and its counsel, Bond Counsel, the Underwriter and its counsel and others in regard to the Phase 1-3 CIP. The Phase 1-3 CIP consists solely of infrastructure and other improvements set forth in the Act. Nothing has come to the attention of the Firm in relation to our engagement as described in this paragraph which would cause us to believe that the Report was, as of its date, or is as of the date hereof, or any of the statements in the Limited Offering Memorandum specifically

attributed to the Firm were, as of the date of the Limited Offering Memorandum, or are as of the date hereof, inaccurate in any material respect.

4. The information contained in the Limited Offering Memorandum under the heading "THE PHASE 1-3 CAPITAL IMPROVEMENT PROGRAM" and in Appendix "A" to the Limited Offering Memorandum are accurate statements and fairly present the information purported to be shown, and nothing has come to the attention of the Firm that would lead it to believe that such section and appendix contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in light of the circumstances in which they were made, not misleading.

5. Except as described in the Report, all permits, consents or licenses, and all notices to or filings with governmental agencies necessary for the construction and acquisition of the Phase 1-3 CIP as described in the Limited Offering Memorandum required to be obtained or made have been obtained or made or it is reasonable to believe that they will be obtained or made when required. There is no reason to believe that any permits, consents, licenses or governmental approvals required to complete any portion of the Phase 1-3 CIP as described in the Limited Offering Memorandum will not be obtained as required, and there is no reason to believe it is not feasible to complete the Phase 1-3 CIP as planned. There is no reason to believe that the necessary water and sewer capacity will not be available when needed to permit the development of the Development as described in the Limited Offering Memorandum.

**PARKER MYNCHENBERG & ASSOCIATES,  
INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT G

### FORM OF CERTIFICATE OF DISTRICT MANAGER AND DISSEMINATION AGENT

[Closing Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

I, George S. Flint, Vice President of Governmental Management Services – Central Florida, LLC ("GMS-CF"), do hereby certify to Gardens at Hammock Beach Community Development District (the "District") and MBS Capital Markets, LLC (the "Underwriter"), in connection with the issuance, sale and delivery by the District on this date of its \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and its \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "Series 2024 Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum"), of the District relating to the Series 2024 Bonds):

1. GMS-CF has acted as District Manager to the District in connection with the issuance of the Series 2024 Bonds;

2. GMS-CF consents to the references to the firm in the Limited Offering Memorandum;

3. as District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memorandum, as it relates to the District, or any information provided by us, as of its date and as of this date, 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;

4. as District Manager, 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 2024 Bonds, or in any way contesting or affecting the validity of the Series 2024 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 2024 Bonds, or the existence or powers of the District; and

5. GMS-CF has agreed to serve as the initial Dissemination Agent for the District and undertake the obligations of the Dissemination Agent as set forth in the Disclosure Agreements. In its capacity as Dissemination Agent, GMS-CF is aware of the continuing disclosure requirements set forth in the Disclosure Agreements and Rule 15c2-

12 and GMS-CF has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreements.

**IN WITNESS WHEREOF**, the undersigned has executed this certificate as of the date set forth above.

**GOVERNMENTAL MANAGEMENT  
SERVICES – CENTRAL FLORIDA, LLC**

By: \_\_\_\_\_  
George S. Flint, Vice President

## EXHIBIT H

### FORM OF CERTIFICATE OF LANDOWNER

[Closing Date]

Gardens at Hammock Beach Community Development District  
Flagler County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

The undersigned, the duly authorized representative of **PALM COAST INTRACOASTAL, LLC**, a Florida limited liability company, and **VERANDA BAY INVESTMENTS, LLC**, a Florida limited liability company (together, the "Landowner"), the developer and landowner of Veranda Bay (the "Development"), does hereby certify to the **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT** (the "District") and **MBS CAPITAL MARKETS, LLC** (the "Underwriter"), that:

1. This Certificate is furnished pursuant to Section 8(c)(20) of the Bond Purchase Agreement, dated [BPA Date], between the District and the Underwriter (the "Purchase Agreement") relating to the sale by the District of its \$[2024-1 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 and its \$[2024-2 Amount] Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (collectively, the "Series 2024 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Agreement.

2. Each entity comprising the Landowner is a limited liability company organized and existing under the laws of the State of Florida.

3. Representatives of the Landowner have provided information to the District and the Underwriter to be used in connection with the offering by the District of the Series 2024 Bonds, pursuant to a Preliminary Limited Offering Memorandum, dated [PLOM Date] (the "Preliminary Limited Offering Memorandum"), and a Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda").

4. The Financing Documents to which the Landowner is a party constitute valid and binding obligations of the Landowner enforceable against the Landowner in accordance with their respective terms.

5. The Landowner has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE PHASE 1-3 CAPITAL IMPROVEMENT PROGRAM," "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS," "THE LANDOWNER AND THE DEVELOPER," "THE DEVELOPMENT," "LITIGATION – Landowner," and "CONTINUING DISCLOSURE," and with respect to the Landowner and the Development under the captions "INTRODUCTION" and "BONDOWNERS' RISKS" and warrants and represents that such

information did not as of its date, 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 light of the circumstances under which they were made, not misleading. In addition, the Landowner is not aware of any other information in the Limited Offering Memoranda 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.

6. The Landowner represents and warrants that it has complied with and will continue to comply with Section 190.048, Florida Statutes.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Landowner which has not been disclosed in the Limited Offering Memoranda and/or in all other information provided by the Landowner to the Underwriter or the District.

8. The Landowner hereby consents to the levy of the Series 2024 Special Assessments on the lands in the District owned by the Landowner. The levy of the Series 2024 Special Assessments on the lands in the District owned by the Landowner will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Landowner is a party or to which its property or assets are subject. The Landowner agrees and acknowledges that the Series 2024 Special Assessments are valid and binding first liens on the real property on which they have been levied which is owned by the Landowner.

9. The 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. The 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.

10. The Landowner acknowledges that the Series 2024 Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Series 2024 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 2024 Bonds when due.

11. To the best of my knowledge, the Landowner is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Landowner is subject or by which the Landowner or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents or on the Development, and further, the Landowner is current in the payment of all ad valorem, federal and state taxes associated with the Development.

12. Except as otherwise disclosed in the Limited Offering Memoranda, there is no action, suit or proceeding 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 Landowner (or any



basis therefor) (a) seeking to restrain or enjoin the execution or delivery of the Financing Documents to which the Landowner is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, or (c) contesting or affecting the establishment or existence of the Landowner, or of the Landowner's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Landowner.

13. To the best of my knowledge after due inquiry, the Landowner 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 Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (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 Landowner is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Landowner's ability to complete or cause the completion of development of the Development as described in the Limited Offering Memoranda and all appendices thereto, and (d) there is no reason to believe that any permits, consents and licenses required to complete the Development as described in the Limited Offering Memoranda will not be obtained as required.

14. The Landowner acknowledges that it will have no rights under Chapter 170, Florida Statutes, to prepay, without interest, the Series 2024 Special Assessments imposed on lands in the District owned by the Landowner within thirty (30) days following completion of the Phase 1-3 CIP and acceptance thereof by the District.

15. The Landowner has never failed to timely comply with disclosure obligations pursuant to SEC Rule 15c2-12, other than as noted in the Limited Offering Memorandum under the heading "CONTINUING DISCLOSURE" and the Landowner is not insolvent.

**IN WITNESS WHEREOF**, the undersigned has executed this certificate for and on behalf of the Landowner as of the date set forth above.

**PALM COAST INTRACOASTAL, LLC,**  
a Florida limited liability company

**VERANDA BAY INVESTMENTS, LLC,**  
a Florida limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT I**  
**FORM OF OPINION OF COUNSEL TO LANDOWNER**  
**[TO COME]**

## EXHIBIT J

### FORM OF ISSUE PRICE CERTIFICATE

#### GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT (Flagler County, Florida)

**[\$[2024-1 Amount] Special Assessment  
Bonds (Assessment Area One),  
Series 2024-1**

**[\$[2024-2 Amount] Special Assessment  
Bonds (Assessment Area Two),  
Series 2024-2**

The undersigned, on behalf of **MBS CAPITAL MARKETS, LLC** ("MBS"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Series 2024 Bonds"). Capitalized terms shall have the meaning ascribed in Section 2 hereof.

MBS and the District entered into a Bond Purchase Agreement on the Sale Date in connection with the sale of the Series 2024 Bonds (the "Purchase Agreement"). Pursuant to the terms of the Purchase Agreement, MBS made a bona fide limited offering of the Series 2024 Bonds to a portion of the Public representing accredited investors as required by Florida law at the prices or yields for each such maturity as shown on the cover page of the Limited Offering Memorandum, dated [BPA Date], relating to the Series 2024 Bonds.

1. Sale of the Series 2024 Bonds. As of the date of this certificate, for each Maturity of the Series 2024 Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. Defined Terms.

(a) *District* means Gardens at Hammock Beach Community Development District.

(b) *Maturity* means Series 2024 Bonds with the same credit and payment terms. Series 2024 Bonds with different maturity dates, or Series 2024 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2024 Bonds. The Sale Date of the Series 2024 Bonds is [BPA Date].

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District to participate in the initial sale of the Series 2024 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2024 Bonds to the Public (including a member of a selling group or a party to a retail

distribution agreement participating in the initial sale of the Series 2024 Bonds to the Public).

3. Reserve Accounts. Reserve accounts in amounts equal to the respective Series 2024 Debt Service Reserve Requirement were necessary in order to market and sell the Series 2024 Bonds given the nature of the Series 2024 Bonds which are secured by special assessments and the delinquent assessment collection procedures related thereto.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents MBS' interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Arbitrage Certificate executed by the District in connection with the issuance, sale and delivery of the Series 2024 Bonds and with respect to compliance with the federal income tax rules affecting the Series 2024 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Series 2024 Bonds.

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Brett Sealy, Managing Partner

Dated: [Closing Date]

**SCHEDULE A**  
**SALE PRICES OF THE SERIES 2024 BONDS**  
*(Attached)*

# SECTION 3

**EXHIBIT C**

**FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM**

**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED MAY [ ], 2024**

**NEW ISSUE – BOOK-ENTRY ONLY  
LIMITED OFFERING**

**NOT RATED**

*In the opinion of Bond Counsel, assuming compliance by the District with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2024 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2024 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Internal Revenue Code of 1986, as amended (the "Code"). See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2024 Bonds.*

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT  
(Flagler County, Florida)**

**\$4,650,000\* Special Assessment Bonds  
(Assessment Area One), Series 2024-1**

**\$8,300,000\* Special Assessment Bonds  
(Assessment Area Two), Series 2024-2**

**Dated: Date of original issuance**

**Due: May 1, as shown below**

The \$4,650,000\* Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 (the "Series 2024-1 Bonds") and the \$8,300,000\* Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "Series 2024-2 Bonds" and, together with the Series 2024-1 Bonds, the "Series 2024 Bonds"), are being issued by the Gardens at Hammock Beach Community Development District (the "District") pursuant to a Master Trust Indenture dated as of June 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by (a) a First Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-1 Bonds (the "First Supplemental Indenture" and, together with the Master Indenture, the "2024-1 Indenture"), and (b) a Second Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-2 Bonds (the "Second Supplemental Indenture" and, together with the Master Indenture, the "2024-2 Indenture" and, collectively with the 2024-1 Indenture, the "Indentures"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indentures.

The Series 2024 Bonds are being issued only in fully registered form, in denominations of \$5,000 or any integral multiple thereof; provided however, that the Series 2024 Bonds shall be delivered to the initial purchasers thereof in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and established by Ordinance No. 2006-21, enacted by the Board of County Commissioners of Flagler County, Florida (the "County") on October 9, 2006 (the "Ordinance").



The Series 2024-1 Bonds are payable from and secured by the Series 2024-1 Pledged Revenues (as defined herein), which consist primarily of the revenues received by the District from non-ad valorem special assessments levied against certain lands within the District. The Series 2024-2 Bonds are payable from and secured by the Series 2024-2 Pledged Revenues (as defined herein), which consist primarily of the revenues received by the District from non-ad valorem special assessments levied against certain lands within the District. **The Series 2024-1 Pledged Revenues do not secure the Series 2024-2 Bonds and the Series 2024-2 Pledged Revenues do not secure the Series 2024-1 Bonds.** See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" herein.

The Series 2024 Bonds, when issued, will be registered in the name of Cede & Co., as the Owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2024 Bonds will be paid from the sources provided herein by the Trustee directly to Cede & Co. as the nominee of DTC and the registered Owner thereof. Disbursements of such payments to the Direct Participants (as defined herein) is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the Direct Participants and Indirect Participants (as defined herein), as more fully described herein. Any purchaser as a Beneficial Owner of a Series 2024 Bond must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on such Series 2024 Bond. See "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System" herein. The Series 2024 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year of twelve 30-day months. Interest on the Series 2024 Bonds is payable semi-annually on each May 1 and November 1, commencing November 1, 2024.

**The Series 2024 Bonds are subject to optional, mandatory and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. See "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions" herein.**

The Series 2024-1 Bonds are being issued to (a) finance a portion of the Costs of the Assessment Area One CIP (as defined herein), (b) pay certain costs associated with the issuance of the Series 2024-1 Bonds, (c) make a deposit into the Series 2024-1 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-1 Bonds, and (d) pay the interest to become due on the Series 2024-1 Bonds through and including November 1, 2024.

The Series 2024-2 Bonds are being issued to (a) finance a portion of the Costs of the Assessment Area Two CIP, (b) pay certain costs associated with the issuance of the Series 2024-2 Bonds, (c) make a deposit into the Series 2024-2 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-2 Bonds, and (d) pay the interest to become due on the Series 2024-2 Bonds through and including November 1, 2025.

THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2024-1 PLEDGED REVENUES OR THE SERIES 2024-2 PLEDGED REVENUES, AS APPLICABLE, PLEDGED THEREFOR UNDER THE INDENTURES 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 2024 BONDS, EXCEPT

THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURES TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2024 SPECIAL ASSESSMENTS (AS DEFINED HEREIN) TO SECURE AND PAY THE SERIES 2024 BONDS. THE SERIES 2024 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 2024 BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT" HEREIN). THE UNDERWRITER IS LIMITING THE OFFERING OF THE SERIES 2024 BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. HOWEVER, THE LIMITATION OF THE INITIAL OFFERING OF THE SERIES 2024 BONDS TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2024 BONDS. THE SERIES 2024 BONDS ARE NOT CREDIT ENHANCED AND ARE NOT RATED AND NO APPLICATION HAS BEEN MADE FOR CREDIT ENHANCEMENT OR A RATING WITH RESPECT TO THE SERIES 2024 BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE DISTRICT WOULD HAVE BEEN SUCCESSFUL IN OBTAINING EITHER CREDIT ENHANCEMENT OR A RATING FOR THE SERIES 2024 BONDS HAD APPLICATION BEEN MADE.

This cover page contains information for quick reference only. It is not, and is not intended to be, a summary of the Series 2024 Bonds. Investors must read this entire Limited Offering Memorandum, including the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

**PRINCIPAL AMOUNTS, INTEREST RATES, MATURITY DATES,  
YIELDS, PRICES AND INITIAL CUSIP NUMBERS†**

\$ _____	_____ %	Term Series 2024-1 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____
\$ _____	_____ %	Term Series 2024-1 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____
\$ _____	_____ %	Term Series 2024-1 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____
\$ _____	_____ %	Term Series 2024-2 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____
\$ _____	_____ %	Term Series 2024-2 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____
\$ _____	_____ %	Term Series 2024-2 Bond Due May 1, 20__	Yield _____ %	Price _____	CUSIP No.† _____

*The Series 2024 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2024 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Chiumento Law, PLLC, Palm Coast, Florida, for the Landowner by its counsel, William Livingston, Esq., Flagler Beach, Florida, for the Trustee by its counsel, Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida, and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. It is expected that the Series 2024 Bonds will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2024.*

**MBS Capital Markets, LLC**

Dated: \_\_\_\_\_, 2024

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\* Preliminary, subject to change.

† The District is not 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 Limited Offering Memorandum.

## **RED HERRING LANGUAGE**

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. The Series 2024 Bonds may not be sold nor may offers to buy be accepted prior to the time the Limited Offering Memorandum is delivered in final form. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the Series 2024 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS**

Clint Smith\*, Chairman  
David Lusby\*, Vice Chairman  
William Livingston\*, Assistant Secretary  
David R. Root\*, Assistant Secretary  
Denise Bunch\*, Assistant Secretary

**DISTRICT MANAGER/ASSESSMENT CONSULTANT**

Governmental Management Services – Central Florida, LLC  
Orlando, Florida

**DISTRICT COUNSEL**

Chiumento Law, PLLC  
Palm Coast, Florida

**CONSULTING ENGINEER**

Parker Mynchenberg & Associates, Inc.  
Holly Hill, Florida

**BOND COUNSEL**

Bryant Miller Olive P.A.  
Orlando, Florida

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\* Elected or appointed by the Landowner (as defined herein).

## **REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM**

No dealer, broker, salesperson or other person has been authorized by the District, Flagler County, Florida, the State of Florida or the Underwriter (as defined herein) to give any information or to make any representations other than those contained in this Limited Offering Memorandum and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 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 District, the District Manager, the Consulting Engineer, the Assessment Consultant, the Landowner (each as defined herein) and other sources that are believed by the Underwriter to be reliable.

The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

At closing, the District, the District Manager, the Consulting Engineer, the Assessment Consultant, and the Landowner will each deliver certificates certifying that certain of the information supplied by each does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change with respect to the matters described herein since the date hereof.

The Series 2024 Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor have the Indentures 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 2024 Bonds in accordance with the applicable securities law provisions of any jurisdictions wherein these securities have been or will be registered, qualified or exempted should not be regarded as a recommendation thereof. Neither the District, Flagler County, Florida, the State of Florida, nor any of its subdivisions or agencies have guaranteed or passed upon the merits of the Series 2024 Bonds or upon the probability of any earnings thereon, and neither Flagler County, Florida, the State of Florida, nor any of its subdivisions or agencies have guaranteed or passed upon the accuracy or adequacy of this Limited Offering Memorandum.

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget," or other similar words. 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 Landowner do not plan to issue any updates or revisions to those forward-looking statements if or when any of their expectations, events, conditions or circumstances on which such statements are based occur, other than as described under "CONTINUING DISCLOSURE" herein.

The order and placement of materials in this Limited Offering Memorandum, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Limited Offering Memorandum, including the appendices, must be considered in its entirety. The captions and headings in this Limited Offering Memorandum are for convenience of reference only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Limited Offering Memorandum.

This Limited Offering Memorandum is being provided to prospective purchasers in electronic format on the following websites: [www.munios.com](http://www.munios.com) and [www.emma.msrb.org](http://www.emma.msrb.org). This Limited Offering Memorandum may be relied upon only as printed in its entirety directly from either of such websites.

References to website addresses presented herein are for information purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Limited Offering Memorandum for any purpose, including for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

This Limited Offering Memorandum is not, and shall not be deemed to constitute, an offer to sell, or the solicitation of an offer to buy, real estate, which may only be made pursuant to offering documents satisfying applicable federal and state laws relating to the offer and sale of real estate.

This Preliminary Limited Offering Memorandum is in a form deemed final by the District for purposes of Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, except for certain information permitted to be omitted pursuant to Rule 15c2-12(b)(1).

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# LIMITED OFFERING MEMORANDUM

relating to

## GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT (Flagler County, Florida)

**\$4,650,000\* Special Assessment Bonds (Assessment Area One), Series 2024-1**      **\$8,300,000\* Special Assessment Bonds (Assessment Area Two), Series 2024-2**

### INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Gardens at Hammock Beach Community Development District (the "District") in connection with the offering and issuance by the District of its \$4,650,000\* Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 (the "Series 2024-1 Bonds") and its \$8,300,000\* Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "Series 2024-2 Bonds" and, collectively with the Series 2024-1 Bonds, the "Series 2024 Bonds").

The Series 2024 Bonds are being issued pursuant to the Act (hereinafter defined) and a Master Trust Indenture dated as of June 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by (a) a First Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-1 Bonds (the "First Supplemental Indenture" and, together with the Master Indenture, the "2024-1 Indenture"), and (b) a Second Supplemental Trust Indenture dated as of June 1, 2024, between the District and the Trustee with respect to the Series 2024-2 Bonds (the "Second Supplemental Indenture" and, together with the Master Indenture, the "2024-2 Indenture" and, collectively with the 2024-1 Indenture, the "Indentures"), and resolutions adopted by the Board of Supervisors of the District (the "Board") on December 16, 2019 and May [17], 2024, authorizing the issuance of the Series 2024 Bonds. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indentures and not defined herein shall have the respective meanings set forth in the Indentures, the forms of which appear in composite APPENDIX C attached hereto.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and established by Ordinance No. 2006-21, enacted by the Board of County Commissioners of Flagler County, Florida (the "County") on October 9, 2006 (the "Ordinance"). See "THE DISTRICT" herein. The District was established for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the District.

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\* Preliminary, subject to change.

The boundaries of the District include approximately 953 acres of land located entirely within the County (the "District Lands"), anticipated to be developed into 453 residential units, 230,694 square feet of commercial space and recreational facilities within an intracoastal waterfront community being marketed as "Veranda Bay" (the "Development"). The District Lands are being developed in phases, with the initial three (3) phases comprising approximately 249 acres planned to include 335 single-family residential units (the "Phase 1-3 Tract"). The capital improvement program for the Phase 1-3 Tract (the "Phase 1-3 CIP") consists of certain infrastructure improvements for the benefit of the lands within the Phase 1-3 Tract, including on-site and off-site master public roadway improvements, water distribution and sanitary sewer collection systems, reuse water distribution and reuse water treatment plant, master stormwater management system, landscaping, hardscaping and irrigation in common areas, undergrounding of electrical systems, conservation mitigation, recreational areas, professional fees and contingency. Two (2) assessment areas have been established within the Phase 1-3 Tract: (a) Phases 1 and 3 consisting of approximately 210 acres that has been platted into 211 custom estate homesites is hereinafter referred to as "Assessment Area One" and the portion of the Phase 1-3 CIP benefiting such lands is hereinafter referred to as the "Assessment Area One CIP;" and (b) Phase 2 consisting of approximately thirty-nine (39) acres that is planned to include 124 single-family residential units is hereinafter referred to as "Assessment Area Two" and the portion of the Phase 1-3 CIP benefiting such lands is hereinafter referred to as the "Assessment Area Two CIP." See "THE PHASE 1-3 CAPITAL IMPROVEMENT PROGRAM" and "THE DEVELOPMENT" herein.

The Act authorizes the District to issue bonds for the purposes, among others, of financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts, district roads, recreational facilities and other basic infrastructure projects within or without the boundaries of the District, all as provided in the Act.

Under the Constitution and laws of the State of Florida (the "State"), including the Act, the District has the power and authority to levy non-ad valorem assessments upon the District Lands and to issue bonds for the purposes of providing community development services and facilities, including those financed with the proceeds of the Series 2024 Bonds as described herein.

The Series 2024-1 Bonds are being issued to (a) finance a portion of the Costs of the Assessment Area One CIP, (b) pay certain costs associated with the issuance of the Series 2024-1 Bonds, (c) make a deposit into the Series 2024-1 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-1 Bonds, and (d) pay the interest to become due on the Series 2024-1 Bonds through and including November 1, 2024.

The Series 2024-1 Bonds are payable from and secured by (a) all revenues received by the District from the Series 2024-1 Special Assessments levied and collected on that portion of the District Lands benefited by the Assessment Area One CIP, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2024-1 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the 2024-1 Indenture; provided,

however, that Series 2024-1 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the 2024-1 Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso) (collectively, the "Series 2024-1 Pledged Revenues").

"Series 2024-1 Special Assessments" is defined in the First Supplemental Indenture to mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Assessment Area One CIP or any portion thereof, which assessments correspond in amount to the Debt Service on the Series 2024-1 Bonds.

The Series 2024-2 Bonds are being issued to (a) finance a portion of the Costs of the Assessment Area Two CIP, (b) pay certain costs associated with the issuance of the Series 2024-2 Bonds, (c) make a deposit into the Series 2024-2 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2024-2 Bonds, and (d) pay the interest to become due on the Series 2024-2 Bonds through and including November 1, 2025.

The Series 2024-2 Bonds are payable from and secured by (a) all revenues received by the District from the Series 2024-2 Special Assessments levied and collected on that portion of the District Lands benefitted by the Assessment Area Two CIP, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2024-2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the 2024-2 Indenture; provided, however, that Series 2024-2 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the 2024-2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso) (collectively, the "Series 2024-2 Pledged Revenues").

"Series 2024-2 Special Assessments" is defined in the Second Supplemental Indenture to mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Assessment Area Two CIP or any portion thereof, which assessments correspond in amount to the Debt Service on the Series 2024-2 Bonds.

**The Series 2024-1 Pledged Revenues do not secure the Series 2024-2 Bonds and the Series 2024-2 Pledged Revenues do not secure the Series 2024-1 Bonds.**

The Series 2024-1 Pledged Revenues and the Series 2024-2 Pledged Revenues are sometimes collectively referred to herein as the "Series 2024 Pledged Revenues." The Series 2024-1 Special Assessments and the Series 2024-2 Special Assessments are sometimes collectively referred to herein as the "Series 2024 Special Assessments." The First Supplemental Indenture and the Second Supplemental Indenture are sometimes collectively referred to herein as the "Supplemental Indentures."

The Series 2024 Special Assessments represent an allocation of the costs of the Phase 1-3 CIP, including bond financing costs, to certain of the District Lands benefiting from the Phase 1-3 CIP in accordance with the Assessment Report (hereinafter defined). The Assessment Report and Assessment Resolutions (collectively, the "Assessment Proceedings") permit the prepayment in part or in full of the Series 2024 Special Assessments at any time without penalty, together with interest at the rate on the corresponding Series of Series 2024 Bonds to the Quarterly Redemption Date that is more than forty-five (45) days next succeeding the date of prepayment. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B – ASSESSMENT REPORT" attached hereto.

Subsequent to the issuance of the Series 2024 Bonds, the District may cause one or more Series of Bonds to be issued pursuant to the Master Indenture, subject to the terms and conditions thereof. Bonds may be issued for the purpose of financing the Cost of acquisition or construction of a Project or to refund all or a portion of a Series of Bonds. The District covenants and agrees in the First Supplemental Indenture that other than Bonds issued to refund the Outstanding Series 2024-1 Bonds, the District shall not, while any Series 2024-1 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2024-1 Pledged Revenues. The District further covenants and agrees in the First Supplemental Indenture that so long as the Series 2024-1 Bonds are Outstanding, the District will not impose debt service Special Assessments for capital projects on any lands then subject to the Series 2024-1 Special Assessments without the written consent of the Majority Owners of the Series 2024-1 Bonds; provided, however, such consent shall not be required if the Series 2024-1 Special Assessments have been Substantially Absorbed, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. The Trustee shall have no duty to verify if the Series 2024-1 Special Assessments are Substantially Absorbed and in the absence of a certification as provided above can assume that the Series 2024-1 Special Assessments have not been Substantially Absorbed. Notwithstanding the foregoing, the District is not precluded from imposing capital assessments (or the issuance of Bonds secured by such capital assessments) on property then subject to the Series 2024-1 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. "Substantially Absorbed" is defined in the First Supplemental Indenture to mean the date on which a principal amount of the Series 2024-1 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2024-1 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon. Similarly, the District covenants and agrees in the Second Supplemental Indenture that other than Bonds issued to refund the Outstanding Series 2024-2 Bonds, the District shall not, while any Series 2024-2 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2024-2 Pledged Revenues. The District further covenants and agrees in the Second Supplemental Indenture that so long as the Series 2024-2 Bonds are Outstanding, the District will not impose debt service Special Assessments for capital projects on any lands then subject to the Series 2024-2 Special Assessments without the written consent of the Majority Owners of the Series 2024-2 Bonds; provided, however, such consent shall not be required if the Series 2024-2 Special Assessments have been Substantially Absorbed, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. The Trustee shall have no duty to verify if the Series 2024-2 Special Assessments are Substantially Absorbed and in

the absence of a certification as provided above can assume that the Series 2024-2 Special Assessments have not been Substantially Absorbed. Notwithstanding the foregoing, the District is not precluded from imposing capital assessments (or the issuance of Bonds secured by such capital assessments) on property then subject to the Series 2024-2 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. "Substantially Absorbed" is defined in the Second Supplemental Indenture to mean the date on which a principal amount of the Series 2024-2 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2024-2 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS - No Parity Bonds; Limitation on Parity Liens" herein.

There follows in this Limited Offering Memorandum a brief description of the District and the Development, together with summaries of the terms of the Series 2024 Bonds, the Indentures and certain provisions of the Act. All references herein to the Indentures and the Act are qualified in their entirety by reference to such documents and statutes and all references to the Series 2024 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indentures, the forms of which appear in composite APPENDIX C attached hereto.

### **SUITABILITY FOR INVESTMENT**

Investment in the Series 2024 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or MBS Capital Markets, LLC (the "Underwriter") to give any information or make any representations, other than those contained in this Limited Offering Memorandum. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, and the opportunity to ask questions of the District, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Series 2024 Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions.

While the Series 2024 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the Series 2024 Bonds are not suitable for investment by persons other than, and, as required by Chapter 189, Florida Statutes, will offer the Series 2024 Bonds only to, "accredited investors," as such term is utilized in Chapter 517, Florida Statutes, and the rules promulgated thereunder. However, the limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2024 Bonds. Prospective investors in the Series 2024 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 2024 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

## DESCRIPTION OF THE SERIES 2024 BONDS

### General

The Series 2024 Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof; provided however, that the Series 2024 Bonds shall be delivered to the initial purchasers thereof in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

The Series 2024 Bonds will be dated their date of issuance and delivery to the initial purchasers thereof and will bear interest payable on each May 1 and November 1, commencing November 1, 2024 (each, an "Interest Payment Date") and shall be computed on the basis of a 360-day year comprised of twelve 30-day months. The Series 2024 Bonds will mature on May 1 of such years, in such amounts and at such rates as set forth on the cover page of this Limited Offering Memorandum.

Interest on the Series 2024 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2024 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 November 1, 2024, in which case from the date of original issuance of the Series 2024 Bonds, 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.

Except as otherwise provided in the Supplemental Indentures in connection with a book-entry only system of registration of the Series 2024 Bonds, the principal or Redemption Price of the Series 2024 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 2024 Bonds. Except as otherwise provided in the Supplemental Indentures in connection with a book-entry only system of registration of the Series 2024 Bonds, the payment of interest on the Series 2024 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2024 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 such Owner's address as it appears on the Bond Register. Any interest on any Series 2024 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 2024 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 (5<sup>th</sup>) 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 2024 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 Interest Payment 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 Interest Payment Date.

The Series 2024 Bonds will initially be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Series 2024 Bonds and, so long as the Series 2024 Bonds are held in book-entry only form, Cede & Co. will be considered the registered Owner for all purposes hereof. See "- Book-Entry Only System" below for more information about DTC and its book-entry only system.

**Redemption Provisions**

*Optional Redemption.* The Series 2024-1 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20\_\_, at the Redemption Price of the principal amount of the Series 2024-1 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2024-2 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20\_\_, at the Redemption Price of the principal amount of the Series 2024-2 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

*Mandatory Sinking Fund Redemption.* The Series 2024-1 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-1 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-1 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-1 Sinking Fund Account established under the 2024-1 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2024-1 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2024-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

The Series 2024-2 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-2 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof,

without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The Series 2024-2 Bond maturing on May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024-2 Sinking Fund Account established under the 2024-2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
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\* Final maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2024-2 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2024-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

Extraordinary Mandatory Redemption. The Series 2024-1 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

(a) on or after the Completion Date of the Assessment Area One CIP, by application of moneys transferred from the Series 2024-1 Acquisition and Construction Account to the Series 2024-1 Prepayment Account in accordance with the terms of the 2024-1 Indenture; or

(b) from amounts required by the 2024-1 Indenture to be deposited into the Series 2024-1 Prepayment Account including, but not limited to, Series 2024-1 Prepayment Principal and any excess amounts in the Series 2024-1 Debt Service Reserve Account as a result of the deposit of such Series 2024-1 Prepayment Principal and any excess amount on

deposit in the Series 2024-1 Debt Service Reserve Account resulting from a reduction in the Series 2024-1 Debt Service Reserve Requirement; or

(c) on the date on which the amount on deposit in the Series 2024-1 Debt Service Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024-1 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024-1 Bonds shall be called for redemption, the particular Series 2024-1 Bonds or portions of Series 2024-1 Bonds to be redeemed shall, unless otherwise provided in the 2024-1 Indenture, be selected by lot by the Registrar as provided in the 2024-1 Indenture.

The Series 2024-2 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

(a) on or after the Completion Date of the Assessment Area Two CIP, by application of moneys transferred from the Series 2024-2 Acquisition and Construction Account to the Series 2024-2 Prepayment Account in accordance with the terms of the 2024-2 Indenture; or

(b) from amounts required by the 2024-2 Indenture to be deposited into the Series 2024-2 Prepayment Account including, but not limited to, Series 2024-2 Prepayment Principal and any excess amounts in the Series 2024-2 Debt Service Reserve Account as a result of the deposit of such Series 2024-2 Prepayment Principal and any excess amount on deposit in the Series 2024-2 Debt Service Reserve Account resulting from a reduction in the Series 2024-2 Debt Service Reserve Requirement; or

(c) on the date on which the amount on deposit in the Series 2024-2 Debt Service Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024-2 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024-2 Bonds shall be called for redemption, the particular Series 2024-2 Bonds or portions of Series 2024-2 Bonds to be redeemed shall, unless otherwise provided in the 2024-2 Indenture, be selected by lot by the Registrar as provided in the 2024-2 Indenture.

### **Notice of Redemption**

When required to redeem or purchase Series 2024 Bonds under any provision of the Indentures or directed to do so by the District, the Trustee shall cause notice of the redemption, either in whole or in part, to be given by Electronic Means or mailed at least twenty (20) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Series 2024 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5<sup>th</sup>) 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 Series 2024 Bonds for which notice was duly

mailed in accordance with the Master Indenture. Such notice shall be given in the name of the District, shall be dated, shall set forth the Series 2024 Bonds 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 Series 2024 Bonds to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2024 Bonds to be redeemed or purchased; (e) that on the redemption or purchase date the redemption or purchase price will become due and payable upon surrender of each such Series 2024 Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; (f) the place where such Series 2024 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; and (g) any condition or conditions to be met prior to the redemption of the Series 2024 Bonds, including, but not limited to receipt of funds sufficient to accomplish the redemption of the Series 2024 Bonds.

If at the time of mailing of notice of an optional redemption or purchase, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Series 2024 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.

### **No Acceleration**

The Indentures do not permit the acceleration of the principal of the Series 2024 Bonds upon an Event of Default (as defined in the Indentures). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Enforcement and Collection of Series 2024 Special Assessments" herein and "APPENDIX C – Forms of Master Indenture, First Supplemental Indenture and Second Supplemental Indenture" attached hereto.

### **Book-Entry Only System**

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND NEITHER THE DISTRICT, NOR THE UNDERWRITER MAKE ANY REPRESENTATION OR WARRANTY OR TAKE ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered bonds 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 bond certificate will be issued for each maturity of each Series of the Series 2024 Bonds 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 (the "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 (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission ("SEC"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 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 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 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 2024 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 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an 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 made among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2024 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 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 the Series 2024 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 2024 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 detail information from the District or the Registrar on the 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 Registrar 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 and/or the Paying Agent for the Series 2024 Bonds. 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 the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024 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). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2024 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

## SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS

### General

The Series 2024-1 Bonds are payable from and secured by (a) all revenues received by the District from the Series 2024-1 Special Assessments levied and collected on that portion of the District Lands benefited by the Assessment Area One CIP, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2024-1 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the 2024-1 Indenture; provided, however, that Series 2024-1 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the 2024-1 Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso) (as previously defined, the "Series 2024-1 Pledged Revenues").

The Series 2024-2 Bonds are payable from and secured by (a) all revenues received by the District from the Series 2024-2 Special Assessments levied and collected on that portion of the District Lands benefited by the Assessment Area Two CIP, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2024-2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the 2024-2 Indenture; provided, however, that Series 2024-2 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the 2024-2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso) (as previously defined, the "Series 2024-2 Pledged Revenues").

**The Series 2024-1 Pledged Revenues do not secure the Series 2024-2 Bonds and the Series 2024-2 Pledged Revenues do not secure the Series 2024-1 Bonds.**

The Series 2024 Special Assessments represent an allocation of the costs of the Phase 1-3 CIP, including bond financing costs, to the District Lands benefiting from the Phase 1-3 CIP in accordance with the Assessment Report, which is attached hereto as composite APPENDIX B.

THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2024-1 PLEDGED REVENUES OR THE SERIES 2024-2 PLEDGED REVENUES, AS APPLICABLE, PLEDGED THEREFOR UNDER THE INDENTURES AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2024 BONDS, EXCEPT THAT THE DISTRICT IS



OBLIGATED UNDER THE INDENTURES TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2024 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2024 BONDS. THE SERIES 2024 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.

### **No Parity Bonds; Limitation on Parity Liens**

#### *Series 2024-1 Bonds*

The District covenants and agrees in the First Supplemental Indenture that other than Bonds issued to refund the Outstanding Series 2024-1 Bonds, the District shall not, while any Series 2024-1 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2024-1 Pledged Revenues. The District further covenants and agrees in the First Supplemental Indenture that so long as the Series 2024-1 Bonds are Outstanding, the District will not impose debt service Special Assessments for capital projects on any lands then subject to the Series 2024-1 Special Assessments without the written consent of the Majority Owners of the Series 2024-1 Bonds; provided, however, such consent shall not be required if the Series 2024-1 Special Assessments have been Substantially Absorbed, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. The Trustee shall have no duty to verify if the Series 2024-1 Special Assessments are Substantially Absorbed and in the absence of a certification as provided above can assume that the Series 2024-1 Special Assessments have not been Substantially Absorbed. Notwithstanding the foregoing, the District is not precluded from imposing capital assessments (or the issuance of Bonds secured by such capital assessments) on property then subject to the Series 2024-1 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. "Substantially Absorbed" is defined in the First Supplemental Indenture to mean the date on which a principal amount of the Series 2024-1 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2024-1 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon.

#### *Series 2024-2 Bonds*

The District covenants and agrees in the Second Supplemental Indenture that other than Bonds issued to refund the Outstanding Series 2024-2 Bonds, the District shall not, while any Series 2024-2 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2024-2 Pledged Revenues. The District further covenants and agrees in the Second Supplemental Indenture that so long as the Series 2024-2 Bonds are Outstanding, the District will not impose debt service Special Assessments for capital projects on any lands then subject to the Series 2024-2 Special Assessments without the written consent of the Majority Owners of the Series 2024-2 Bonds; provided, however, such consent shall not be required if the Series 2024-2 Special Assessments have been Substantially Absorbed, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. The Trustee shall have no duty to verify if the Series 2024-2 Special Assessments are Substantially Absorbed and in

the absence of a certification as provided above can assume that the Series 2024-2 Special Assessments have not been Substantially Absorbed. Notwithstanding the foregoing, the District is not precluded from imposing capital assessments (or the issuance of Bonds secured by such capital assessments) on property then subject to the Series 2024-2 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. "Substantially Absorbed" is defined in the Second Supplemental Indenture to mean the date on which a principal amount of the Series 2024-2 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2024-2 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon.

WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE SERIES 2024 SPECIAL ASSESSMENTS PLEDGED AS SECURITY FOR THE SERIES 2024 BONDS, THE DISTRICT, THE COUNTY, THE SCHOOL BOARD OF FLAGLER COUNTY, FLORIDA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF SPECIAL ASSESSMENTS WHICH INCLUDES THE SERIES 2024 SPECIAL ASSESSMENTS SECURING THE SERIES 2024 BONDS. See "- Enforcement and Collection of Series 2024 Special Assessments" below.

#### **Debt Service Reserve Accounts**

**The Series 2024-1 Debt Service Reserve Account does not secure the Series 2024-2 Bonds and amounts on deposit in the Series 2024-1 Debt Service Reserve Account may not be used to pay the Debt Service Requirements on the Series 2024-2 Bonds. The Series 2024-2 Debt Service Reserve Account does not secure the Series 2024-1 Bonds and amounts on deposit in the Series 2024-2 Debt Service Reserve Account may not be used to pay the Debt Service Requirements on the Series 2024-1 Bonds.**

#### ***Series 2024-1 Debt Service Reserve Account***

Pursuant to the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2024-1 Debt Service Reserve Account." The Series 2024-1 Debt Service Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2024-1 Debt Service Reserve Requirement. "Series 2024-1 Debt Service Reserve Requirement" is defined in the First Supplemental Indenture to mean initially an amount equal to 100% of the maximum annual Debt Service Requirements for all Outstanding Series 2024-1 Bonds, as of the time of any such calculation, which on the date of issuance of the Series 2024-1 Bonds is equal to \$\_\_\_\_\_. Upon receipt by the Trustee of the Reserve Release Certifications (hereinafter defined) and thereafter, the Series 2024-1 Debt Service Reserve Requirement shall be an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirements for all Outstanding Series 2024-1 Bonds, as of the time of any such calculation. Excess amounts on deposit in the Series 2024-1 Debt Service Reserve Account as a result of the deposit of Series 2024-1 Prepayment Principal and/or as a result of the Reserve Account Release Conditions having been met shall be transferred, as directed by a Responsible Officer, as provided in the First Supplemental Indenture.

"Reserve Account Release Conditions" is defined in the First Supplemental Indenture to mean, collectively, that (a) all homes subject to Series 2024-1 Special Assessments have been built, sold and closed with end-users, (b) all Series 2024-1 Special Assessments are being collected pursuant to the Uniform Method, and (c) there are no Events of Default occurring or continuing under the 2024-1 Indenture with respect to the Series 2024-1 Bonds. Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer shall provide a written certification to the Trustee certifying that the events in clauses (a) and (b) have occurred and affirming clause (c) on which certifications the Trustee may conclusively rely (collectively, the "Reserve Release Certifications").

Except as otherwise provided in the 2024-1 Indenture, amounts on deposit in the Series 2024-1 Debt Service Reserve Account shall be used only for the purpose of making payments into the Series 2024-1 Interest Account and the Series 2024-1 Sinking Fund Account to pay Debt Service Requirements on the Series 2024-1 Bonds, when due, to the extent the moneys on deposit in such Accounts and available therefor are insufficient and for no other purpose.

Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer of the District shall provide the Reserve Release Certifications to the Trustee, upon which certifications the Trustee may conclusively rely, and thereupon a Responsible Officer of the District shall recalculate the Series 2024-1 Debt Service Reserve Requirement and instruct the Trustee to transfer any excess as a result of having met such Reserve Account Release Conditions to the Series 2024-1 Acquisition and Construction Account to be used for the purposes of such Account.

On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the first Business Day preceding such forty-fifth (45<sup>th</sup>) day), the District shall recalculate the Series 2024-1 Debt Service Reserve Requirement taking into account any Series 2024-1 Prepayment Principal on deposit in the Series 2024-1 Prepayment Account and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2024-1 Debt Service Reserve Account in excess of the Series 2024-1 Debt Service Reserve Requirement as a result of such Series 2024-1 Prepayment Principal to the Series 2024-1 Prepayment Account as a credit against the Series 2024-1 Prepayment otherwise required to be made by the owner of such lot or parcel. Following the foregoing transfer, such amounts in the Series 2024-1 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2024-1 Bonds on the earliest date permitted for redemption therein and in the First Supplemental Indenture. The Trustee is authorized to make such transfers and has no duty to verify such calculations.

On the earliest date on which there is on deposit in the Series 2024-1 Debt Service Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2024-1 Bonds, together with accrued interest on such Series 2024-1 Bonds to the earliest date of redemption permitted therein and in the First Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2024-1 Debt Service Reserve Account into the Series 2024-1 Prepayment Account to pay and redeem all of the Outstanding Series 2024-1 Bonds on the earliest date permitted for redemption therein and in the First Supplemental Indenture.

Anything in the 2024-1 Indenture to the contrary notwithstanding, amounts on deposit in the Series 2024-1 Debt Service Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of delinquent Series 2024-1 Special Assessments.

Earnings on investments in the Series 2024-1 Debt Service Reserve Account shall be disposed of as follows:

(a) if as of the last date on which amounts on deposit in the Series 2024-1 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2024-1 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2024-1 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2024-1 Debt Service Reserve Account shall be deposited to the credit of the Series 2024-1 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2024-1 Debt Service Reserve Requirement; and

(b) as long as no notice of an Event of Default under the 2024-1 Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2024-1 Debt Service Reserve Account is not reduced below the then Series 2024-1 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (i) prior to the Completion Date of the Assessment Area One CIP, to the Series 2024-1 Acquisition and Construction Account; and (ii) on and after the Completion Date of the Assessment Area One CIP, to the Series 2024-1 Revenue Account. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2024-1 Debt Service Reserve Account shall remain therein.

#### Series 2024-2 Debt Service Reserve Account

Pursuant to the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2024-2 Debt Service Reserve Account." The Series 2024-2 Debt Service Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2024-2 Debt Service Reserve Requirement. "Series 2024-2 Debt Service Reserve Requirement" is defined in the Second Supplemental Indenture to mean initially an amount equal to 100% of the maximum annual Debt Service Requirements for all Outstanding Series 2024-2 Bonds, as of the time of any such calculation, which on the date of issuance of the Series 2024-2 Bonds is equal to \$\_\_\_\_\_. Upon receipt by the Trustee of the Reserve Release Certifications (hereinafter defined) and thereafter, the Series 2024-2 Debt Service Reserve Requirement shall be an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirements for all Outstanding Series 2024-2 Bonds, as of the time of any such calculation. Excess amounts on deposit in the Series 2024-2 Debt Service Reserve Account as a result of the deposit of Series 2024-2 Prepayment Principal and/or as a result of the Reserve Account Release Conditions having been met shall be transferred, as directed by a Responsible Officer, as provided in the Second Supplemental Indenture.

"Reserve Account Release Conditions" is defined in the Second Supplemental Indenture to mean, collectively, that (a) all homes subject to Series 2024-2 Special

Assessments have been built, sold and closed with end-users, (b) all Series 2024-2 Special Assessments are being collected pursuant to the Uniform Method, and (c) there are no Events of Default occurring or continuing under the 2024-2 Indenture with respect to the Series 2024-2 Bonds. Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer shall provide a written certification to the Trustee certifying that the events in clauses (a) and (b) have occurred and affirming clause (c) on which certifications the Trustee may conclusively rely (collectively, the "Reserve Release Certifications").

Except as otherwise provided in the 2024-2 Indenture, amounts on deposit in the Series 2024-2 Debt Service Reserve Account shall be used only for the purpose of making payments into the Series 2024-2 Interest Account and the Series 2024-2 Sinking Fund Account to pay Debt Service Requirements on the Series 2024-2 Bonds, when due, to the extent the moneys on deposit in such Accounts and available therefor are insufficient and for no other purpose.

Upon satisfaction of the Reserve Account Release Conditions, a Responsible Officer of the District shall provide the Reserve Release Certifications to the Trustee, upon which certifications the Trustee may conclusively rely, and thereupon a Responsible Officer of the District shall recalculate the Series 2024-2 Debt Service Reserve Requirement and instruct the Trustee to transfer any excess as a result of having met such Reserve Account Release Conditions to the Series 2024-2 Acquisition and Construction Account to be used for the purposes of such Account.

On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the first Business Day preceding such forty-fifth (45<sup>th</sup>) day), the District shall recalculate the Series 2024-2 Debt Service Reserve Requirement taking into account any Series 2024-2 Prepayment Principal on deposit in the Series 2024-2 Prepayment Account and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2024-2 Debt Service Reserve Account in excess of the Series 2024-2 Debt Service Reserve Requirement as a result of such Series 2024-2 Prepayment Principal to the Series 2024-2 Prepayment Account as a credit against the Series 2024-2 Prepayment otherwise required to be made by the owner of such lot or parcel. Following the foregoing transfer, such amounts in the Series 2024-2 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2024-2 Bonds on the earliest date permitted for redemption therein and in the Second Supplemental Indenture. The Trustee is authorized to make such transfers and has no duty to verify such calculations.

On the earliest date on which there is on deposit in the Series 2024-2 Debt Service Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2024-2 Bonds, together with accrued interest on such Series 2024-2 Bonds to the earliest date of redemption permitted therein and in the Second Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2024-2 Debt Service Reserve Account into the Series 2024-2 Prepayment Account to pay and redeem all of the Outstanding Series 2024-2 Bonds on the earliest date permitted for redemption therein and in the Second Supplemental Indenture.

Anything in the 2024-2 Indenture to the contrary notwithstanding, amounts on deposit in the Series 2024-2 Debt Service Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and

expenses, including fees and expenses of collection of delinquent Series 2024-2 Special Assessments.

Earnings on investments in the Series 2024-2 Debt Service Reserve Account shall be disposed of as follows:

(a) if as of the last date on which amounts on deposit in the Series 2024-2 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2024-2 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2024-2 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2024-2 Debt Service Reserve Account shall be deposited to the credit of the Series 2024-2 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2024-2 Debt Service Reserve Requirement; and

(b) as long as no notice of an Event of Default under the 2024-2 Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2024-2 Debt Service Reserve Account is not reduced below the then Series 2024-2 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (i) prior to the Completion Date of the Assessment Area Two CIP, to the Series 2024-2 Acquisition and Construction Account; and (ii) on and after the Completion Date of the Assessment Area Two CIP, to the Series 2024-2 Revenue Account. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2024-2 Debt Service Reserve Account shall remain therein.

## **Revenue Accounts**

### *Series 2024-1 Revenue Account*

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2024-1 Revenue Account." The Trustee shall deposit into the Series 2024-1 Revenue Account the Series 2024-1 Pledged Revenues, other than Series 2024-1 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2024-1 Prepayment Account, and any other revenues required by other provisions of the 2024-1 Indenture to be deposited therein. The Trustee may conclusively rely on the assumption that, unless otherwise instructed in writing by the District at the time of deposit to the Trustee, Series 2024-1 Pledged Revenues paid to the Trustee shall be deposited into the Series 2024-1 Revenue Account, and that Series 2024-1 Pledged Revenues which the District informs the Trustee constitute Series 2024-1 Prepayment Principal shall be deposited into the Series 2024-1 Prepayment Account.

On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date with respect to the Series 2024-1 Bonds (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the Series 2024-1 Prepayment Account and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2024-1 Revenue Account for deposit into the Series 2024-1 Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next highest integral multiple of

\$5,000 (provided that there are sufficient funds remaining therein to pay the Debt Service Requirements coming due on the Series 2024-1 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2024-1 Bonds in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2024-1 Prepayment Account in accordance with the provisions for extraordinary mandatory redemption of the Series 2024-1 Bonds set forth in the 2024-1 Indenture.

Following the foregoing transfers, the Trustee shall transfer from amounts on deposit in the Series 2024-1 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, no later than the Business Day preceding each May 1 and November 1, to the Series 2024-1 Interest Account, an amount equal to the interest on the Series 2024-1 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2024-1 Interest Account representing Capitalized Interest in accordance with the First Supplemental Indenture and less any other amounts already on deposit in the Series 2024-1 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2024-1 Sinking Fund Account, an amount equal to the principal amount of Series 2024-1 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2024-1 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next [succeeding] each Interest Payment Date, to the Series 2024-1 Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2024-1 Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2024-1 Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2024-1 Interest Account the amount necessary to pay interest on the Series 2024-1 Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2024-1 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the balance on deposit in the Series 2024-1 Revenue Account on such November 2 shall (a) before the Completion Date of the Assessment Area One CIP, be transferred into the Series 2024-1 Acquisition and Construction Account, and (b) on and after the Completion Date of the Assessment Area One CIP, be paid over to the District at the written direction of a Responsible Officer and used for any lawful purpose of the District; provided, however, that on the date of either such proposed transfer the Trustee shall not have received written notice of an Event of Default under the 2024-1 Indenture relating to the Series 2024-1 Bonds, and all Trustee's fees and expenses relating to the Series 2024-1 Bonds shall have been paid.

Series 2024-2 Revenue Account

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2024-2 Revenue Account." The Trustee shall deposit into the Series 2024-2 Revenue Account the Series 2024-2 Pledged Revenues, other than Series 2024-2 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2024-2 Prepayment Account, and any other revenues required by other provisions of the 2024-2 Indenture to be deposited therein. The Trustee may conclusively rely on the assumption that, unless otherwise instructed in writing by the District at the time of deposit to the Trustee, Series 2024-2 Pledged Revenues paid to the Trustee shall be deposited into the Series 2024-2 Revenue Account, and that Series 2024-2 Pledged Revenues which the District informs the Trustee constitute Series 2024-2 Prepayment Principal shall be deposited into the Series 2024-2 Prepayment Account.

On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date with respect to the Series 2024-2 Bonds (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the Series 2024-2 Prepayment Account and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2024-2 Revenue Account for deposit into the Series 2024-2 Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next highest integral multiple of \$5,000 (provided that there are sufficient funds remaining therein to pay the Debt Service Requirements coming due on the Series 2024-2 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2024-2 Bonds in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2024-2 Prepayment Account in accordance with the provisions for extraordinary mandatory redemption of the Series 2024-2 Bonds set forth in the 2024-2 Indenture.

Following the foregoing transfers, the Trustee shall transfer from amounts on deposit in the Series 2024-2 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, no later than the Business Day preceding each May 1 and November 1, to the Series 2024-2 Interest Account, an amount equal to the interest on the Series 2024-2 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2024-2 Interest Account representing Capitalized Interest in accordance with the Second Supplemental Indenture and less any other amounts already on deposit in the Series 2024-2 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2024-2 Sinking Fund Account, an amount equal to the principal amount of Series 2024-2 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2024-2 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next [succeeding] each Interest Payment Date, to the Series 2024-2 Debt Service Reserve Account an amount equal



to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2024-2 Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2024-2 Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2024-2 Interest Account the amount necessary to pay interest on the Series 2024-2 Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2024-2 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the balance on deposit in the Series 2024-2 Revenue Account on such November 2 shall (a) before the Completion Date of the Assessment Area Two CIP, be transferred into the Series 2024-2 Acquisition and Construction Account, and (b) on and after the Completion Date of the Assessment Area Two CIP, be paid over to the District at the written direction of a Responsible Officer and used for any lawful purpose of the District; provided, however, that on the date of either such proposed transfer the Trustee shall not have received written notice of an Event of Default under the 2024-2 Indenture relating to the Series 2024-2 Bonds, and all Trustee's fees and expenses relating to the Series 2024-2 Bonds shall have been paid.

## **Bond Redemption Funds**

### *Series 2024-1 Bond Redemption Fund*

Pursuant to the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2024-1 Bond Redemption Fund" and within such Fund, a "Series 2024-1 General Account" and a "Series 2024-1 Prepayment Account." Except as otherwise provided in the First Supplemental Indenture, moneys to be deposited into the Series 2024-1 Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2024-1 General Account. Series 2024-1 Prepayments shall be identified as such by the District to the Trustee to then be deposited directly into the Series 2024-1 Prepayment Account, as provided in the 2024-1 Indenture.

Moneys in the Series 2024-1 General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2024-1 Bonds, if any, as the District may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2024-1 General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the 2024-1 Indenture; and

SECOND, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2024-1 Bonds that are subject to optional redemption pursuant to the First Supplemental Indenture such amount of Series

2024-1 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Series 2024-1 Bonds shall be called for redemption at one time.

Moneys in the Series 2024-1 Prepayment Account (including all earnings on investments therein) shall be accumulated therein to be used to call for extraordinary mandatory redemption pursuant to the First Supplemental Indenture an amount of Series 2024-1 Bonds equal to the amount of money transferred to the Series 2024-1 Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the First Supplemental Indenture.

*Series 2024-2 Bond Redemption Fund*

Pursuant to the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2024-2 Bond Redemption Fund" and within such Fund, a "Series 2024-2 General Account" and a "Series 2024-2 Prepayment Account." Except as otherwise provided in the Second Supplemental Indenture, moneys to be deposited into the Series 2024-2 Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2024-2 General Account. Series 2024-2 Prepayments shall be identified as such by the District to the Trustee to then be deposited directly into the Series 2024-2 Prepayment Account, as provided in the 2024-2 Indenture.

Moneys in the Series 2024-2 General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2024-2 Bonds, if any, as the District may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2024-2 General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the 2024-2 Indenture; and

SECOND, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2024-2 Bonds that are subject to optional redemption pursuant to the Second Supplemental Indenture such amount of Series 2024-2 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Series 2024-2 Bonds shall be called for redemption at one time.

Moneys in the Series 2024-2 Prepayment Account (including all earnings on investments therein) shall be accumulated therein to be used to call for extraordinary mandatory redemption pursuant to the Second Supplemental Indenture an amount of Series 2024-2 Bonds equal to the amount of money transferred to the Series 2024-2 Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the Second Supplemental Indenture.

## Acquisition and Construction Accounts

### Series 2024-1 Acquisition and Construction Account

The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2024-1 Acquisition and Construction Account." Net proceeds of the Series 2024-1 Bonds shall be deposited into the Series 2024-1 Acquisition and Construction Account in the amounts set forth in the First Supplemental Indenture, together with any excess moneys transferred to the Series 2024-1 Acquisition and Construction Account. Such moneys in the Series 2024-1 Acquisition and Construction Account shall be applied as set forth in the 2024-1 Indenture to pay costs to acquire and/or construct portions of the Assessment Area One CIP, or as otherwise provided in the First Supplemental Indenture after the Completion Date. Each requisition shall substantially be in the form of requisition attached as Exhibit D to the Master Indenture. The Trustee shall have no duty to review the requisition to determine if the amount requested is for payment of a cost permitted under the First Supplemental Indenture. Earnings on investments in the Series 2024-1 Acquisition and Construction Account shall remain therein.

After the Completion Date of the Assessment Area One CIP, which shall not occur until the satisfaction of the Reserve Account Release Conditions and after transferring any resulting excess Series 2024-1 Debt Service Reserve Requirement from the Series 2024-1 Debt Service Reserve Account to the Series 2024-1 Acquisition and Construction Account, and after retaining in the Series 2024-1 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the Assessment Area One CIP set forth in the Consulting Engineer's certificate establishing such Completion Date, any funds remaining in the Series 2024-1 Acquisition and Construction Account shall be transferred to and deposited into the Series 2024-1 General Account and applied to the extraordinary mandatory redemption of the Series 2024-1 Bonds, and the Series 2024-1 Acquisition and Construction Account shall be closed. The Series 2024-1 Acquisition and Construction Account shall remain open until the Reserve Account Release Conditions have been satisfied.

In accordance with the provisions of the 2024-1 Indenture, the Series 2024-1 Bonds are payable solely from the Series 2024-1 Pledged Revenues and any other moneys held by the Trustee under the 2024-1 Indenture for such purpose. Anything in the 2024-1 Indenture to the contrary notwithstanding, the District acknowledges in the First Supplemental Indenture that the Series 2024-1 Pledged Revenues include, without limitation, all amounts on deposit in the Series 2024-1 Acquisition and Construction Account then held by the Trustee, and upon the occurrence of an Event of Default with respect to the Series 2024-1 Bonds, (a) the Series 2024-1 Pledged Revenues may not be used by the District (whether to pay Costs of the Assessment Area One CIP or otherwise) without the consent of the Majority Owners of the Series 2024-1 Bonds, except to the extent that prior to the occurrence of an Event of Default the District had incurred a binding obligation with third parties for work on the Assessment Area One CIP and payment is for such work, and (b) the Series 2024-1 Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2024-1 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the 2024-1 Indenture or as otherwise provided in the Master Indenture.

Series 2024-2 Acquisition and Construction Account

The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2024-2 Acquisition and Construction Account." Net proceeds of the Series 2024-2 Bonds shall be deposited into the Series 2024-2 Acquisition and Construction Account in the amounts set forth in the Second Supplemental Indenture, together with any excess moneys transferred to the Series 2024-2 Acquisition and Construction Account. Such moneys in the Series 2024-2 Acquisition and Construction Account shall be applied as set forth in the 2024-2 Indenture to pay costs to acquire and/or construct portions of the Assessment Area Two CIP, or as otherwise provided in the Second Supplemental Indenture after the Completion Date. Each requisition shall substantially be in the form of requisition attached as Exhibit D to the Master Indenture. The Trustee shall have no duty to review the requisition to determine if the amount requested is for payment of a cost permitted under the Second Supplemental Indenture. Earnings on investments in the Series 2024-2 Acquisition and Construction Account shall remain therein.

After the Completion Date of the Assessment Area Two CIP, which shall not occur until the satisfaction of the Reserve Account Release Conditions and after transferring any resulting excess Series 2024-2 Debt Service Reserve Requirement from the Series 2024-2 Debt Service Reserve Account to the Series 2024-2 Acquisition and Construction Account, and after retaining in the Series 2024-2 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the Assessment Area Two CIP set forth in the Consulting Engineer's certificate establishing such Completion Date, any funds remaining in the Series 2024-2 Acquisition and Construction Account shall be transferred to and deposited into the Series 2024-2 General Account and applied to the extraordinary mandatory redemption of the Series 2024-2 Bonds, and the Series 2024-2 Acquisition and Construction Account shall be closed. The Series 2024-2 Acquisition and Construction Account shall remain open until the Reserve Account Release Conditions have been satisfied.

In accordance with the provisions of the 2024-2 Indenture, the Series 2024-2 Bonds are payable solely from the Series 2024-2 Pledged Revenues and any other moneys held by the Trustee under the 2024-2 Indenture for such purpose. Anything in the 2024-2 Indenture to the contrary notwithstanding, the District acknowledges in the Second Supplemental Indenture that the Series 2024-2 Pledged Revenues include, without limitation, all amounts on deposit in the Series 2024-2 Acquisition and Construction Account then held by the Trustee, and upon the occurrence of an Event of Default with respect to the Series 2024-2 Bonds, (a) the Series 2024-2 Pledged Revenues may not be used by the District (whether to pay Costs of the Assessment Area Two CIP or otherwise) without the consent of the Majority Owners of the Series 2024-2 Bonds, except to the extent that prior to the occurrence of an Event of Default the District had incurred a binding obligation with third parties for work on the Assessment Area Two CIP and payment is for such work, and (b) the Series 2024-2 Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2024-2 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the 2024-2 Indenture or as otherwise provided in the Master Indenture.

## **Other Funds and Accounts**

### *Series 2024-1 Bonds*

The Trustee shall establish a separate subaccount within the Series 2024-1 Acquisition and Construction Account designated as the "Series 2024-1 Costs of Issuance Subaccount." Amounts in the Series 2024-1 Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2024-1 Bonds. Six (6) months after the date of issuance of the Series 2024-1 Bonds, any moneys remaining in the Series 2024-1 Costs of Issuance Subaccount which have not been requisitioned by the District to pay costs relating to the issuance of the Series 2024-1 Bonds shall be deposited into the Series 2024-1 Acquisition and Construction Account and applied as set forth in the 2024-1 Indenture, and the Series 2024-1 Costs of Issuance Subaccount shall be closed.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2024-1 Interest Account." Net proceeds of the Series 2024-1 Bonds shall be deposited into the Series 2024-1 Interest Account in the amount set forth in the First Supplemental Indenture. Moneys deposited into the Series 2024-1 Interest Account shall be applied for the purposes provided in the 2024-1 Indenture.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2024-1 Sinking Fund Account." Moneys shall be deposited into such Account as provided in the 2024-1 Indenture and applied for the purposes provided in the 2024-1 Indenture.

### *Series 2024-2 Bonds*

The Trustee shall establish a separate subaccount within the Series 2024-2 Acquisition and Construction Account designated as the "Series 2024-2 Costs of Issuance Subaccount." Amounts in the Series 2024-2 Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2024-2 Bonds. Six (6) months after the date of issuance of the Series 2024-2 Bonds, any moneys remaining in the Series 2024-2 Costs of Issuance Subaccount which have not been requisitioned by the District to pay costs relating to the issuance of the Series 2024-2 Bonds shall be deposited into the Series 2024-2 Acquisition and Construction Account and applied as set forth in the 2024-2 Indenture, and the Series 2024-2 Costs of Issuance Subaccount shall be closed.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2024-2 Interest Account." Net proceeds of the Series 2024-2 Bonds shall be deposited into the Series 2024-2 Interest Account in the amount set forth in the Second Supplemental Indenture. Moneys deposited into the Series 2024-2 Interest Account shall be applied for the purposes provided in the 2024-2 Indenture.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2024-2 Sinking Fund Account." Moneys shall be deposited into such Account as provided in the 2024-2 Indenture and applied for the purposes provided in the 2024-2 Indenture.

## **Collateral Assignments**

Contemporaneously with the issuance of the Series 2024 Bonds, Palm Coast Intracoastal, LLC, a Florida limited liability company (the "Developer") and Veranda Bay Investments, LLC, a Florida limited liability company (together with the Developer, the "Landowner"), will enter into a [Collateral Assignment and Assumption of Development Rights Relating to the Property] with respect to Assessment Area One and a [Collateral Assignment and Assumption of Development Rights Relating to the Property] with respect to Assessment Area Two (together, the "Collateral Assignments") with the District. The following description of the Collateral Assignments is qualified in its entirety by reference to the Collateral Assignments. Pursuant to the Collateral Assignments, the Landowner collaterally assigns to the District, to the extent assignable and to the extent that they are owned or controlled by the Landowner, all of the Landowner's development rights and contract rights relating to the lands within Assessment Area One and Assessment Area Two, respectively (the "Development Rights") as security for the Landowner's payment and performance of its obligation to pay the Series 2024 Special Assessments levied against the lands within Assessment Area One and Assessment Area Two, respectively, when due. The assignment will become effective and absolute upon failure of the Landowner to pay the Series 2024 Special Assessments levied against the lands within Assessment Area One and/or Assessment Area Two owned by the Landowner. The Development Rights specifically exclude any such portion of the Development Rights which relate to any property which has been conveyed to a retail homebuyer in the ordinary course of business, the County, the District, any applicable property owner's association, or any other governmental entity or association as may be required by applicable permits, government approvals, plats, entitlements, or regulations associated with the development of Assessment Area One and/or Assessment Area Two. Pursuant to the Indentures, the District assigns its rights under the Collateral Assignments to the Trustee for the benefit of the Owners, from time to time, of the Series 2024 Bonds.

## **Completion Agreements**

In connection with the issuance of the Series 2024 Bonds, the District and the Landowner will enter into agreements (the "Completion Agreements") pursuant to which the Landowner will agree to provide funds to complete the Assessment Area One CIP and the Assessment Area Two CIP to the extent that proceeds of the Series 2024 Bonds are insufficient therefor. Remedies for a default under the Completion Agreements include damages and/or specific performance.

## **True-Up Agreements**

In connection with the issuance of the Series 2024 Bonds, the District and the Landowner will enter into agreements (the "True-Up Agreements") pursuant to which the Landowner agrees to pay, when requested by the District, any amount of Series 2024-1 Special Assessments and Series 2024-2 Special Assessments allocated to unplatted acres on lands owned by the Landowner in excess of the allocation in place at the time of issuance of the Series 2024 Bonds pursuant to the Assessment Report. Remedies for a default under the True-Up Agreements include damages, injunctive relief and/or specific performance.

## **Enforcement of Completion Agreements and True-Up Agreements**

Pursuant to the Indentures, the District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreements and the True-Up Agreements, and, upon the occurrence and continuance of a default under any or all of such Agreements, the District covenants and agrees that the Trustee, at the written direction of the Majority Owners of the respective Series of Series 2024 Bonds may, subject to the provisions of Section 11.04 of the Master Indenture, act on behalf of, and in the District's stead, to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything in the Indentures to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreements and the True-Up Agreements upon demand of the Majority Owners of the respective Series of Series 2024 Bonds, or the Trustee at the written direction of the Majority Owners of the respective Series of Series 2024 Bonds, shall constitute an Event of Default under the Indentures, provided, however, that the District shall have a reasonable opportunity to cure.

## **Events of Default**

The Master Indenture provide that each of the following shall be an "Event of Default" under the 2024-1 Indenture or the 2024-2 Indenture with respect to the Series 2024-1 Bonds or the Series 2024-2 Bonds, as applicable:

(a) if payment of any installment of interest on any Series 2024 Bond of a Series is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Series 2024 Bond of a Series 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 to, or is rendered incapable of, fulfilling its obligations under the 2024-1 Indenture or the 2024-2 Indenture, as applicable, or under the Act; 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 2024-1 Indenture or the 2024-2 Indenture or in any Series 2024 Bond of a Series and such default continues for sixty (60) days after written notice thereof that requires the same to be remedied shall have been given to the District by the Trustee, which notice may be given by the Trustee in its discretion and which notice shall be given by the Trustee

at the written request of the Majority Owners of the respective Series of Series 2024 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) any portion of the respective Series of Series 2024 Special Assessments shall have become Delinquent Assessments and, as the result thereof, the Trustee has withdrawn funds in an amount greater than twenty-five percent (25%) of the amount on deposit in the Series 2024-1 Debt Service Reserve Account or the Series 2024-2 Debt Service Reserve Account to pay Debt Service on the Series 2024-1 Bonds or the Series 2024-2 Bonds, as applicable; or

(g) more than twenty percent (20%) of the operation and maintenance assessments levied by the District on tax parcels subject to the respective Series of Series 2024 Special Assessments pledged to the respective Series of Series 2024 Bonds are not paid by the date such are due and payable, and such default continues for sixty (60) days after the date when due.

The District covenants and agrees in the Indentures that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indentures, the provisions for the collection of delinquent Series 2024 Special Assessments, the provisions for the foreclosure of liens of delinquent Series 2024 Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the written direction of, and on behalf of, the Majority Owners, from time to time, of the respective Series of Series 2024 Bonds. Notwithstanding anything to the contrary in the Indentures, and unless otherwise directed by the Majority Owners of the respective Series of Series 2024 Bonds and allowed pursuant to federal or State law, the District acknowledges and agrees that (a) upon failure of any property owner to pay an installment of Series 2024 Special Assessments collected directly by the District when due, that the entire Series 2024 Special Assessments on the tax parcel as to which such delinquent Series 2024 Special Assessment pertains, with interest and penalties thereon, shall immediately become due and payable and the District shall cause to be commenced the necessary legal proceedings for the foreclosure of liens of delinquent Series 2024 Special Assessments with respect to such tax parcel, including interest and penalties, and (b) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages. Notwithstanding anything to the contrary in the Indentures, the District shall be entitled to first recover from any foreclosure before such proceeds are applied to the payment of principal or interest on the respective Series of Series 2024 Bonds, all fees and costs expended in connection with such foreclosure, regardless of whether such fees and costs are included as part of the Series 2024 Special Assessments.

### **Provisions Relating to Bankruptcy or Insolvency of Landowner**

The provisions of Section 9.32 of the Master Indenture, as summarized below, shall apply 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 at least five percent (5%) of the respective Series of Series 2024 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"), except where such tax parcel shall be homestead property. For as long as any Series 2024 Bonds of a Series remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the respective Series of Series 2024 Bonds or the respective Series of Series 2024 Special Assessments, the District shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the respective Series of Series 2024 Bonds or for as long as any Series 2024 Bonds of such Series remain Outstanding.

The District acknowledges and agrees in the Indentures that, although the Series 2024 Bonds may be issued by the District, the Owners of the Series 2024 Bonds are categorically a party with a financial stake in the transaction and, consequently, a party with a vested interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer:

(a) the District 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 respective Series of Series 2024 Bonds or the respective Series of Series 2024 Special Assessments or any rights of the Trustee under the Indentures;

(b) the District 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 respective Series of Series 2024 Special Assessments, the respective Series of Series 2024 Bonds or any rights of the Trustee under the Indentures that is inconsistent with any direction from the Trustee; provided, however, that the Trustee shall be deemed to have consented, on behalf of the Majority Owners of Outstanding Series 2024 Bonds of such Series, to the proposed action if the District does not receive a written response from the Trustee within forty-five (45) days following written request for consent;

(c) to the extent permitted by law, the Trustee shall have the right, but is not obligated to (unless directed by the Majority Owners of Outstanding Series 2024 Bonds of a Series and receipt by Trustee of indemnity satisfactory to the Trustee), (i) vote in any such Proceeding any and all claims of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the respective Series of Series 2024 Special Assessments or the respective Series of Series 2024 Bonds, and (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the respective Series of Series 2024 Special Assessments or the respective Series of Series 2024 Bonds, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, objections to disclosure statements, plans of liquidation or reorganization, motions for use of cash collateral, and seeking approval of sales or post-petition financing;

and, if the Trustee chooses to exercise any such rights (or is directed in writing by the Majority Owners of Outstanding Series 2024 Bonds of a Series and receipt by the Trustee of indemnity satisfactory to the Trustee), 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 United States 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 the Trustee's enforcement of the District's claim with respect to the respective Series of Series 2024 Special Assessments or receipt of adequate protection (as that term is defined in the United States Bankruptcy Code).

Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the respective Series of Series 2024 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 provisions of paragraph (b) above, nothing in this section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, and the District shall be free to pursue such a claim in such manner as it shall deem appropriate in its sole and absolute discretion. 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 directions with respect to the respective Series of Series 2024 Special Assessments whether such claim is pursued by the District or the Trustee.

### **Enforcement and Collection of Series 2024 Special Assessments**

The primary sources of payment for the Series 2024 Bonds are the Series 2024 Special Assessments imposed on each landowner within the District which are specially benefited by the Phase 1-3 CIP. To the extent that landowners fail to pay such Series 2024 Special Assessments, delay payments, or are unable to pay such Series 2024 Special Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2024 Bonds. The Act provides for various methods of collection of delinquent taxes by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for a summary of special assessment payment and collection procedures appearing in the Florida Statutes.

Pursuant to the Indentures, the Series 2024 Special Assessments shall be directly collected and enforced by the District pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2024 Special Assessments levied on platted lots and pledged to

secure the Series 2024 Bonds will be collected pursuant to the uniform method for the levy, collection and enforcement of Special Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended (the "Uniform Method"). The District covenants in the Indentures to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of the Indentures.

Notwithstanding the immediately preceding paragraph or any other provision in the Indentures to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of the respective Series of Series 2024 Bonds, requests that the District not use the Uniform Method, but instead collect and enforce Series 2024 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the District shall collect and enforce said Series 2024 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2024 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

If the owner of any lot or parcel of land assessed for the Phase 1-3 CIP shall be delinquent in the payment of any Series 2024 Special Assessment, then such Series 2024 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 Series 2024 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 Series 2024 Special Assessment the District may, to the extent permitted by law, utilize any other method of enforcement as provided in the Master Indenture, including, without limitation, declaring the entire unpaid balance of such Series 2024 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, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

If any property shall be offered for sale for the nonpayment of any Series 2024 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2024 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2024 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District 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 respective Series of Series 2024 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the respective Series of Series 2024 Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this section. The District, 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 respective Series 2024 Revenue Account. The

District, 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 respective Series of Series 2024 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the respective Series of Series 2024 Bonds.

THERE CAN BE NO ASSURANCE THAT ANY SALE, PARTICULARLY A BULK SALE, OF LAND SUBJECT TO DELINQUENT ASSESSMENTS WILL PRODUCE PROCEEDS SUFFICIENT TO PAY THE FULL AMOUNT OF SUCH DELINQUENT ASSESSMENTS PLUS OTHER DELINQUENT TAXES AND ASSESSMENTS APPLICABLE THERETO.

### **Additional Covenants Regarding Assessments**

The District covenants in the Indentures to comply with the terms of the proceedings heretofore adopted with respect to the Series 2024 Special Assessments, including the Assessment Resolutions and the Assessment Report, and to levy the Series 2024 Special Assessments and any required true-up payments set forth in the Assessment Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2024 Bonds, when due.

### **Prepayment**

At any time any owner of property subject to the respective Series of Series 2024 Special Assessments may, at its option, or under certain circumstances described in the Assessment Resolutions in connection with Prepayments derived from application of the "true-up" mechanism therein, require the District to reduce or release and extinguish the lien upon its property by virtue of the levy of the respective Series of Series 2024 Special Assessments by paying to the District all or a portion of the respective Series of Series 2024 Special Assessment which shall constitute Series 2024-1 Prepayments or Series 2024-2 Prepayments, as applicable, as directed in writing by the District pursuant to the provisions of the Supplemental Indentures, plus accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such Prepayment is made within forty-five (45) calendar days before a Quarterly Redemption Date), attributable to the property subject to such respective Series of Series 2024 Special Assessment owned by such owner; provided, however, to the extent that such payments are to be used to redeem the respective Series of Series 2024 Bonds, in the event the amount in the Series 2024-1 Debt Service Reserve Account or the Series 2024-2 Debt Service Reserve Account, as applicable, will exceed the Series 2024-1 Debt Service Reserve Requirement or the Series 2024-2 Debt Service Reserve Requirement, as applicable, as a result of a Series 2024-1 Prepayment or Series 2024-2 Prepayment, as applicable, in accordance with this section and the resulting redemption of the respective Series of Series 2024 Bonds in accordance with the Supplemental Indentures, the excess amount above the Series 2024-1 Debt Service Reserve Requirement or Series 2024-2 Debt Service Reserve Requirement, as applicable, shall be transferred from the Series 2024-1 Debt Service Reserve Account or Series 2024-2 Debt Service Reserve Account, as applicable, to the Series 2024-1 Prepayment Account or the Series 2024-2 Prepayment Account, as applicable, as a credit against the Series 2024-1 Prepayment or Series 2024-2 Prepayment, as applicable, otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the District together

with a certificate of a Responsible Officer of the District stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2024-1 Debt Service Reserve Account or Series 2024-2 Debt Service Reserve Account, as applicable, to equal or exceed the Series 2024-1 Debt Service Reserve Requirement or Series 2024-2 Debt Service Reserve Requirement, as applicable, and accompanied by cash flows which demonstrate that, after giving effect to the proposed redemption of the respective Series of Series 2024 Bonds, there will be sufficient Series 2024-1 Pledged Revenues or Series 2024-2 Pledged Revenues, as applicable, to pay the principal and interest, when due, on all of the respective Series of Series 2024 Bonds that will remain Outstanding. The written instructions shall be delivered to the Trustee on or before the forty-sixth (46<sup>th</sup>) day prior to a Quarterly Redemption Date. The Trustee is authorized to make such transfers as provided in this section and has no duty to verify such calculations.

Upon receipt of Series 2024-1 Prepayments or Series 2024-2 Prepayments as described in the preceding paragraph, which includes accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within forty-five (45) calendar days before a Quarterly Redemption Date), subject to satisfaction of the conditions set forth therein, the District shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2024-1 Prepayment or Series 2024-2 Prepayment, as applicable, and the District 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 the District Manager, to the effect that the respective Series of Series 2024 Special Assessment has been paid in whole or in part and that such respective Series of Series 2024 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the District, the Trustee shall immediately deposit the same into the Series 2024-1 Prepayment Account or Series 2024-2 Prepayment Account, as applicable, to be applied in accordance with the Supplemental Indentures to the redemption of the respective Series of Series 2024 Bonds in accordance with the Supplemental Indentures.

The Trustee shall conclusively rely on the District's determination of what moneys constitute Series 2024-1 Prepayments or Series 2024-2 Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series of Series 2024 Bonds pursuant to the Supplemental Indentures on each March 15, June 15, September 15 and December 15.

### **Re-Assessment**

Pursuant to the Master Indenture, if any Series 2024 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 Series 2024 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 Series 2024 Special Assessment when it might have done so, the District shall either (a) take all necessary steps to cause a new Series 2024 Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (b) in its sole discretion, make up the amount of such Series 2024 Special Assessment from any legally available moneys, which moneys shall be deposited into the respective Series 2024 Revenue Account. In case such second Series 2024 Special Assessment

shall be annulled, the District shall obtain and make other Series 2024 Special Assessments until a valid Series 2024 Special Assessment shall be made.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2024 Bonds is the revenues received by the District from the collection of Series 2024 Special Assessments imposed on certain lands in the District specially benefited by the Phase 1-3 CIP pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B - ASSESSMENT REPORT" attached hereto.

The imposition, levy, and collection of Series 2024 Special Assessments must be done in compliance with the provisions of State law. Failure by the District, the Flagler County Tax Collector (the "Tax Collector") or the Flagler County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2024 Special Assessments during any year. Such delays in the collection of Series 2024 Special Assessments, or complete inability to collect any Series 2024 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 2024 Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the Series 2024 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 2024 Bonds.

For the Series 2024 Special Assessments to be valid, the Series 2024 Special Assessments must meet two requirements: (a) the benefit from the Phase 1-3 CIP to the lands subject to the Series 2024 Special Assessments must exceed or equal the amount of the Series 2024 Special Assessments; and (b) the Series 2024 Special Assessments must be fairly and reasonably allocated across all such benefited properties. The Assessment Consultant (hereinafter defined) will certify that these requirements have been met with respect to the Series 2024 Special Assessments.

Pursuant to the Act and the Assessment Proceedings, the District may collect the Series 2024 Special Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. Initially, and for undeveloped properties, the District will directly issue annual bills to landowners requiring payment of the Series 2024 Special Assessments and will enforce such bill through foreclosure proceedings. As lands are developed, the Series 2024 Special Assessments will be added to the County tax roll and collected pursuant to the Uniform Method. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B - ASSESSMENT REPORT" attached hereto. 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 Chapter 170, Florida Statutes, and the Act, the District may directly levy, collect and enforce the Series 2024 Special Assessments. In this context, Section 170.10, 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 Series 2024 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 Series 2024 Special Assessments and the ability to foreclose the lien of such Series 2024 Special Assessments upon the failure to pay such Series 2024 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 Series 2024 Special Assessments. See "BONDOWNERS' RISKS" herein.

## **Uniform Method Procedure**

Subject to certain conditions, and for developed lands (as described above), the District may alternatively elect to collect the Series 2024 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 Series 2024 Special Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Series 2024 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 Series 2024 Special Assessments, are to be billed together 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 Series 2024 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 Series 2024 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item would cause the Series 2024 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 2024 Bonds.

Under the Uniform Method, if the Series 2024 Special Assessments are paid during November when due or during the following three (3) months, the taxpayer is granted a variable discount equal to four percent (4%) in November and decreasing one percentage point per month to one percent (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 Underwriter can give any assurance to the holders of the Series 2024 Bonds that (a) the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2024 Special Assessments, (b) future landowners and taxpayers in the District will pay such Series 2024 Special Assessments, (c) 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 (d) 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 Assessment Proceedings to discharge the lien of the Series 2024 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2024 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 Series 2024 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 eighteen percent (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 eighteen percent (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 eighteen percent (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 Series 2024 Special Assessments), interest, costs and charges on the real property described in the certificate.

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 (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), 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 five percent (5%), unless the rate borne by the certificates is zero percent (0%). The proceeds of such 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 affected by purchase of such certificates from the County, as described above.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven (7) years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two (2) 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 (7) 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 (2) 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 (3) 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 Series 2024 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 Series 2024 Special Assessments, which are the primary source of payment of the Series 2024 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 "BONDOWNERS' RISKS" herein.

## **THE DISTRICT**

### **General**

The District is a local unit of special purpose government duly organized and existing under the provisions of the Act and established by the Ordinance. The boundaries of the District include approximately 953 acres of land located entirely within the County.

## **Legal Powers and Authority**

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. 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.

The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem taxes or non-ad valorem assessments, including the Series 2024 Special Assessments, on all taxable real property within their boundaries to pay the principal of and interest on debt obligations issued and to provide for any sinking or other funds established in connection with any such debt obligation issues. Pursuant to the Act, such assessments may be levied, collected and enforced in the same manner and time as county property taxes.

Among other provisions, the Act gives the District's Board of Supervisors the authority to: (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for: (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 wastewater management reclamation and re-use systems or any combination thereof, and to construct and operate connecting intercepting 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 applicable specifications of the county in which such district roads are located; roads and improvements to existing public roads that are owned by or conveyed to the local general-purpose government, the State, or the federal government; street lights; alleys; landscaping; hardscaping; undergrounding of electric utility lines; buses, trolleys, transit shelters, ridesharing facilities and services, parking improvements, and related signage; (iv) conservation areas, mitigation areas, and wildlife habitat, including the maintenance of any plant or animal species, and any related interest in real or personal property; (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, including, but not limited to, guardhouses, fences and gates, and electronic intrusion-detection systems; (b) borrow money and issue bonds of the District; (c) levy, collect and enforce special assessments; (d) impose and foreclose special assessment liens as provided in the Act; and (e) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District authorized by the Act.

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances and the Act does not empower the District to grant building permits. These functions are collectively performed by the County and its departments of government.

The Act exempts all property of the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any Owner of bonds of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds, including the Series 2024 Bonds.

**Board of Supervisors**

The Act provides for a five-member Board of Supervisors (as previously defined, the "Board") to serve as the governing body of the District. Members of the Board must be residents of the State and citizens of the United States. Pursuant to the Act, six (6) years after establishment and after 250 qualified electors reside within the District, the seats of Board members whose terms expire are filled by votes of the qualified electors of the District, except as described below. A qualified elector is a registered voter who is a resident of the District and the State and a citizen of the United States. At the election where Board members are first elected by qualified electors, two Board members must be qualified electors and be elected by qualified electors, both to four-year terms. A third Board member is elected through an election of the landowners of the District. Thereafter, as terms expire, all Board members must be qualified electors and are elected to serve four-year terms with staggered expiration dates in the manner set forth in the Act. The current members of the Board and their respective term expiration dates are set forth below.

<u>Name</u>	<u>Title</u>	<u>Expiration of Term</u>
Clint Smith*	Chairman	November 2026
David Lusby*	Vice Chairman	November 2024
William Livingston*	Assistant Secretary	November 2024
David R. Root*	Assistant Secretary	November 2026
Denise Bunch*	Assistant Secretary	November 2024

\* Elected or appointed by the Landowner (hereinafter defined).

The Act empowers the Board to adopt administrative rules and regulations with respect to any projects of the District, and to enforce penalties for the violation of such rules and regulations. The Act permits the Board to levy taxes under certain conditions, and to levy special assessments, and to charge, collect and enforce fees and user charges for use of District facilities.

**District Manager and Other Consultants**

The Act authorizes the Board to hire a District Manager as the chief administrative official of the District. The Act provides that the District Manager shall have charge and supervision of the works of the District and shall be responsible for (a) preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, (b) maintaining and operating the equipment owned by the District, and (c) performing such other duties as may be prescribed by the Board.

Governmental Management Services – Central Florida, LLC has been retained as the firm to provide district management services for the District (in such capacity, the "District Manager"). The District Manager's office is located at 219 East Livingston Street, Orlando, Florida 32801 and their phone number is (407) 841-5524.

The District Manager's typical responsibilities can briefly be summarized as directly overseeing and coordinating the District's planning, financing, purchasing, staffing, and reporting and acting as governmental liaison for the District. The District Manager's responsibilities also include requisitioning moneys to pay construction contracts and the related accounting and reporting that is required by the Indentures.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Bryant Miller Olive P.A., Orlando, Florida, as Bond Counsel; Chiumento Law, PLLC, Palm Coast, Florida, as District Counsel; Parker Mynchenberg & Associates, Inc., Holly Hill, Florida, as Consulting Engineer; and Governmental Management Services – Central Florida, LLC, Orlando, Florida, as Assessment Consultant.

### **THE PHASE 1-3 CAPITAL IMPROVEMENT PROGRAM**

Parker Mynchenberg & Associates, Inc. (the "Consulting Engineer"), has prepared the Master Engineer's Report – Assessment Area One dated July 12, 2022 (the "Master Engineer's Report"), describing the scope and estimated cost of the District's capital improvement program for the Phase 1-3 Tract (as previously defined, the "Phase 1-3 CIP"), as supplemented by the [Supplement to Engineer's Report for the Phase 1-3 Tract] dated [April \_\_, 2024] (the "Supplemental Engineer's Report" and, together with the Master Engineer's Report, the "Engineer's Report"). The Engineer's Report is attached hereto as composite APPENDIX A. The information in this section relating to the Phase 1-3 CIP is qualified in its entirety by reference to such Engineer's Report, which should be read in its entirety.

The District encompasses approximately 953 acres and is currently planned for a total of 453 residential units. As discussed herein, the Phase 1-3 Tract encompasses approximately 249 acres and is planned to include 335 single-family residential units comprising the first three (3) phases of the Development located just east off the main entry of the Development at John Anderson Highway.

The Phase 1-3 CIP includes certain public infrastructure improvements necessary to support development of the Phase 1-3 Tract. The total estimated cost of the Phase 1-3 CIP is approximately \$21.599 million.

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	Phase 1	Phase 2	Phase 3	Total
Utilities System				
Water System				
Sanitary Sewer System				
Reuse Water System				
Reuse Water Treatment Plant				
Stormwater Management System				
Electric Service				
Conservation Mitigation				
Onsite Public Roadway System				
Offsite Public Roadway System				
Landscaping/Hardscaping/Irrigation				
Recreational Areas				
Professional Fees				
Inspection Survey Testing				
<b>Subtotal</b>				
Contingency				
<b>Total</b>				

The portion of the Phase 1-3 CIP expected to be funded, in part, by the Series 2024-1 Bonds, is referred to as the "Assessment Area One CIP" and generally corresponds with the development of Phases 1 and 3 of the Development (as previously defined, "Assessment Area One"). The Assessment Area One CIP is estimated to cost \$[ ] million. Proceeds of the Series 2024-1 Bonds will be used to acquire a portion of the completed portions of the Assessment Area One CIP in the approximate amount of \$4.0 million\*. To date, the Landowner estimates approximately \$[ ] million has been expended in development related expenditures related to the Assessment Area One CIP. The remainder of the Assessment Area One CIP not funded with proceeds of the Series 2024-1 Bonds is anticipated to be funded by the Landowner. At the time of issuance of the Series 2024-1 Bonds, the Landowner and the District will enter into the Completion Agreement whereby the Landowner will agree to complete those portions of the Assessment Area One CIP not funded with proceeds of the Series 2024-1 Bonds. The District cannot make any representation that the Landowner will have sufficient funds to complete the Assessment Area One CIP.

Further, the portion of the Phase 1-3 CIP expected to be funded, in part, by the Series 2024-2 Bonds, is referred to as the "Assessment Area Two CIP" and generally corresponds with the development of Phase 2 of the Development (as previously defined, "Assessment Area Two"). The Assessment Area Two CIP is estimated to cost \$[ ] million. Proceeds of the Series 2024-2 Bonds will be used to construct a portion of the Assessment Area Two CIP in the approximate amount of \$6.8 million\*. To date, the Landowner estimates approximately \$[ ] million has expended in development related expenditures related to the Assessment Area Two CIP. The remainder of the Assessment Area Two CIP not funded with proceeds of the Series 2024-2 Bonds is anticipated to be funded by the Landowner. At the time of issuance of the Series 2024-2 Bonds, the Landowner and the District will enter into the Completion Agreement whereby the Landowner will agree to complete those portions of the Assessment Area Two CIP not funded with proceeds of the Series 2024-2 Bonds. The District cannot make

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\* Preliminary, subject to change.

any representation that the Landowner will have sufficient funds to complete the Assessment Area Two CIP.

The status of construction and permitting for the Phase 1-3 CIP is outlined in the Engineer's Report attached hereto as composite APPENDIX A. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Zoning and Permitting" herein for a more detailed description of the zoning and permitting status of the Phase 1-3 Tract.

## ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS

Governmental Management Services – Central Florida, LLC (in such capacity, the "Assessment Consultant"), has prepared the Master Assessment Methodology for Assessment Area One dated [July 15, 2022] (the "Master Assessment Report") and the [Preliminary Supplemental Assessment Methodology] dated [May \_\_, 2024] (the "Supplemental Assessment Report" and, together with the Master Assessment Report, the "Assessment Report"), which are attached hereto as composite APPENDIX B. The Assessment Report provides a methodology to allocate the total costs and benefit derived from the Phase 1-3 CIP and the Series 2024 Special Assessments levied in connection with the Series 2024 Bonds.

### Assessment Area One

Proceeds of the Series 2024-1 Bonds will be used to acquire a portion of the completed portions of the Assessment Area One CIP in the approximate amount of \$4.0 million\*. The Series 2024-1 Special Assessments securing the Series 2024-1 Bonds will be levied on a portion of the lands constituting Phases 1 and 3 of the Development which includes approximately 210 acres that has been platted into 211 custom estate homesites (as previously defined, "Assessment Area One"). The Series 2024-1 Bonds were sized to correspond to the collection of Series 2024-1 Special Assessments from the 211 custom estate homesites in Assessment Area One. See "APPENDIX B – ASSESSMENT REPORT" attached hereto.

The table below presents the estimated principal and annual amounts of the Series 2024-1 Special Assessments that will be levied on the units within Assessment Area One in connection with the Series 2024-1 Bonds.

<b>Product Type</b>	<b># of Units</b>	<b>Est. Series 2024-1 Bonds Principal Per Unit†</b>	<b>Est. Series 2024-1 Bonds Gross Annual Debt Service Per Unit†</b>
<b>Phase 1</b>			
Single-family ( <i>Intracoastal Direct &amp; View</i> )	122	\$22,643	\$1,750
<b>Phase 3</b>			
Single-family ( <i>Estate Lots</i> )	89	22,643	1,750
<b>Total</b>	<b>211</b>		

† Preliminary, subject to change.

\* Preliminary, subject to change.

Assessment Area Two

Proceeds of the Series 2024-2 Bonds will be used to construct a portion of the Assessment Area Two CIP in the approximate amount of \$6.8 million\*. The Series 2024-2 Special Assessments securing the Series 2024-2 Bonds will be levied on a portion of the lands constituting Phase 2 of the Development which includes approximately thirty-nine (39) acres planned for 124 residential lots (as previously defined, "Assessment Area Two"). The Series 2024-2 Bonds were sized to correspond to the collection of Series 2024-2 Special Assessments from the 124 residential lots in Assessment Area Two. See "APPENDIX B – ASSESSMENT REPORT" attached hereto.

The table below presents the estimated principal and annual amounts of the Series 2024-2 Special Assessments that will be levied on the units within Assessment Area Two in connection with the Series 2024-2 Bonds.

<b>Product Type</b>	<b># of Units</b>	<b>Est. Series 2024-2 Bonds Principal Per Unit†</b>	<b>Est. Series 2024-2 Bonds Gross Annual Debt Service Per Unit†</b>
Single-family ( <i>Estate Lots</i> )	124	\$68,710	\$5,311

† Preliminary, subject to change. The Landowner plans to prepay a portion of the Series 2024-2 Special Assessments to redeem approximately \$5.7 million of the Series 2024-2 Bonds. After such prepayments are made, the Series 2024-2 Special Assessments are expected to be reduced to approximately \$1,750 for a lot within Phase 2 of the Development.

*The following information appearing under the captions "THE LANDOWNER AND THE DEVELOPER" and "THE DEVELOPMENT" has been furnished by the Landowner for inclusion in this Limited Offering Memorandum as a means for prospective Bondholders to understand the anticipated development plan and risks associated with Assessment Area One and Assessment Area Two and the provision of infrastructure to the real property within the District. Although believed to be reliable, such information has not been independently verified by the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no person other than the Landowner, subject to certain qualifications and limitations, makes any representation or warranty as to the accuracy or completeness of such information. At the time of the issuance of the Series 2024 Bonds, the Landowner will represent in writing that the information herein under the captions "THE LANDOWNER AND THE DEVELOPER," "THE DEVELOPMENT," "LITIGATION – Landowner," and "CONTINUING DISCLOSURE" (as it relates to the Landowner) does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.*

*The Landowner's obligation to pay the Series 2024 Special Assessments is limited solely to its obligation as a landowner, just as any other landowner within the District. The Landowner is not a guarantor of payment on any property within the District and the recourse for the Landowner's failure to pay or otherwise comply with its obligations to the District is limited to its ownership interest in the land subject to the Series 2024 Special Assessments.*

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\* Preliminary, subject to change.



## THE LANDOWNER AND THE DEVELOPER

Palm Coast Intracoastal, LLC, a Florida limited liability company, is the developer of the Development (as previously defined, the "Developer") and, together with Veranda Bay Investments, LLC, a Florida limited liability company, owns a majority of the lands within the District (together, the "Landowner").

The majority membership interests of the Landowner are owned by affiliated entities of SunBelt Land Management, LLC, a Delaware limited liability company ("SunBelt"). SunBelt is a renowned brand in the field of land development, specializing in the creation of luxury waterfront communities throughout the southeastern United States. With a strong track record over the past fifty (50) years, the company has a recognized portfolio of developing more than 150 residential communities valued at \$1.5 billion and spanning 40,000 acres, including those listed below.

<u>Project</u>	<u>Location</u>
Veranda Bay	Flagler Beach, Florida
The Shores at Tranquility	Titusville, Florida
Marina Del Palma	Palm Coast, Florida
Connonsgate at Bogue Sound	Newport, North Carolina
Providence Country Club	Charlotte, North Carolina
Reflection Pointe	Belmont, North Carolina
Skyecroft	Weddington, North Carolina
Summerhouse at Everett Bay	Holly Ridge, North Carolina
The Sanctuary at Costa Grande	Port O'Connor, Texas
Water Ridge	Auburndale, Florida
Waterbridge	Myrtle Beach, South Carolina
Waterway Palms	Myrtle Beach, South Carolina
Peninsula at Lake Hyco	Lake Hyco, North Carolina
Royal Pines	Huntsville, Texas

## THE DEVELOPMENT

### General

Veranda Bay (the "Development") is an intracoastal waterfront community located in Flagler County, Florida (as previously defined, the "County"), within the boundaries of the District. Situated on the Intracoastal Waterway, the Development is currently planned to include 453 homes built around resort-like amenities, natural lands and waterfront views. The main entrance to the Development is located along John Anderson Highway, approximately one (1) mile south of State Road 100 (E. Moody Boulevard) and three (3) miles east of Interstate 95.

The Development sits just across the bridge from the City of Flagler Beach (the "City") and additional nearby retail and dining opportunities are located along State Road 100. Palm Coast beaches and Flagler Beach stretch nineteen (19) miles along the Atlantic Ocean and can be accessed from the Development in less than five (5) minutes. In addition, St. Augustine is located approximately thirty-six (36) miles north of the Development and Daytona Beach is located approximately twenty-one (21) miles south of the Development. Further, Interstate 4, which provides direct access to Orlando, meets Interstate 95 approximately

twenty-four (24) miles south of the Development. The Daytona International Airport, the Jacksonville International Airport, and the Orlando International Airport are located approximately twenty-six (26) miles south, eighty-four (84) miles north and ninety-one (91) miles southwest of the Development, respectively.

Designed as a gated waterfront community, the Development is currently planned to include approximately 453 residential units along with 230,694 square feet of commercial space, recreational facilities and a marina. Development activities in the Development commenced in November 2022. Since then, a significant amount of development has been completed or is underway including construction of the landscaped spine road and additional horizontal infrastructure supporting the initial phases of the Development.

As described herein, the community has been designed to offer a diverse range of residential offerings, including custom estate homesites and builder constructed homes. The first three (3) phases of the Development are planned to include 335 lots comprised of (a) Phase 1, which is planned to include 122 direct intracoastal and intracoastal view custom estate homesites that front the Intracoastal Waterway, (b) Phase 2, which is planned to include 124 builder constructed homes situated just south off the main entry road of the Development, and (c) Phase 3, which is planned to include an additional eighty-nine (89) custom estate homesites situated just north off the main entry road of the Development (collectively and as previously defined, the "Phase 1-3 Tract").

To date, two (2) assessment areas have been established to facilitate the development and financing of the Phase 1-3 Tract, including (a) Assessment Area One, comprising the 211 custom estate homesites in Phases 1 and 3, and (b) Assessment Area Two, comprising the 124 builder constructed homes in Phase 2. The Series 2024-1 Special Assessments securing the Series 2024-1 Bonds will be levied on the units comprising Assessment Area One and the Series 2024-2 Special Assessments securing the Series 2024-2 Bonds will be levied on the units comprising Assessment Area Two.

### **Land Acquisition/Development Financing**

The Landowner acquired approximately 894 acres, including 839 acres within the District and the lands within the Phase 1-3 Tract therein, in May 2018 for an aggregate purchase price of approximately \$11.5 million. The acquisition of the lands was effectuated with cash and a \$10 million purchase money note and purchase money mortgage in favor of the seller. The purchase money note has been paid in full and the mortgage on the lands within the Development has been extinguished.

As indicated herein, development activities in Phase 1 have been completed and work on Phases 2 and 3 are underway. As of [February 29], 2024, the Landowner estimates approximately \$15 million has been expended in development related expenditures allocable to the Phase 1-3 Tract, including \$[ ] million allocable to the Assessment Area One CIP and \$[ ] million allocable to the Assessment Area Two CIP. To date, a development loan, together with equity, has been utilized to fund the construction of infrastructure. The development loan has since been paid in full and a final release of lien was recorded in August 2023. Proceeds of the Series 2024 Bonds totaling approximately \$10.9 million\* will be utilized

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\* Preliminary, subject to change.

to construct and/or acquire a portion of the Phase 1-3 CIP. The remainder of the Phase 1-3 CIP not funded with proceeds of the Series 2024 Bonds are anticipated to be funded with equity contributions from the Landowner.

## **Zoning and Permitting**

*Zoning.* In October 2005, 1,999 acres comprising the District or portions thereof, and the approximately 249 acres comprising the Phase 1-3 Tract, were re-zoned as Planned Unit Development (the "Hammock Beach River PUD") by the County pursuant to Ordinance No. 2005-22. The development agreement (the "Development Agreement") governing the Hammock Beach River PUD provides for the development of 453 units (limited to 150 multi-family residential units), an eighteen (18) hole golf course, recreational facilities, up to 230,694 square feet of commercial uses and approximately 1,000 acres of conservation and wetland area. The Development Agreement further sets forth various development conditions pertaining to, without limitation, utilities and school mitigation, certain of which are further memorialized in separate agreements as noted below.

- *Utility Agreement.* The City and the County have entered into an interlocal agreement which provides for the consent to allow the City to provide utility services to lands within the Hammock Beach River PUD. The Developer and the City entered into a water, reclaimed and wastewater treatment service agreement (the "Utility Agreement") for the provision of utility services to the Phase 1-3 Tract, which includes Assessment Area One and Assessment Area Two. The ability of the City to provide utility services to the Phase 1-3 Tract is conditioned on the construction of certain utility infrastructure necessary to serve 335 water and wastewater Equivalent Residential Connections.
- *School Agreement.* The Developer and the Flagler County School Board ("School Board") entered into a proportionate share mitigation agreement (the "School Agreement") which specified a proportionate share mitigation payment of \$2,660.78 per residential unit in the Phase 1-3 Tract. The total amount of \$891,360 is payable in three (3) payments concurrently with building permit issuance for each 100<sup>th</sup> residential unit in the Phase 1-3 Tract.
- A donation of approximately twelve (12) acres for a utility site, three (3) acres for a public boat ramp and three (3) acres for a county fire station.

*Permits.* Certain permits for the Phase 1-3 Tract, comprising Assessment Area One and Assessment Area Two, have been obtained including those issued by the St. Johns River Water Management District and U.S. Army Corps of Engineers for stormwater management and wetland mitigation for the Phase 1-3 Tract. Upon issuance of the Series 2024 Bonds, the Consulting Engineer will certify that any permits and approvals necessary for the Phase 1-3 Tract that have not previously been obtained are expected to be obtained in the ordinary course of business. As indicated herein, development activities in Phase 1 have been completed and work on Phases 2 and 3 are underway.

## Environmental

In April 2024, a Phase 1 Environmental Site Assessment was commissioned for all of the lands in the District from Atlantic Ecological Services, LLC (the "Phase 1 ESA"). The Phase 1 ESA revealed no evidence of environmentally recognized conditions.

## Utilities

The City will provide water, wastewater and reclaimed water services to the Phase 1-3 Tract. Electric power is being provided by Florida Power and Light. Telephone, internet and cable are being provided by AT&T and Hotwire Communications.

## Product Type/Phasing

As described herein, the Phase 1-3 Tract is planned to be developed in three (3) phases, with subphases therein, for the development of approximately 335 residential units. As discussed herein, Assessment Area One comprises 211 custom estate homesites in Phases 1 and 3 and Assessment Area Two comprises 124 builder constructed homes in Phase 2. The information in the table below depicts the number of units by product type for the three (3) planned development phases, which information is subject to change.

<u>Phase</u>	<u># of Units</u>
<b>Assessment Area One</b>	
<b><i>Phase 1</i></b>	
Subphase 1A ( <i>Intracoastal Direct &amp; View</i> )	56
Subphase 2A ( <i>Intracoastal Direct &amp; View</i> )	66
<i>Subtotal</i>	<u>122</u>
<b><i>Phase 3</i></b>	
Subphase 1B ( <i>Estate Lots</i> )	54
Subphase 1C ( <i>Estate Lots</i> )	35
<i>Subtotal</i>	<u>89</u>
<b><i>Assessment Area One Total</i></b>	<u><u>211</u></u>
<b>Assessment Area Two</b>	
<b><i>Phase 2</i></b>	
Subphase 2B ( <i>Toll Brothers, Estate Lots</i> )	65
Subphase 2C ( <i>Estate Lots</i> )	59
<i>Subtotal</i>	<u>124</u>
<b><i>Assessment Area Two Total</i></b>	<u>124</u>
<b>Total</b>	<u><u>335</u></u>

## Development Status

Development activities in the Phase 1-3 Tract commenced in November 2022. The Phase 1-3 Tract is being developed in three (3) phases with six (6) subphases therein.

Development activities for Assessment Area One, including Phase 1 and Phase 3, have commenced. Phase 1 is complete and includes the full development and platting of 122 custom estate homesites in subphase 1A and subphase 2A located along the Intracoastal Waterway. Development on horizontal infrastructure in Phase 3 has commenced, including

without limitation clearing and grubbing, and is planned to be completed in two (2) subphases, including subphases 1B and 1C planned for an additional eighty-nine (89) custom estate homesites. Further, the Developer has posted a performance bond and received final plat approval for all planned units in Phase 3, with completion of all development work therein anticipated by the fourth quarter of 2024.

Development activities for Phase 2 within Assessment Area Two has commenced, including without limitation clearing and grubbing, and is planned to be completed in two (2) subphases, including subphase 2B (sixty-five (65) single-family lots) and subphase 2C (fifty-nine (59) single-family lots). Development activities in Assessment Area Two planned for 124 builder constructed homes is anticipated to be complete in the second quarter of 2025.

In addition, work on Buena Vista Boulevard, the primary spine road traversing through the center of the Development, has been completed, providing access to all 335 homesites planned within the Phase 1-3 Tract.

### **Participating Builder Agreements/Builder Contract Activity**

The Development is being marketed as a waterfront community that is currently planned to feature 453 homesites built around resort-like amenities, natural lands and waterfront views. The Development will offer a variety of residential opportunities including custom estate homesites and builder constructed homes, each designed to reflect a coastal contemporary style. To maintain the integrity of the community, each homesite will be developed in accordance with the Development's Design Guidelines which provide specific criteria for the community's design theme, quality of design, and overall aesthetic experience and value.

As described herein, the first three (3) phases of the Development include 335 lots within the Phase 1-3 Tract. Assessment Area One comprises 211 custom estate homesites in Phases 1 and 3 and Assessment Area Two comprises 124 builder constructed homes in Phase 2. As detailed below, the Developer has been and intends to continue to sell homesites directly to retail purchasers who will in turn contract with a builder for home construction thereon. Accordingly, the Developer has curated a "Participating Builder Program" for custom estate homesites in Assessment Area One. Further, the Developer has entered into a purchase and sale contract with Toll Brothers for the takedown of sixty-five (65) residential lots planned in Assessment Area Two upon development completion of such lots and currently intends to contract for the sale of the remaining lots in Assessment Area Two with Toll Brothers or another builder.

#### *Assessment Area One*

The Developer has implemented a Participating Builder Program for the 211 custom estate homesites in Phases 1 and 3. The Developer has entered into a Participating Builder Agreement with four (4) premier builders in the region, including ICI Homes®, Marcus Allen Homes, Hulbert Homes and Olsen Custom Homes (each, a "Participating Builder" and collectively, the "Participating Builders"). All retail buyers of a custom estate homesite are required to use a Participating Builder to construct a home within the Development.

The following represents summary information and was obtained from the respective websites of the Participating Builders currently active in Assessment Area One as of the date of this Limited Offering Memorandum. Such information has not been independently verified by the Developer or its counsel, the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no person makes any representation or warranty as to the accuracy or completeness of such information.

**ICI Homes®** is a leading Florida new home builder founded in 1979. Headquartered in Daytona Beach, ICI Homes® is one of Florida's leading master-planned community developers and homebuilders, having been involved in over 140 projects around the State. To date, the company has built more than 15,000 homes, developed an estimated 20,000 lots and is currently operating in more than twenty (20) residential communities in six (6) major Florida markets including the greater Tampa, Orlando, Daytona Beach, Jacksonville/St. Augustine, Sarasota and Gainesville areas. Builder magazine, the homebuilding industry's leading publication, consistently ranks ICI Homes® among the nations' Top 100 Builders year after year.

**Marcus Allen Homes** is a luxury home builder in Clay, Duval, Flagler, and St. Johns Counties. A two-time AR Homes® 'Builder of the Year' award-winner, Marcus Allen Homes has an extensive collection of customizable home designs and exterior elevations that can be built on your lot.

**Hulbert Homes** is a premier award winning custom homebuilder that has been constructing homes since 1997 in Polk and Hillsborough Counties and has recently expanded into the City of Palm Coast in Flagler County and the Space Coast.

**Olsen Custom Homes**, founded by Eric and Shelly Olsen, is an award-winning builder with supreme values and a long-standing history of crafting homes of the highest quality.

#### Assessment Area Two

The Developer has entered into a lot purchase agreement (the "Purchase Agreement") with an affiliate of Toll Brothers, Inc. ("Toll Brothers") for the purchase of sixty-five (65) of the 124 single-family lots in Phase 2, which includes all sixty-five (65) lots in subphase 2B. The Purchase Agreement provides for closings on each homesite in a series of takedowns, which shall occur upon substantial completion of all development-related work pertaining to each takedown. The first takedown, consisting of thirty-two (32) lots, is anticipated to occur in the second quarter of 2025, with the final takedown consisting of the remaining thirty-three (33) lots scheduled to occur in the second quarter of 2026. See "– Absorption/Lot Sales" below for a detail of the estimated lot closings by product type.

The Purchase Agreement provides for the base lot purchase price of \$150,000 for each of the thirty-two (32) lots in the first takedown and \$157,500 for each of the thirty-three (33) lots in the second takedown. Further, in addition to the base lot purchase prices, Toll Brothers must also pay an additional purchase price at the time of each home closing equal to a percentage of the net purchase price to the homebuyer less the base lot purchase price.

Toll Brothers has made a non-refundable deposit equal to approximately \$1.255 million, which will be credited against the total purchase price due at each takedown on a pro-rata per lot basis.

Pursuant to the Purchase Agreement, prior to any takedown, the Developer is required to record a plat for the lots in such takedown and obtain an engineer's certificate of completion. The Developer must also satisfy certain offsite improvements prior to closing lots in the second takedown. Further, as part of its contract obligations, the Developer is responsible for the costs to develop and construct the entrance feature, the amenity center and common area landscaping in the Development. The Developer is required to commence construction of the entrance feature, the amenity center and common area landscaping prior to the initial closing of lots with completion thereof to occur prior to closing lots in the second takedown. Further, pursuant to the Purchase Agreement, Toll Brothers is required to pay the impact fees and the per lot proportionate share mitigation payment of \$2,660.78 associated with each lot takedown.

**Toll Brothers** is a Fortune 500 company and is the nation's leading builder of luxury homes. The company began business over fifty (50) years ago in 1967 and became a public company in 1986. The company serves move-up, empty-nester, active-adult, and second-home buyers and operates in twenty-four (24) states. Toll Brothers builds an array of luxury residential single-family detached and attached homes, master planned resort-style golf communities, and urban low-, mid-, and high-rise communities, principally on land it develops and improves. The company operates its own architectural, engineering, mortgage, title, land development and land sale, golf course development and management, home security, and landscape subsidiaries.

Toll Brothers is a publicly-traded company the common stock of which is listed on the New York Stock Exchange under the symbol TOL. Toll Brothers is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the SEC. The file number for Toll Brothers is 001-09186. The registration statement and other SEC filings are available at the SEC's website at [www.sec.gov](http://www.sec.gov) and at the SEC's Public Reference Room at the SEC's Headquarters, located at 100 F Street, NE, Washington, D.C. 20549. All documents subsequently filed by Toll Brothers 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.

## **Residential Product Offerings**

Veranda Bay is being marketed as a waterfront community featuring a coastal contemporary style, offering a collection of inland homes and waterfront homes facing the Intracoastal Waterway. Custom estate homesites are currently being offered at prices ranging from \$169,880 to \$285,880 for lots that front the main entry road of the Development and \$215,900 to \$385,900 for waterfront and water view lots that front the Intracoastal Waterway. Custom home prices are anticipated to start at \$800,000+. Further, Toll Brothers' estate homes are anticipated to start at \$625,000+.

<b>Product Type</b>	<b>Estimated Base Square Footage</b>	<b>Estimated Base Prices</b>
<b>Custom Estate Homes</b>		
Single-family ( <i>Intracoastal View</i> )	2,500 – 3,200	\$650,000 – \$800,000
Single-family ( <i>Intracoastal Direct</i> )	3,000+	\$1,200,000+
Single-family ( <i>Estate Lots</i> )	3,000+	\$800,000+
<b>Toll Brothers</b>		
Single-family ( <i>Estate Lots</i> )	2,200+	\$625,000+

### Absorption/Lot Sales

Pre-sale activities for homesites within Assessment Area One commenced in 2022. As of March 25, 2024, 157 of the 211 homesites in Assessment Area One had been contracted with retail buyers of which 121 had closed at an average lot price of \$285,438. Construction of custom homes must commence within five (5) years of closing on a homesite. Home construction activities in Phase 1 commenced in the third quarter of 2023 and there are currently eight (8) homes currently under construction.

Further, as of March 25, 2024, Toll Brothers had entered into a contract to purchase sixty-five (65) planned lots in Assessment Area Two. Pursuant to the Purchase Agreement described in more detail under the heading "– Participating Builder Agreements/Builder Contract Activity," lot takedowns in Phase 2 by Toll Brothers are anticipated to occur starting in the second quarter of 2025.

The information in the below table illustrates the current projected lot closings for the residential lot offerings in the Phase 1-3 Tract, which information is subject to change.

<b>Product Type</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
<b>Assessment Area One</b>				
Phase 1 ( <i>Intracoastal Direct &amp; View</i> )	122	0	0	122
Phase 3 ( <i>Estate Lots</i> )	89	0	0	89
<b>Assessment Area Two</b>				
Phase 2 ( <i>Toll Brothers Estate Lots</i> )	0	32	33	65
Phase 2 ( <i>Estate Lots</i> )	0	30	29	59
<b>Total</b>	<b>211</b>	<b>62</b>	<b>62</b>	<b>335</b>

The aforementioned projections are based upon estimates and assumptions that are inherently uncertain, though considered reasonable, and are subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict. As a result, there can be no assurance that such projections will occur or be realized in the time frames anticipated. See "BONDOWNERS' RISKS" herein.

### Recreational Amenities

The Development is planned to include recreational facilities to serve its residents. Such recreational facilities are planned to include a clubhouse, resort-style pool, fitness center, tennis and pickleball courts, dog park, and walking and biking trails. In addition, the Developer has proposed a marina with individual boat slips to which residents will be offered access, located along the Intracoastal Waterway adjacent south of Phase 1. The estimated cost for such recreational facilities is approximately \$5 million. Construction of the



recreational facilities is scheduled to commence in the second quarter of 2024 with a scheduled completion in the second quarter of 2025.

## **Schools**

Based upon current school districting, school-age children residing in the Development will attend Old Kings Elementary School, Buddy Taylor Middle School and Flagler-Palm Coast High School, which received ratings of "A," "C" and "B," respectively, from the Florida Department of Education for 2023. However, future capacity limitations or redistricting could result in a change to which schools children residing in the Development would attend.

## **Marketing**

The Developer intends to employ a marketing plan for the Development that includes using various strategies, outlets and media. Further, the Participating Builders are charged a marketing fee which funds are utilized as a contribution towards the marketing efforts for the Development. The Participating Builders are also undertaking their own marketing efforts to market homes in the first phases of the Development. In addition to using various strategies, outlets and media, the Participating Builders each anticipate building a model home within Assessment Area One, two (2) of which are currently under construction, and Toll Brothers anticipates building two (2) model homes in Assessment Area Two.

## **Fees and Assessments**

Each property owner in the Phase 1-3 Tract will be required to pay annual taxes, assessments, and fees on an ongoing basis as a result of their ownership of property within the District, including ad valorem property taxes, the Series 2024 Special Assessments levied by the District in connection with the Series 2024 Bonds, homeowner's association fees, and administrative, operation and maintenance assessments levied by the District, all as described in more detail below.

*Property Taxes.* The current millage rate for the area in which the District is located is 18.5274. Assuming a home with a taxable value of \$750,000, the annual property tax would be approximately \$13,896.

*Homeowner's Association Fees.* All homeowners in the Phase 1-3 Tract will be subject to annual master homeowner's association ("HOA") fees for architectural review, deed restriction enforcement and maintenance of any HOA-owned facilities. The annual HOA fee for all homes in the Phase 1-3 Tract is expected to total \$500 annually.

### *District Special Assessments*

#### *Series 2024-1 Special Assessments*

All property owners residing in Assessment Area One, which consists of 211 custom estate homesites, will be subject to the Series 2024-1 Special Assessments levied in connection with the Series 2024-1 Bonds which are expected to be paid annually over a thirty (30) year period. The table below illustrates the aforementioned Series 2024-1 Special

Assessments that will be levied by the District for each of the respective product types within Assessment Area One.

<u>Product Type</u>	<u># of Units</u>	<u>Est. Series 2024-1 Bonds Principal Per Unit*</u>	<u>Est. Series 2024-1 Bonds Gross Annual Debt Service Per Unit*</u>
<b>Phase 1</b>			
Single-family ( <i>Intracoastal View</i> )	122	\$22,643	\$1,750
<b>Phase 3</b>			
Single-family ( <i>Estate Lots</i> )	89	22,643	1,750
<b>Total</b>	<b>211</b>		

\*Preliminary, subject to change.

### *Series 2024-2 Special Assessments*

All property owners residing in Assessment Area Two, which consists of 124 residential lots, will be subject to the Series 2024-2 Special Assessments levied in connection with the Series 2024-2 Bonds which are expected to be paid annually over a thirty (30) year period. The table below illustrates the aforementioned Series 2024-2 Special Assessments that will be levied by the District for each of the respective product types within Assessment Area Two.

<u>Product Type</u>	<u># of Units</u>	<u>Est. Series 2024-2 Bonds Principal Per Unit*</u>	<u>Est. Series 2024-2 Bonds Gross Annual Debt Service Per Unit*</u>
Single-family ( <i>Estate Lots</i> )	124	\$68,710	\$5,311

\* Preliminary, subject to change. The Developer plans to prepay a portion of the Series 2024-2 Special Assessments to redeem approximately \$5.7 million of the Series 2024-2 Bonds. After such prepayments are made, the Series 2024-2 Special Assessments are expected to be reduced to approximately \$1,750 for a lot within Phase 2 of the Development.

### *Operation and Maintenance Assessments*

In addition to the Series 2024 Special Assessments, all property owners within the District will be subject to annual operation and maintenance assessments ("O&M Assessments") levied by the District which are derived from the District's annual budget and are subject to change each year. The estimated annual O&M Assessments at build out in the Development are anticipated to be \$1,000 per unit and are subject to change.

### **Competition**

The Developer expects that competition for the Development will primarily come from communities within its sub-market including Palm Coast Plantation, Marina del Palma, Grand Haven, Hammock Dunes and Island Estates.

This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather to provide a description of those that the Developer feels pose primary competition to the homes to be constructed in the Development.

## **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State. Certain of these risks are described in the section above entitled "ENFORCEMENT OF ASSESSMENT COLLECTIONS." However, certain additional risks are associated with the Series 2024 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2024 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum including all appendices hereto in its entirety to identify investment considerations relating to the Series 2024 Bonds.

### **Limited Pledge**

The principal security for the payment of the Debt Service Requirements on the Series 2024 Bonds is the timely collection of the Series 2024 Special Assessments. The Series 2024 Special Assessments do not constitute a personal indebtedness of the owners of the land subject thereto but are secured by a lien on such land. There is no assurance that the Landowner or any subsequent landowner will be able to pay the Series 2024 Special Assessments or that they will pay such Series 2024 Special Assessments even though financially able to do so. Neither the Landowner nor any subsequent landowner is a guarantor of payment of any Series 2024 Special Assessment, and the recourse for the failure of the Landowner or any subsequent landowner to pay the Series 2024 Special Assessments is limited to the collection proceedings against the land. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein. The District has not granted, and may not grant under State law, a mortgage or security interest in the Phase 1-3 CIP. Furthermore, the District has not pledged the revenues, if any, from the operation of the Phase 1-3 CIP as security for, or a source of payment of, the Series 2024 Bonds. The Series 2024 Bonds are payable solely from, and secured solely by, the Series 2024-1 Pledged Revenues or the Series 2024-2 Pledged Revenues, as applicable, including the Series 2024 Special Assessments. The failure of the Landowner or any subsequent landowner to pay the required Series 2024 Special Assessment on its property will not result in an increase in the amount of Series 2024 Special Assessments other landowners are or would be required to pay.

### **Concentration of Land Ownership and Bankruptcy Risks**

Until further development takes place in the Development and assessable properties are sold to end users, payment of the Series 2024 Special Assessments is substantially dependent upon their timely payment by the Landowner. In the event of the institution of bankruptcy or similar proceedings with respect to the Landowner or any other subsequent significant owner of property subject to the Series 2024 Special Assessments, delays and impairment could occur in the payment of the Debt Service Requirements on the Series 2024 Bonds as such bankruptcy could negatively impact the ability of (a) the Landowner or any other landowner being able to pay the Series 2024 Special Assessments, (b) the County to sell tax certificates in relation to such property with respect to the Series 2024 Special Assessments being collected pursuant to the Uniform Method, and (c) the District's ability to enforce collection with respect to the Series 2024 Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2024 Bonds, the Trustee and the District upon an Event of Default under the Indentures 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 during a bankruptcy of the Landowner or any other landowner, the remedies specified by federal, State and local law and in the Indentures and the Series 2024 Bonds, including, without limitation, enforcement of the obligation to pay Series 2024 Special Assessments and the ability of the District to foreclose the lien of the Series 2024 Special Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 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 available remedies respecting the Series 2024 Bonds could have a material adverse impact on the interest of the Owners thereof.

### **Delay and Discretion Regarding Remedies**

Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates in regard to delinquent Series 2024 Special Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two (2) years. Similarly, the ability of the District to enforce collection of delinquent Series 2024 Special Assessments collected directly by the District will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2024 Special Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. If the District should commence a foreclosure action against a landowner for nonpayment of Series 2024 Special Assessments which are not being collected pursuant to the Uniform Method and that are delinquent, such landowners may raise affirmative defenses to such foreclosure action, which although such affirmative defenses would likely be proven to be without merit, could result in delays in completing the foreclosure action.

### **Limitation on Funds Available to Exercise Remedies**

In the event of a default by a landowner in payment of Series 2024 Special Assessments that are not collected pursuant to the Uniform Method, the District is required under the Indentures to fund the costs of foreclosure of such delinquent Series 2024 Special Assessments. It is possible that the District will not have sufficient funds and will be compelled to request the Owners of the Series 2024 Bonds to allow funds on deposit under the Indentures to be used to pay such costs. Under the Internal Revenue Code of 1986, as amended (the "Code"), there are limitations on the amount of Series 2024 Bond proceeds that can be used for such purpose. As a result, there may be insufficient funds for the exercise of remedies.

### **Determination of Land Value upon Default**

The assessment of the benefits to be received by the benefited land within the District as a result of implementation and development of the Phase 1-3 CIP is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. In other words, the value of the land could potentially be ultimately

less than the debt secured by the Series 2024 Special Assessments associated with it. To the extent that the realizable or market value of the land benefited by the Phase 1-3 CIP is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land, or the District to realize sufficient value from a foreclosure action, may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2024 Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of the Debt Service Requirements on the Series 2024 Bonds.

### **Landowner Challenge of Assessed Valuation**

Under State 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 2024 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 2024 Special Assessment, even though the landowner is not contesting the amount of the Series 2024 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 seventy-five percent (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.

### **Failure to Comply with Assessment Proceedings**

The District is required to comply with statutory procedures in levying the Series 2024 Special Assessments. Failure of the District to follow these procedures could result in the Series 2024 Special Assessments not being levied or potential future challenges to such levy.

### **Other Taxes and Assessments**

The willingness and/or ability of a landowner within the District to pay the Series 2024 Special Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District, such as the County, the School Board and other special districts could, without the consent of the owners of the land within the District, impose additional taxes or assessments on the property within the District. County, municipal, school and special district taxes and assessments, including the Series 2024 Special Assessments, and any additional voter-approved ad valorem taxes, are payable at the same time when collected pursuant to the Uniform Method, except for partial payment schedules as may be provided by 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, such taxpayer cannot designate specific line items on the tax bill as deemed paid in full. Therefore, any failure by a landowner to pay any one line item, whether or not it is the Series

2024 Special Assessments, would result in such landowner's Series 2024 Special Assessments to not be fully collected, which could have a significant adverse impact on the District's ability to make full or punctual payment of the Debt Service Requirements on the Series 2024 Bonds.

As referenced herein, the Series 2024 Special Assessments are levied on lands within the District that are also subject to O&M Assessments and HOA fees. See "THE DEVELOPMENT – Fees and Assessments" herein.

### **Limited Secondary Market**

The Series 2024 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2024 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2024 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2024 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2024 Bonds, depending on the progress of the Development, existing market conditions and other factors.

### **Inadequacy of Series 2024 Debt Service Reserve Accounts**

Some of the risk factors described herein, if materialized, could result in a delay in the collection of the Series 2024 Special Assessments or a failure to collect the Series 2024 Special Assessments, but may not affect the timely payment of the Debt Service Requirements on the Series 2024-1 Bonds or Series 2024-2 Bonds because of the Series 2024-1 Debt Service Reserve Account and the Series 2024-2 Debt Service Reserve Account (hereinafter referred to collectively as the "Series 2024 Debt Service Reserve Accounts") established by the District for the Series 2024-1 Bonds and the Series 2024-2 Bonds, as applicable. However, the ability of the District to fund deficiencies caused by delinquent or delayed Series 2024 Special Assessments is dependent upon the amount, duration and frequency of such deficiencies or delays. If the District has difficulty in collecting the Series 2024 Special Assessments, the Series 2024 Debt Service Reserve Accounts could be rapidly depleted and the ability of the District to pay the Debt Service Requirements on the respective Series of Series 2024 Bonds could be materially adversely affected. Owners should note that although the Indentures contain the respective Series 2024 Debt Service Reserve Requirement for the Series 2024 Debt Service Reserve Accounts, and a corresponding obligation on the part of the District to replenish the Series 2024 Debt Service Reserve Accounts to the respective Series 2024 Debt Service Reserve Requirement, the District does not have a designated revenue source for replenishing the Series 2024 Debt Service Reserve Accounts. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2024 Special Assessments in order to provide for the replenishment of the Series 2024 Debt Service Reserve Accounts. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – No Parity Bonds; Limitation on Parity Liens" herein.

Moneys on deposit in the Series 2024 Debt Service Reserve Accounts may be invested in certain obligations permitted under the Indentures. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Series 2024 Debt Service Reserve Accounts to make up deficiencies or delays in collection of Series 2024 Special Assessments.

**The Series 2024-1 Debt Service Reserve Account does not secure the Series 2024-2 Bonds and amounts on deposit in the Series 2024-1 Debt Service Reserve Account may not be used to pay the Debt Service Requirements on the Series 2024-2 Bonds. The Series 2024-2 Debt Service Reserve Account does not secure the Series 2024-1 Bonds and amounts on deposit in the Series 2024-2 Debt Service Reserve Account may not be used to pay the Debt Service Requirements on the Series 2024-1 Bonds.**

### **Regulatory and Environmental Risks**

The Development 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. See "THE DEVELOPMENT – Zoning and Permitting" herein.

The value of the land within the District, the ability to complete the Phase 1-3 CIP, and the likelihood of timely payment of the Debt Service Requirements on the Series 2024 Bonds could be affected by environmental factors with respect to the lands in the District, such as contamination by hazardous materials. 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 of the lands within the District. 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" herein.

### **Economic Conditions**

The development of the Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Landowner or the District. Although the Development is anticipated to be developed as described herein, there can be no assurance that such development will occur or be realized in the manner or schedule currently anticipated.

### **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 assurance 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 the Debt Service Requirements on the Series 2024 Bonds.

### **Infectious Viruses and/or Diseases**

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 Landowner, the timely and successful completion of the Development, and the construction and sale to purchasers of residential units therein. Such impacts could include delays in obtaining development approvals, construction delays, supply chain delays, or increased costs.

### **Damage to District from Natural Disasters**

The value of the lands subject to the Series 2024 Special Assessments could be adversely affected 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 Development, such catastrophic events could potentially render the lands within the Development unable to support the construction of the Phase 1-3 CIP. The occurrence of any such events could materially adversely affect the District's ability to collect Series 2024 Special Assessments and pay the Debt Service Requirements on the Series 2024 Bonds. The Series 2024 Bonds are not insured and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

### **Change in Development Plans**

The Landowner has the right to modify or change plans for development of certain property within the District, 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.

### **Completion of Phase 1-3 CIP**

The Series 2024 Bond proceeds will not be sufficient to finance the completion of the Phase 1-3 CIP. The portions of the Phase 1-3 CIP not funded with proceeds of the Series 2024 Bonds are expected to be funded with contributions from the Landowner. There is no assurance that the Landowner will be able to pay for the cost of any of these improvements. Upon issuance of the Series 2024 Bonds, the Landowner will enter into the Completion Agreements with respect to any portions of the Phase 1-3 CIP not funded with the proceeds of the Series 2024 Bonds. Such obligation of the Landowner is an unsecured obligation. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Completion Agreements" herein. Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Owners of the Series 2024 Bonds should it be necessary to institute proceedings due to the nonpayment of the Series 2024 Special Assessments. Failure to complete or substantial delays in the completion of the Phase 1-3 CIP due to litigation or other causes may reduce the value of the lands in the



Development and increase the length of time during which Series 2024 Special Assessments will be payable from undeveloped property and may affect the willingness and ability of the landowners to pay the Series 2024 Special Assessments when due and likewise the ability of the District to make full or punctual payment of the Debt Service Requirements on the Series 2024 Bonds.

### **District May Not be Able to Obtain Permits**

In connection with a foreclosure of lien of assessments prior to completion of a development, the Circuit Court in and for Lake County, Florida concluded that a community development district had no right, title or interest in any permits and approvals owned by the owner of the parcels so foreclosed. As discussed herein, the District and the Landowner will enter into the Collateral Assignments upon issuance of the Series 2024 Bonds in which the Landowner collaterally assigns to the District certain of its Development Rights relating to the Phase 1-3 CIP. Notwithstanding the foregoing, in the event that the District forecloses on the property subject to the lien of the Series 2024 Special Assessments to enforce payment thereof, the District may not have the right, title or interest in the permits and approvals owned by the Landowner and failure to obtain any such permits or approvals in a timely manner could delay or adversely affect the completion of the Development. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Collateral Assignments" herein.

### **Interest Rate Risk; No Rate Adjustment for Taxability**

The interest rates borne by the Series 2024 Bonds are, in general, higher than interest rates borne by other bonds of political subdivisions that do not involve the same degree of risk as investment in the Series 2024 Bonds. These higher interest rates are intended to compensate investors in the Series 2024 Bonds for the risk inherent in the purchase of the Series 2024 Bonds. However, such higher interest rates, in and of themselves, increase the amount of Series 2024 Special Assessments that the District must levy in order to provide for payment of the Debt Service Requirements on the Series 2024 Bonds and, in turn, may increase the burden of landowners within the Development, thereby possibly increasing the likelihood of non-payment or delinquency in payment of such Series 2024 Special Assessments.

The Indentures do not contain an adjustment of the interest rates on the Series 2024 Bonds in the event of a determination of taxability of the interest thereon. Such a change could occur as a result of the District's failure to comply with tax covenants contained in the Indentures or the Arbitrage Certificate executed by the District upon issuance of the Series 2024 Bonds or due to a change in the United States income tax laws. Should interest on the Series 2024 Bonds become includable in gross income for federal income tax purposes, Owners of the Series 2024 Bonds will be required to pay income taxes on the interest received on such Series 2024 Bonds and related penalties. Because the interest rates on such Series 2024 Bonds will not be adequate to compensate Owners of the Series 2024 Bonds for the income taxes due on such interest, the value of the Series 2024 Bonds may decline. Prospective purchasers of the Series 2024 Bonds should evaluate whether they can own the Series 2024 Bonds in the event that the interest on the Series 2024 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.

## **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 paragraph, the "Audited Bonds") issued by Village Center Community Development District ("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 governmental 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 was 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 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 Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that 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 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 Village Center CDD.

On February 23, 2016, the IRS issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provided guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. However, on July 24, 2017, in response to Executive Order 13789 issued by President Trump, the Secretary of the Treasury (the "Secretary") identified the Proposed Regulations among a list of eight regulations that (a) impose an undue financial burden on U.S. taxpayers, (b) add undue complexity to the federal tax laws, or (c) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that the Treasury Department and the IRS believed that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that the Treasury Department and the IRS would continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future. Because the Proposed Regulations have been withdrawn, it is not

possible to determine the extent to which all or a portion of the discussion herein regarding the Village Center CDD and the TAMs may continue to be applicable in the absence of further guidance from the IRS.

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 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 (6) years or when there are 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 members of the Board were elected by the landowners within the District and none were elected by qualified electors. Although it is impossible to predict whether the IRS will select the Series 2024 Bonds for audit, 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 2024 Bonds are advised that, if the IRS does audit the Series 2024 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 2024 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 2024 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 2024 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 2024 Bonds would adversely affect the availability of any secondary market for the Series 2024 Bonds. Should interest on the Series 2024 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2024 Bonds be required to pay income taxes on the interest received on such Series 2024 Bonds and related penalties, but because the interest rates on such Series 2024 Bonds will not be adequate to compensate Owners of the Series 2024 Bonds for the income taxes due on such interest, the value of the Series 2024 Bonds may decline. See also "TAX MATTERS" herein.

### **Legislative Proposals and State Tax Reform**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2024 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2024 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2024 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2024 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could

significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2024 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for or marketability of the Series 2024 Bonds.

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming State 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. 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 2024 Bonds. It should be noted that Section 190.016(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 in any way impair the rights or remedies of such holders."

### **Loss of Exemption from Securities Registration**

Since the Series 2024 Bonds have not been, and will not be, registered under the Securities Act or any state securities laws, pursuant to the exemption for political subdivisions, and regardless of any potential IRS determination that the District is not a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could independently determine that the District is not a political subdivision for purposes of federal and state securities laws. Accordingly, the District and purchasers of the Series 2024 Bonds may not be able to rely on the exemption from registration relating to securities issued by political subdivisions. In that event, Owners of the Series 2024 Bonds would need to ensure that subsequent transfers of the Series 2024 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

### **Prepayment and Redemption Risk**

The Series 2024 Bonds are subject to extraordinary mandatory redemption as a result of prepayments of the Series 2024 Special Assessments by the Landowner or subsequent owners of property within the District. Any such redemptions of the Series 2024 Bonds would be at the principal amount of such Series 2024 Bonds being redeemed plus accrued interest to the date of redemption. In such event, Owners of the Series 2024 Bonds may not realize their anticipated rate of return on the Series 2024 Bonds and Owners of any Premium Bonds (hereinafter defined) may receive less than the price they paid for the Series 2024 Bonds. See "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions" herein.

### **Performance of District Professionals**

The District has represented to the Underwriter that it has selected its District Manager, District Counsel, Consulting Engineer, Assessment Consultant, Trustee and other professionals with the appropriate due diligence and care. While the foregoing professionals have each represented that they have the respective requisite experience to accurately and

timely perform the duties assigned to them in such roles, the District does not guarantee the performance of such professionals.

### **No Credit Enhancement or Rating**

No application for credit enhancement or a rating on the Series 2024 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2024 Bonds had application been made.

### **Mortgage Default and FDIC**

In the event a bank forecloses on property in the District because of a default on a mortgage with respect thereto 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 2024 Special Assessments. In addition, the District would be required to obtain the consent of the FDIC prior to commencing a foreclosure action on such property for failure to pay Series 2024 Special Assessments.

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**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**

	<b>Series 2024-1 Bonds</b>	<b>Series 2024-2 Bonds</b>
<b><u>Sources of Funds</u></b>		
Par Amount of Series 2024-1 Bonds		
Par Amount of Series 2024-2 Bonds		
Less/Plus Original Issue Discount/Premium		
<b>Total Sources</b>		
 <b><u>Uses of Funds</u></b>		
Deposit to Series 2024-1 Acquisition and Construction Account		
Deposit to Series 2024-2 Acquisition and Construction Account		
Deposit to Series 2024-1 Debt Service Reserve Account		
Deposit to Series 2024-2 Debt Service Reserve Account		
Deposit to Series 2024-1 Interest Account <sup>(1)</sup>		
Deposit to Series 2024-2 Interest Account <sup>(2)</sup>		
Deposit to Series 2024-1 Costs of Issuance Subaccount <sup>(3)</sup>		
Deposit to Series 2024-2 Costs of Issuance Subaccount <sup>(3)</sup>		
Underwriter's Discount		
<b>Total Uses</b>		

<sup>(1)</sup> Represents Capitalized Interest on the Series 2024-1 Bonds through November 1, 2024.  
<sup>(2)</sup> Represents Capitalized Interest on the Series 2024-2 Bonds through November 1, 2025.  
<sup>(3)</sup> Costs of issuance include, without limitation, legal fees and other costs associated with the issuance of the Series 2024 Bonds.

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## DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2024 Bonds:

Period Ending November 1 <sup>st</sup>	Series 2024-1 Bonds		Series 2024-2 Bonds		Series 2024 Bonds
	Principal	Interest	Principal	Interest	Total Debt Service

**Total**

--	--	--	--	--	--

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## TAX MATTERS

### General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2024 Bonds in order that interest on the Series 2024 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2024 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2024 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2024 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The District has covenanted in the Indentures with respect to the Series 2024 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2024 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2024 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2024 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2024 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2024 Bonds. Prospective purchasers of Series 2024 Bonds should be aware that the ownership of Series 2024 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2024 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2024 Bonds; (iii) the inclusion of interest on Series 2024 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2024 Bonds in 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; and (v) the inclusion of interest on Series 2024 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the District, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2024 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

**PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2024 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE**



ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDOWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2024 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 2024 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 2024 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2024 Bonds and proceeds from the sale of Series 2024 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2024 Bonds. This withholding generally applies if the owner of Series 2024 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 2024 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.

### **Other Tax Matters Relating to the Series 2024 Bonds**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2024 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2024 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2024 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2024 Bonds.

Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2024 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

On February 23, 2016, the Internal Revenue Service (the "IRS") issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provide guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. If adopted, the Proposed Regulations would have affected certain State and local governments that issue tax-exempt bonds, including community development districts such as the District. However, on July 24, 2017, in response to Executive Order

13789 issued by President Trump (the "Executive Order"), the Secretary of the Treasury (the "Secretary") identified the Proposed Regulations among a list of eight regulations that (i) impose an undue financial burden on U.S. taxpayers, (ii) add undue complexity to the federal tax laws, or (iii) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that Treasury and the IRS believe that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that Treasury and the IRS will continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future.

Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Villages and the Villages TAM (each as defined below) may continue to be applicable in the absence of further guidance from the IRS. Bond Counsel will render its opinion regarding the exclusion from gross income of interest on the Series 2024 Bonds as described below.

On May 30, 2013, the IRS delivered to Village Center CDD, a Florida special district established under Chapter 190, Florida Statutes, a private ruling, called a technical advice memorandum (the "Villages TAM"), in connection with the examination by the IRS of bonds issued by the Village Center CDD (the "Audited Bonds"). The Villages TAM concluded that, despite having certain eminent domain powers, the Village Center CDD is not a political subdivision permitted to issue tax-exempt bonds based on a number of facts including that its governing board is elected by a small group of landowners, and that it "was organized and operated to perpetuate private control and avoid indefinitely responsibility to a public electorate, either directly or through another elected state or local governmental body."

The Villages TAM, as a private, non-precedential, ruling, binds only the IRS and the Village Center CDD, and only in connection with the Audited Bonds. Moreover, the cited legal basis for the Villages TAM is extremely limited, and, therefore, the value of the Villages TAM as guidance is also limited. Nonetheless, the breadth and force of the language used in the Villages TAM may reflect the disfavor of the IRS toward governmental entities with governing boards elected by landowners, and this position may lead the enforcement branch of the IRS to select bonds of other issuers with landowner-controlled boards for examination.

In July 2016, the IRS closed the examination of the Audited Bonds with no change to their tax-exempt status. Although the audit was closed with no adverse impact on the Audited Bonds, the IRS's motivations and rationale for closing the examination are unknown. The Village Center CDD refunded the Audited Bonds with taxable bonds in 2014.

Like the board of the Village Center CDD, the Board of Supervisors of the District is necessarily elected by the landowners in the District since there are not yet enough qualified electors residing in the District to transition the Board of Supervisors to a resident-elected Board of Supervisors. The Act, which contains the uniform statutory charter for all community development districts and by which the District is governed, delegates to the District certain traditional sovereign powers including, but not limited to, eminent domain, ad valorem taxation and regulatory authority over rates, fees and charges for district facilities. On the basis of the Act and certain representations by the District forming a part of the District's tax certificate as to its reasonable expectations of transition to a resident-

elected Board of Supervisors, it does not appear from the facts and circumstances that the District was organized to avoid indefinitely responsibility to a public electorate. On the basis of the foregoing and other factors, Bond Counsel has concluded that under current law the District is a political subdivision for purposes of Section 103 of the Code, notwithstanding that its Board of Supervisors is temporarily elected by landowners. Bond counsel intends to deliver its unqualified approving opinion in the form attached hereto as "APPENDIX D – FORM OF OPINION OF BOND COUNSEL."

The release of the Villages TAM may cause an increased risk of examination of the Series 2024 Bonds. Owners of the Series 2024 Bonds are advised that if the IRS does audit the Series 2024 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 2024 Bonds may have limited rights to participate in such procedure. The Indentures do not provide for any adjustment to the interest rates borne by the Series 2024 Bonds in the event of a change in the tax-exempt status of the Series 2024 Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2024 Bonds could adversely impact both liquidity and pricing of the Series 2024 Bonds in the secondary market.

### **Tax Treatment of Original Issue Discount**

Under the Code, the difference between the maturity amount of the Series 2024 Bonds maturing on \_\_\_\_\_ 1, 20\_\_ through and including \_\_\_\_\_ 1, 20\_\_ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondowners of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bond.

### **Tax Treatment of Bond Premium**

The difference between the principal amount of the Series 2024 Bonds maturing on \_\_\_\_\_ (collectively, the "Premium Bonds"), and the initial offering price to the public, (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity, and, if applicable, interest rate, was sold constitutes

to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder, requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District has not previously issued any bonds or other indebtedness and the District is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

### **VALIDATION**

The Series 2024 Bonds are a portion of the Bonds that were validated by a Final Judgment of the Circuit Court of the Seventh Judicial Circuit of Florida, in and for Flagler County, Florida, entered on [\_\_\_\_\_]. The period during which an appeal can be taken has expired.

### **LITIGATION**

#### **District**

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2024 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the Indentures. Neither the creation, organization nor existence of the District, nor the title of the present members of the Board has been challenged.

From time to time, the District expects to experience routine litigation and claims incidental to the conduct of its affairs. In the opinion of District Counsel, there are no actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the Series 2024-1 Pledged Revenues or Series 2024-2 Pledged Revenues or the ability of the District to pay the Series 2024-1 Bonds or Series 2024-2 Bonds from the Series 2024-1 Pledged Revenues or Series 2024-2 Pledged Revenues, respectively.

## **Landowner**

In connection with the issuance of the Series 2024 Bonds, the Landowner will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Landowner, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Landowner to complete the Development as described herein or materially and adversely affect the ability of the Landowner to perform its obligations described in this Limited Offering Memorandum.

## **CONTINUING DISCLOSURE**

### **General**

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the SEC (the "Rule"), the District, the Landowner and Governmental Management Services – Central Florida, LLC, as dissemination agent (the "Dissemination Agent") will enter into a Continuing Disclosure Agreement with respect to Assessment Area One and a Continuing Disclosure Agreement with respect to Assessment Area Two (together, the "Disclosure Agreements"), the forms of which are attached hereto as APPENDIX E. Pursuant to the Disclosure Agreements, the District and the Landowner have each covenanted for the benefit of the Owners of the Series 2024 Bonds to provide to the Dissemination Agent certain financial information and operating data relating to the District, the Development and the Series 2024 Bonds (the "Reports"), and to provide notices of the occurrence of certain enumerated material events. Such covenants by the District and the Landowner shall only apply so long as the Series 2024 Bonds remain Outstanding under the Indentures or so long as the District or the Landowner remains an "obligated person" pursuant to the Rule.

The Reports will be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the Disclosure Agreements attached hereto as APPENDIX E. The notices of material events will also be filed by the Dissemination Agent with EMMA. The specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX E. The Disclosure Agreements will be executed at the time of issuance of the Series 2024 Bonds. With respect to the Series 2024 Bonds, no parties other than the District and the Landowner are obligated to provide, nor are expected to provide, any continuing disclosure information with respect to the Rule. The foregoing covenants have been made in order to assist the Underwriter in complying with the Rule.

### **District Continuing Compliance**

Since this is the first bond issuance of the District, the District has not previously entered into any continuing disclosure undertakings as an obligated person during the past five (5) Fiscal Years.

### **Landowner Continuing Compliance**

Neither entity constituting the Landowner has previously entered into any continuing disclosure undertakings as an obligated person during the past five (5) Fiscal Years.  
[CONFIRM]

## **UNDERWRITING**

The Underwriter has agreed, pursuant to a contract entered into with the District, subject to certain conditions, to purchase the Series 2024 Bonds from the District at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2024 Bonds of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_ and plus/less an original issue premium/discount of \$\_\_\_\_\_). See "ESTIMATED SOURCES AND USES OF BOND PROCEEDS" herein. The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Series 2024 Bonds if any are purchased.

The Underwriter intends to offer the Series 2024 Bonds at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Underwriter may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing the Series 2024 Bonds into investment trusts) at prices lower than the initial offering prices and such initial offering prices may be changed from time to time by the Underwriter.

## **LEGALITY FOR INVESTMENT**

The Act provides that the Series 2024 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 shall be and constitute security 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 or voluntary statutory deposits.

## **LEGAL MATTERS**

The Series 2024 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2024 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Chiumento Law, PLLC, Palm Coast, Florida, for the Landowner by its counsel, William Livingston, Esq., Flagler Beach, Florida, for the Trustee by its counsel, Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida, and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

Bond Counsel's opinions included herein are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinions 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 opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather, such opinions represent 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 opinions.

## **AGREEMENT BY THE STATE**

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2024 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 the 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 or other obligations and that it will not in any way impair the rights or remedies of such holders.

## **FINANCIAL STATEMENTS**

The general-purpose financial statements of the District for the Fiscal Year ended September 30, 2022, included in this Limited Offering Memorandum have been audited by Grau & Associates, Inc., independent certified public accountants, as stated in their report appearing in APPENDIX F. The consent of the District's auditor to include in this Limited Offering Memorandum the aforementioned report was not requested, and the general-purpose financial statements of the District are provided as publicly available documents. The auditor was not requested to, nor did they, perform any procedures with respect to the preparation of this Limited Offering Memorandum or the information presented herein. The District has covenanted in the Disclosure Agreement attached hereto as APPENDIX E to provide its annual audit commencing with the audit for the District Fiscal Year ended September 30, 2023, to certain information repositories as described therein.

## **EXPERTS AND CONSULTANTS**

The references herein to Parker Mynchenberg & Associates, Inc., as Consulting Engineer, have been approved by said firm. The Engineer's Report prepared by such firm has been included as composite APPENDIX A attached hereto in reliance upon such firm as an expert in engineering. References to and excerpts herein from such Engineer's Report do not purport to be adequate summaries of the Phase 1-3 CIP or complete in all respects. Such Engineer's Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

The references herein to Governmental Management Services – Central Florida, LLC, as Assessment Consultant, have been approved by said firm. The Assessment Report prepared by such firm has been included as composite APPENDIX B attached hereto in reliance upon such firm as an expert in developing assessment methodologies. References to and excerpts herein from such Assessment Report do not purport to be adequate summaries of such Assessment Report or complete in all respects. Such Assessment Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

## **CONTINGENT AND OTHER FEES**

The District has retained Bond Counsel, District Counsel, the Assessment Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery

of the Series 2024 Bonds. Except for the payment of fees to District Counsel and the Assessment Consultant, the payment of the fees of the other professionals retained by the District is each contingent upon the issuance of the Series 2024 Bonds.

### **NO CREDIT ENHANCEMENT OR RATING**

No application for credit enhancement or a rating on the Series 2024 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2024 Bonds had application been made.

### **MISCELLANEOUS**

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2024 Bonds.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable and is believed to be correct as of the date of this Limited Offering Memorandum, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The Underwriter listed on the cover page hereof has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District, the Landowner or the Development from the date hereof. However, certain parties to the transaction will, on the closing date of the Series 2024 Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of this Limited Offering Memorandum contain an untrue statement of a material fact or omit to state a material fact that should be included herein for the purpose for which this Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of this Limited Offering Memorandum to the date of closing of the Series 2024 Bonds that there has been no material adverse change in the information provided.

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This Limited Offering Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. The appendices hereof are integral parts of this Limited Offering Memorandum and must be read in their entirety together with all foregoing statements.

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Name: Clint Smith  
Its: Chairman

**APPENDIX A**  
**ENGINEER'S REPORT**

**APPENDIX B**  
**ASSESSMENT REPORT**

**APPENDIX C**

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

**APPENDIX D**

**FORM OF OPINION OF BOND COUNSEL**

**APPENDIX E**

**FORMS OF CONTINUING DISCLOSURE AGREEMENTS**

**APPENDIX F**

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

# SECTION 4



**EXHIBIT D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "**Disclosure Agreement**") dated as of [Closing Date], is executed and delivered by **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT** (the "**District**"), **PALM COAST INTRACOASTAL, LLC**, a Florida limited liability company and Veranda Bay Investments, LLC, a Florida limited liability company (together, the "**Landowner**"), and **GOVERNMENTAL MANAGEMENT SERVICES – CENTRAL FLORIDA, LLC** (the "**Dissemination Agent**") in connection with the issuance by the District of its \$[2024-2 Amount] Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "**Bonds**"). The Bonds are being issued pursuant to a Master Trust Indenture, as supplemented by a Second Supplemental Trust Indenture (collectively, the "**Indenture**"), each dated as of June 1, 2024, and each between the District and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). The District, the Landowner and the Dissemination Agent covenant and agree as follows:

**1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the District, the Landowner and the Dissemination Agent for the benefit of the Beneficial Owners (hereinafter defined) of the Bonds, from time to time, and to assist the Participating Underwriter (hereinafter defined) in complying with the applicable provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("**SEC**") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "**Rule**").

The District, the Landowner and the Dissemination Agent have 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 or a governmental regulatory agency that the Rule requires the District, the Landowner or the Dissemination Agent (as the case may be) to provide additional information, the District, the Landowner and the Dissemination Agent, as applicable, 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 District, 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 District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

**2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

**"Annual Filing Date"** shall mean the date set forth in Section 4(a) hereof by which the Annual Report is to be filed with the Repository.

**"Annual Financial Information"** shall mean annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 3(a) hereof.

**"Annual Report"** shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

**"Assessment Area Two"** shall have the meaning ascribed to such term in the Limited Offering Memorandum.

**"Assessments"** shall mean the non-ad valorem special assessments pledged to the payment of the Bonds pursuant to the Indenture.

**"Audited Financial Statements"** shall mean the financial statements (if any) of the District for the applicable 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)(B) of the Rule and specified in Section 3(a) hereof.

**"Audited Financial Statements Filing Date"** shall mean the date under State law by which a unit of local government must file its Audited Financial Statements with the State, which as of the date hereof is nine (9) months after the end of the Fiscal Year of such unit of local government, including the District.

**"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 Bond for federal income tax purposes.

**"Business Day"** shall mean a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the designated corporate trust office of the Trustee and Paying Agent 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 (a) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent, (b) as to the Landowner, the individual(s) executing this Disclosure Agreement on behalf of the Landowner or such person(s) as the Landowner shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent, and (c) as to any Obligated Person other than the Landowner, such person(s) as the Obligated Person shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

**"Dissemination Agent"** shall mean the District or an entity appointed by the District to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District pursuant to Section 10 hereof. Governmental Management Services – Central Florida, LLC has been designated as the initial Dissemination Agent hereunder.

**"District Manager"** shall mean the person or entity serving as District Manager from time to time. As of the date hereof, Governmental Management Services – Central Florida, LLC is the District Manager.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"**Event of Bankruptcy**" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an 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 Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental 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 Obligated Person.

"**Financial Obligation**" shall mean (a) a debt obligation, (b) a 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) a guarantee of either (a) or (b). The term Financial Obligation does 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 fiscal year of the District, which is 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.

"**Limited Offering Memorandum**" shall mean the Limited Offering Memorandum dated [BPA Date], prepared in connection with the issuance of the Bonds.

"**Listed Event**" shall mean any of the events listed in Section 7(a) hereof.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board.

"**MSRB Website**" shall mean [www.emma.msrb.org](http://www.emma.msrb.org).

"**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 twenty percent (20%) or more of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the District and the Landowner.

"**Owners**" shall have the meaning ascribed thereto in the Indenture with respect to the Bonds and shall include Beneficial Owners of the Bonds.

"**Participating Underwriter**" shall mean MBS Capital Markets, LLC, in its capacity as the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"**Quarterly Filing Date**" shall mean the dates set forth in Section 6(a) hereof by which Quarterly Reports are required to be filed with the Repository.

**"Quarterly Report"** shall mean any Quarterly Report provided by the Landowner or any Obligated Person, its successors or assigns pursuant to, and as described in, Sections 5 and 6 hereof.

**"Repository"** shall mean each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. The Repositories currently approved by the SEC may be found by visiting the SEC's website at [www.sec.gov/municipal/nrmsir](http://www.sec.gov/municipal/nrmsir). As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through the MSRB Website.

**"State"** shall mean the State of Florida.

### **3. Content of Annual Reports.**

(a) The Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the District, which includes an update of the financial and operating data of the District to the extent presented in the Limited Offering Memorandum, including:

(i) the amount of Assessments levied for the most recent prior Fiscal Year;

(ii) the amount of Assessments collected from property owners during the most recent prior Fiscal Year;

(iii) if available, the amount of delinquencies greater than 150 calendar days and, in the event that delinquencies amount to more than ten percent (10%) of the amount of Assessments due in any year, a list of delinquent property owners;

(iv) if available, the amount of tax certificates sold for lands within the District subject to the Assessments, if any, and the balance, if any, remaining for sale from the most recent prior Fiscal Year;

(v) the balances in all Funds and Accounts for the Bonds. Upon request, the District shall provide any Owners and the Dissemination Agent with this information more frequently than annually and, in such cases, within thirty (30) calendar days of the date of any written request from the Owners or the Dissemination Agent;

(vi) the total amount of Bonds Outstanding;

(vii) the amount of principal and interest due on the Bonds in the current Fiscal Year;

(viii) the most recent Audited Financial Statements of the District, unless such Audited Financial Statements have not yet been prepared, in which case unaudited financial statements shall be included in a format similar to the Audited Financial Statements; and

(ix) any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) 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. Any or all of the items listed above may be incorporated by specific reference to documents available to the public on the MSRB Website or filed with the SEC, including offering documents of debt issues of the District or related public entities, which have been submitted to the Repository. The District shall clearly identify any document incorporated by reference.

(c) The District and the Disclosure Representative of the District represent and warrant that they will supply, in a timely fashion, any information available to the District or the Disclosure Representative of the District and 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 acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Disclosure Representative of the District 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, the Disclosure Representative of the District or others as thereafter disseminated by the Dissemination Agent.

(d) 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.

#### **4. Provision of Annual Reports.**

(a) Subject to the following sentence, the District shall provide the Annual Report to the Dissemination Agent no later than March 30<sup>th</sup> after the close of the Fiscal Year (the "**Annual Filing Date**"), commencing with the Fiscal Year ending September 30, 2024, in an electronic format as prescribed by the Repository. 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 3(a) hereof; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report and later than the date required above, but in no event later than the Audited Financial Statements Filing Date, if they are not available by the Annual Filing Date. If the Audited Financial Statements are not available at the time of the filing of the Annual Report, unaudited financial statements are required to be delivered as part of the Annual Report in a format similar to the Audited Financial Statements. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 7(a). The District shall file a copy of its Audited Financial Statements for the Fiscal Year ended September 30, 2023 on or before June 30, 2024. The Dissemination Agent shall immediately file the Annual Report or Audited Financial Statements, as applicable, upon receipt from the District with each Repository.

(b) If on the fifteenth (15<sup>th</sup>) calendar day prior to each Annual Filing Date and/or Audited Financial Statements Filing Date, 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 of the District by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 4(a) above. Upon such reminder, the Disclosure Representative of the District shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or Audited Financial Statements, as applicable, in accordance with Section 4(a) above, or (ii) instruct the Dissemination Agent in writing that the District will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the time required under this Disclosure Agreement, state the date by which the Annual Report or Audited Financial Statements, as applicable, for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(xv) has occurred and to immediately send a notice to any Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report or Audited Financial Statements, as applicable, the name, address and filing requirements of any Repository; and

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

## **5. Content of Quarterly Reports.**

(a) Each Quarterly Report shall contain the following information with respect to the lands owned by the Landowner in Assessment Area Two if such information is not otherwise provided pursuant to subsection (b) of this Section 5:

(i) a description and status of the infrastructure improvements in Assessment Area Two that have been completed and that are currently under construction, including infrastructure financed by the Bonds;

(ii) the number of assessable residential units planned on property subject to the Assessments;

(iii) the number of lots closed with builders subject to the Assessments;

(iv) the number of residential units closed with end users subject to the Assessments;

(v) the number of residential units under contract with end users subject to the Assessments;

(vi) the estimated date of complete build-out of residential units subject to the Assessments;

(vii) whether the Landowner has made any bulk sale of the land subject to the Assessments other than as contemplated by the Limited Offering Memorandum;

(viii) the status of development approvals for Assessment Area Two that would affect property subject to the Assessments;

(ix) materially adverse changes or determinations to permits or approvals for Assessment Area Two which necessitate changes to the Landowner's land-use or other plans for Assessment Area Two that would affect property subject to the Assessments;

(x) updated plan of finance for Assessment Area Two (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Landowner or an affiliate, additional mortgage debt, etc.) that would affect property subject to the Assessments;

(xi) any event that has a material adverse impact on the implementation of the development of Assessment Area Two as described in the Limited Offering Memorandum or on the Landowner's ability to undertake the development of Assessment Area Two as described in the Limited Offering Memorandum that would affect property subject to the Assessments; and

(xii) any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) Any of the items listed in subsection (a) above may be incorporated by reference from other documents which are available to the public on the MSRB Website or filed with the SEC. The Landowner shall clearly identify each such other document so incorporated by reference.

(c) The Landowner and the Disclosure Representative of the Landowner each represent and warrant 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 Landowner acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Landowner, the Disclosure Representative of the Landowner 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 Landowner, the Disclosure Representative of the Landowner or others as thereafter disseminated by the Dissemination Agent.

(d) If the Landowner sells, assigns or otherwise transfers ownership of real property in Assessment Area Two subject to the Assessments to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "**Transfer**"), the Landowner hereby agrees to require such third party to assume the disclosure obligations of the Landowner hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Landowner involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5,



6, 7 and 9 hereof, the term "**Landowner**" shall be deemed to include each of the Landowner and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Landowner remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Landowner from its obligations hereunder.

**6. Provision of Quarterly Reports.**

(a) The Landowner, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall provide a Quarterly Report to the Dissemination Agent no later than January 31 (for each calendar quarter ending December 31), April 30 (for each calendar quarter ending March 31), July 31 (for each calendar quarter ending June 30), and October 31 (for each calendar quarter ending September 30) after the end of each calendar quarter, commencing October 31, 2024, for the calendar quarter ending September 30, 2024; provided, however, that so long as the Landowner is a reporting company, such dates shall be extended to the date of filing of its respective 10-K or 10-Q, if later, as the case may be (each, a "**Quarterly Filing Date**"). At such time as the Landowner is no longer an Obligated Person, the Landowner will no longer be obligated to prepare any Quarterly Report pursuant to this Disclosure Agreement. The Dissemination Agent shall immediately file the Quarterly Report upon receipt from the Landowner with each Repository.

(b) If on the seventh (7<sup>th</sup>) calendar day prior to each Quarterly Filing Date the Dissemination Agent has not received a copy of the Quarterly Report due on such Quarterly Filing Date, the Dissemination Agent shall contact the Disclosure Representative of the Landowner by telephone and in writing (which may be by e-mail) to remind the Landowner of its undertaking to provide the Quarterly Report pursuant to Section 6(a) above. Upon such reminder, the Disclosure Representative of the Landowner shall either (i) provide the Dissemination Agent with an electronic copy of the Quarterly Report in accordance with Section 6(a) above, or (ii) instruct the Dissemination Agent in writing that the Landowner will not be able to file the Quarterly Report within the time required under this Disclosure Agreement and state the date by which such Quarterly Report will be provided. If the Dissemination Agent has not received a Quarterly Report that contains the information in Section 5 of this Disclosure Agreement by the Quarterly Filing Date, a Listed Event described in Section 7(a)(xv) shall have occurred and the District and the Landowner hereby direct the Dissemination Agent to immediately send a notice to each Repository in electronic format as required by such Repository, no later than the following Business Day in substantially the form attached as Exhibit A hereto, with a copy to the District.

(c) The Dissemination Agent shall:

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

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Landowner and the District certifying that the Quarterly Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

## 7. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 7, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds and the Landowner shall give, or cause to be given, notice of the occurrence of items (x), (xii), (xiii), (xv), (xvi), (xvii) and (xviii) of the following 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 the occurrence of the event, with the exception of the event described in item (xv) below, which notice shall be given in a timely manner:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves 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 the holders of the Bonds, 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;
- (xi) ratings changes<sup>†</sup>;
- (xii) an Event of Bankruptcy or similar event of an Obligated Person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an 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;

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\* There is no credit enhancement for the Bonds as of the date hereof.

<sup>†</sup> The Bonds are not rated as of the date hereof.

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) notice of any failure on the part of the District to meet the requirements of Sections 3 and 4 hereof or of the Landowner to meet the requirements of Sections 5 and 6 hereof;

(xvi) termination of the District's or the Landowner's obligations under this Disclosure Agreement prior to the final maturity of the Bonds, pursuant to Section 9 hereof;

(xvii) incurrence of a Financial Obligation of the District 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 District or Obligated Person, any of which affect security holders, if material;

(xviii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District or Obligated Person, any of which reflect financial difficulties;

(xix) occurrence of an Event of Default under the Indenture (other than as described in clause (i) above);

(xx) any amendment to the Indenture or this Disclosure Agreement modifying the rights of the Owners of the Bonds; and

(xxi) any amendment to the accounting principles to be followed by the District in preparing its financial statements, as required by Section 11 hereof.

(b) The notice required to be given in Section 7(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

**8. Identifying Information.** In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

(a) the category of information being provided;

(b) the period covered by any Annual Financial Information, financial statement or other financial information or operating data;

(c) the issues or specific securities to which such documents are related (including CUSIP numbers, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);

(d) the name of any Obligated Person other than the District;

(e) the name and date of the document being submitted; and

- (f) contact information for the submitter.

**9. Termination of Disclosure Agreement.** The District's obligations hereunder shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the District for payment of the Bonds, or if the Rule is repealed or no longer in effect. The Landowner's obligations hereunder shall terminate at the earlier of the legal defeasance, prior redemption or payment in full of all of the Bonds, or at such time as the Landowner is no longer an Obligated Person. If any such termination occurs prior to the final maturity of the Bonds, the District and/or the Landowner shall give notice of such termination in the same manner as for a Listed Event under Section 7.

**10. Dissemination Agent.** The District will either serve as the Dissemination Agent or appoint one under this Disclosure Agreement. Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the District or the Dissemination Agent, the District agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Dissemination Agent under this Disclosure Agreement for the benefit of the Owners 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. Notwithstanding any replacement or appointment of a successor, the District shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be Governmental Management Services – Central Florida, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Governmental Management Services – Central Florida, LLC. Governmental Management Services – Central Florida, LLC may terminate its role as Dissemination Agent at any time upon delivery of written notice to the District and the Landowner. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District or the Landowner pursuant to this Disclosure Agreement.

**11. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the District, the Landowner and the Dissemination Agent (if the Dissemination Agent is not the District) may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 6 or 7, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District and/or the Landowner, or the type of business conducted;

- (b) the Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

- (c) the amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the

opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the District, the Landowner and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time without any other conditions.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District and/or the Landowner shall describe such amendment in its next Annual Report or Quarterly Report, as applicable, and 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 District or the Landowner, as applicable. In addition, if the amendment relates to the accounting principles to be followed by the District in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 7(a), and (ii) the Annual Report or Audited Financial Statements, as applicable, 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.

**12. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the District or the Landowner 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, Quarterly Report, or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the District or the Landowner chooses to include any information in any Annual Report, Quarterly Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District or the Landowner shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Quarterly Report, or notice of occurrence of a Listed Event.

**13. Default.** In the event of a failure of the District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of the Participating Underwriter or the Beneficial Owners of more than fifty percent (50%) 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 mandate or specific performance by court order, to cause the District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. 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 District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

**14. Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination

Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format. Anything herein to the contrary notwithstanding, in the event that a Disclosure Representative and the Dissemination Agent are the same party, such party's limited duties in their capacity as Dissemination Agent, as described hereinabove, shall not in any way relieve or limit such party's duties in their capacity as Disclosure Representative under this Disclosure Agreement.

**15. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the District, the Landowner, the Dissemination Agent, the Trustee, the Participating Underwriter and Beneficial Owners of the Bonds (the Trustee, the Participating Underwriter and Beneficial 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.

**16. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**17. Governing Law.** This Disclosure Agreement shall be governed by the laws of the State and federal law.

**18. Trustee Cooperation.** The District represents that the Dissemination Agent is a bona fide agent of the District and directs the Trustee to deliver to the Dissemination Agent, at the expense of the District, any information or reports it requests that the District has a right to request from the Trustee (inclusive of balances, payments, etc.) that are in the possession of and readily available to the Trustee.

**19. 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 Landowner 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.

**20. Undertakings.** The Landowner represents that it has instituted internal processes to provide information to the Dissemination Agent on a timely basis and obtained assurances from the Dissemination Agent that they will in turn request the required reporting information timely and file such information timely with the appropriate Repository.

[Remainder of Page Intentionally Left Blank]

**SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT  
(Gardens at Hammock Beach Community Development District)**

IN WITNESS WHEREOF, the undersigned have executed this Disclosure Agreement as of the date and year set forth above.

[SEAL]

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**

Consented and Agreed to by:

**GOVERNMENTAL MANAGEMENT  
SERVICES – CENTRAL FLORIDA, LLC,**  
and its successors and assigns, as Disclosure  
Representative

By: \_\_\_\_\_  
Chairman, Board of Supervisors

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Joined by **U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION,** as Trustee for  
purposes of Sections 13, 15 and 18 only

**GOVERNMENTAL MANAGEMENT  
SERVICES – CENTRAL FLORIDA, LLC,**  
as initial Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PALM COAST INTRACOASTAL, LLC,**  
a Florida limited liability company,

**VERANDA BAY INVESTMENTS, LLC,**  
a Florida limited liability company,

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT  
(Gardens at Hammock Beach Community Development District)**

**NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT/QUARTERLY REPORT/  
AUDITED FINANCIAL STATEMENTS**

Name of District: Gardens at Hammock Beach Community Development District  
(the "District")

Obligated Person(s) Gardens at Hammock Beach Community Development District  
Palm Coast Intracoastal, LLC and Veranda Bay Investments,  
LLC (together, the "Landowner")

Name of Bond Issue: \$[2024-2 Amount] Special Assessment Bonds (Assessment Area  
Two), Series 2024-2 (the "Bonds")

Date of Issuance: [Closing Date]

CUSIPS: [\_\_\_\_\_]

**NOTICE IS HEREBY GIVEN** that the [District] [Landowner] has not provided [an Annual Report] [Audited Financial Statements] [a Quarterly Report] with respect to the above-named Bonds as required by [Section 4] [Section 6] of the Continuing Disclosure Agreement dated [Closing Date], among the District, the Landowner and the Dissemination Agent named therein. The [District] [Landowner] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_, Dissemination Agent

cc: [District] [Landowner]  
Participating Underwriter



# SECTION G

**RESOLUTION 2024-05**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE PROPER OFFICIALS TO APPROVE THE FORM OF AND AUTHORIZE THE EXECUTION AND DELIVERY OF (A) THE TRUE-UP AGREEMENT; (B) THE COMPLETION AGREEMENT; (C) THE COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS RELATING TO THE PROPERTY; (D) DECLARATION OF CONSENT TO JURISDICTION OF GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT AND IMPOSITION OF SPECIAL ASSESSMENTS; AND (E) AGREEMENT FOR THE ACQUISITION OF CERTAIN WORK PRODUCT, MATERIALS, AND INFRASTRUCTURE; AND PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.**

**WHEREAS**, Gardens at Hammock Beach Community Development District (the "District") is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created by Ordinance 2006-21, adopted by the Board of County Commissioners of Flagler County, Florida, effective on October 9, 2006 (the "Ordinance"); and

**WHEREAS**, the District was created for the purpose of planning, financing, constructing, installing, operating, and/or maintaining certain infrastructure, including on-site and off-site roadways, transportation and roadway improvements, traffic signalization and other improvements as authorized by Chapter 190, Florida Statutes, and the Ordinance; and

**WHEREAS**, the District duly adopted Resolution No. 2020-02 on December 16, 2019 (the "Initial Resolution"), authorizing, among other things, the issuance in one or more series of not to exceed \$48,200,000 aggregate principal amount of its Special Assessment Bonds and appointed SunTrust Bank (succeeded in trust by U.S. Bank National Association) as Trustee (the "Trustee") under the Master Trust Indenture (the "Master Indenture") by and between the District and the Trustee; and

**WHEREAS**, the District has determined to issue its Gardens at Hammock Beach Community Development District Special Assessment Bonds, Series 2024-2, in one or more series, (the "Series 2024-2 Bonds"), for the purpose, among other things, of providing funds for the payment of the cost of construction in Assessment Area Two (the "AA Two Project"); and

**WHEREAS**, the District will cause to be issued the Gardens at Hammock Beach Community Development District Special Assessment Bonds, Series 2024-2 in the principal

amount of not to exceed \$11,000,000 for the purposes, among others, of providing funds for the payment of a portion of the costs of the AA Two Project.

**WHEREAS**, there has been submitted to this meeting with respect to the issuance and sale of the Series 2024-2 Bonds and submitted to the Board:

(i) a form of *True-Up Agreement* between Palm Coast Intracoastal, LLC and Veranda Bay Investments, LLC (“the Developers”) and the District (hereinafter referred to as the “True-Up Agreement”) attached hereto as **Exhibit A**; and

(ii) a form of *Completion Agreement* by and between the Developers and the District (hereinafter referred to as the “Completion Agreement”) attached hereto as **Exhibit B**; and

(iii) a form of *Collateral Assignment and Assumption of Development Rights Relating to the Property* by the Developers in favor of the District (hereinafter referred to as the “Collateral Assignment Agreement”) attached hereto as **Exhibit C**; and

(iv) a form of *Declaration of Consent to Jurisdiction of Gardens at Hammock Beach Community Development District and Imposition of Special Assessments* by and between the Developers and the District (hereinafter referred to as the “Declaration of Consent”) attached hereto as **Exhibit D**; and

(v) a form of *Agreement for the Acquisition of Certain Work Product, Materials, and Infrastructure* by and between the Developers and the District (hereinafter referred to as the “Acquisition Agreement”) attached hereto as **Exhibit E**; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Gardens at Hammock Beach Community Development District, as follows:

**Section 1. Designation of Attesting Members.** The Chairman or the Secretary of the Board of Supervisors (the "Board") of the District, or in the case of the absence of either or the inability to act of either, the Vice Chairman or Assistant Secretaries and members of the Board (each individually a "Designated Member"), are hereby designated and authorized on behalf of the Board to attest to the seal of the Board and to the signature of the Chairman or Vice Chairman of the Board as they appear on the agreements or documents which may be necessary or helpful in connection with the issuance and delivery of the Series 2024-2 Bonds and in connection with the application of same.

**Section 2. True-Up Agreement.** The District hereby approves the form and authorizes the execution by the Chairman or any Designated Member and the Secretary and the delivery of the True-Up Agreement in substantially the form thereof attached hereto as **Exhibit A**, with such changes therein as shall be approved by the Chairman or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of True-Up Agreement attached hereto.

**Section 3. Completion Agreement.** The District hereby approves the form and authorizes the execution by the Chairman or any Designated Member and the Secretary and the delivery of the Completion Agreement in substantially the form thereof attached hereto as **Exhibit B**, with such changes therein as shall be approved by the Chairman or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Completion Agreement attached hereto.

**Section 4. Collateral Assignment Agreement.** The District hereby approves the form and authorizes the execution by the Chairman or any Designated Member and the Secretary and the delivery of the Collateral Assignment Agreement in substantially the form thereof attached hereto as **Exhibit C**, with such changes therein as shall be approved by the Chairman or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Collateral Assignment Agreement attached hereto.

**Section 5. Declaration of Consent.** The District hereby approves the form and authorizes the execution by the Chairman or any Designated Member and the Secretary and the delivery of the Declaration of Consent in substantially the form thereof attached hereto as **Exhibit D**, with such changes therein as shall be approved by the Chairman or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Declaration of Consent attached hereto.

**Section 6. Acquisition Agreement.** The District hereby approves the form and authorizes the execution by the Chairman or any Designated Member and the Secretary and the delivery of the Acquisition Agreement in substantially the form thereof attached hereto as **Exhibit E**, with such changes therein as shall be approved by the Chairman or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Acquisition Agreement attached hereto.

**Section 7. Severability.** If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

**Section 8. Inconsistent Proceedings.** All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

**Section 9. Effective Date.** This Resolution shall take effect immediately upon its adoption.

**PASSED** in Public Session of the Board of Supervisors of Gardens at Hammock Beach Community Development District, this 17<sup>th</sup> day of May, 2024.

Attest:

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**

---

Secretary/Assistant Secretary  
Board of Supervisors

---

Chairman/Vice Chairman  
Board of Supervisors

**EXHIBIT A**

**FORM OF TRUE-UP AGREEMENT**

**This instrument prepared by and return to:**

**VINCENT L. SULLIVAN, ESQ.  
Chiumento Law, P.L.L.C.  
145 City Place, Suite 301  
Palm Coast, Florida 32164**

## **TRUE UP AGREEMENT**

This TRUE UP AGREEMENT (the "Agreement") executed on this \_\_\_ day of June, 2024 by and between **Palm Coast Intracoastal, LLC**, a Florida limited liability company and **Veranda Bay Investments, LLC**, a Florida limited liability company (hereinafter the "Landowner"), and the **Gardens at Hammock Beach Community Development District**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes* (hereinafter the "District").

## **RECITALS**

**WHEREAS**, the District was established by Ordinance 2006-21, enacted by the Board of County Commissioners of Flagler County, Florida, effective on October 9, 2006 (the "Ordinance") for the purpose of planning, financing, constructing, installing, operating, and/or maintaining certain infrastructure, including on-site and off-site roadways, transportation and roadway improvements, traffic signalization and other improvements as authorized by Chapter 190, Florida Statutes, and the Ordinance; and

**WHEREAS**, the Landowner is the owner and/or developer of certain lands as described in Exhibit A attached hereto (the "Property") in Flagler County, Florida, and located within the boundaries of the District; and

**WHEREAS**, the District, pursuant to Chapter 190, Florida Statutes, is authorized to levy such taxes, special assessments, fees and other charges as may be necessary in furtherance of the District's activities and services; and

**WHEREAS**, the \$\_\_\_\_\_ Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "Series 2024-2 Bonds") to finance the design, construction or acquisition of certain improvements necessitated by development within the Property; and

**WHEREAS**, the improvements to be constructed with the proceeds of the Series 2024-2 Bonds include infrastructure as set forth in the Gardens at Hammock Beach Community Development District Supplemental Engineers Report – Phase 1-3 Tract, approved by the District at the May 17, 2024 Board Meeting (the "2024-2 Project"); and

**WHEREAS**, the District has taken certain steps necessary to impose special assessments upon the benefitted lands within the District pursuant to Chapters 170, 190 and 197, Florida Statutes as security for the Series 2024-2 Bonds; and

**WHEREAS**, the District's special assessments securing the Series 2024-2 Bonds were imposed on those benefited lands within the District (the "Series 2024-2 Assessments"); and

**WHEREAS**, as of the date of this Agreement, the Landowner owns and has begun developing the Property; and

**WHEREAS**, Landowner agrees that lands within the Property benefit from the timely design, construction or acquisition of the 2024-2 Project; and

**WHEREAS**, Landowner agrees that the Series 2024-2 Assessments have been validly imposed and constitute valid, legal and binding liens upon the Property; and

**WHEREAS**, Landowner waives any rights it may have under Section 170.09, Florida Statutes, to prepay the Series 2024 Assessments within 30 days after completion of the 2024-2 Project; and

**WHEREAS**, the Preliminary Supplemental Assessment Methodology dated May \_\_\_\_, 2024 and the Master Assessment Methodology for Assessment Area One, dated July 15, 2022 (together, the "Assessment Report"), provides that as the lands within the Property are platted or site plans approved, the allocation of the amounts assessed to and constituting a lien upon the lands within the Property would be calculated based upon certain density assumptions relating to the number of units and lot sizes to be constructed on the developable acres, which assumptions were provided by Landowner; and

**WHEREAS**, the Assessment Report anticipates a mechanism by which the Landowner shall make certain payments to the District in order to satisfy, in whole or in part, those certain assessments allocated and the lien imposed, the amount of such payments being determined generally by a comparison of the acreage, number of units and lot sizes actually platted or having site plan approval within the Property and the amount of remaining debt resulting on the remaining developable lands within the Property as described in the Assessment Report (which payments shall collectively be referenced as the "True Up Payment"); and

**WHEREAS**, Landowner and the District desire to enter into an agreement to confirm Landowner's intentions and obligations to make the True Up Payment when due.

**NOW, THEREFORE**, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which is hereby acknowledged, the parties agree as follows:

**SECTION 1. RECITALS.** The recitals so stated are true and correct and by this reference are incorporated into and form a material part of this Agreement.

**SECTION 2. VALIDITY OF ASSESSMENTS.** Landowner agrees that Resolution No. 2024-04 has been duly adopted by the District. Landowner further agrees that the Series 2024-2 Assessments are a legal, valid and binding lien on the property against which assessed from the date of imposition thereof until paid, coequal with the lien of state, county, municipal and school



board taxes. Landowner hereby waives and relinquishes any rights it may have to challenge, object to or otherwise fail to pay such Series 2024-2 Assessments validly established.

**SECTION 3. SPECIAL ASSESSMENT REALLOCATION.**

A. Assumptions as to Series 2024-2 Assessments. As of the date of the execution of this Agreement, Landowner has informed the District that Landowner plans to construct or provide for the construction of lot sizes identified in the Assessment Report.

B. Process for Reallocation of Assessments. As property is platted or final use becomes known, the District will allocate the debt to the property according to the methodology used in the Assessment Report.

In addition, the District will perform a test to determine that there is not a buildup of debt on the balance of un-platted land within the Property consistent with the Assessment Report.

This amount divided by the total acreage of 38.73 equals approximately \$\_\_\_\_\_ per acre of initial debt. At the time a parcel of land is allocated its appropriate share of the debt per the methodology, the debt per remaining acre of un-platted land is also calculated. If the debt per remaining acre is equal to or less than \$\_\_\_\_\_ per acre, then no further action is required. But if the resulting debt is higher than \$\_\_\_\_\_ per acre, the Landowner will be required to make a True Up Payment to the District. The amount required is calculated to be the amount sufficient to bring the debt per acre back to \$\_\_\_\_\_ per acre. Such amount shall be calculated when platting for 25%, 50%, 75% and 100% of the units planned for platting has occurred within the Property.

C. Strict Application. If the strict application of the true-up methodology to any assessment reallocation for the District pursuant to this Section 3 would result in Series 2024-2 Assessments collected in excess of the District's total debt service obligation on the Series 2024-2 Bonds, the District agrees to take appropriate action by resolution to equitably reallocate the Series 2024-2 Assessments. Further, upon the District's approval of the final plat or site plan for the Property, any unallocated Series 2024-2 Assessments shall become due and payable and must be paid prior to the District's approval of such plat.

**SECTION 4. ENFORCEMENT.** This Agreement is intended to be an additional method of enforcement of Landowner's obligation to abide by the requirements of the reallocation of the Series 2024-2 Assessments, including the making of the True Up Payment. A default by either party under this Agreement shall entitle any other party to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance.

**SECTION 5. RECOVERY OF COSTS AND FEES.** In the event either party is required to enforce this Agreement by court proceedings or otherwise, then each prevailing party, as determined by the applicable court or other dispute resolution provider, shall be entitled to recover from the non-prevailing party all fees and costs incurred, including reasonable attorneys'

fees and costs incurred prior to or during any litigation or other dispute resolution and including all fees and costs incurred in appellate proceedings.

SECTION 6. **NOTICE.** All notices, requests, consents and other communications hereunder ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or telecopied or hand delivered to the parties, as follows:

(a) If to Landowner: Palm Coast Intracoastal, LLC  
3129 Springbank Lane, Suite 201  
Charlotte, NC 28226

AND

Veranda Bay Investments, LLC  
5150 Tamiami Trail North, Suite 500  
Naples, FL 34103

(b) If to District: Gardens at Hammock Beach Community  
Development District  
c/o Governmental Management Services – Central  
Florida, LLC.  
219 East Livingston Street  
Orlando, FL 32801  
Attn: District Manager  
Tel: (407) 841-5524

With a copy to: Chiumento Law P.L.L.C.  
145 City Place, Suite 301  
Palm Coast, FL 32164  
Attn: Michael D. Chiumento III, Esq.  
Tel: (386) 445-8900

Except as otherwise provided herein, any Notice shall be deemed received only upon actual delivery at the address set forth herein. If mailed as provided above, Notices shall be deemed delivered on the third business day unless actually received earlier. Notices hand delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the parties may deliver Notice on behalf of the parties. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

Notwithstanding the foregoing, to the extent Florida law requires notice to enforce the collection of assessments placed on property by the District, then the provision of such notice shall be in lieu of any additional notice required by this Agreement.

SECTION 7. **ASSIGNMENT.** No party may assign their rights, duties, or obligations under this Agreement or any monies to become due hereunder without the prior written consent of each other party which consent shall not be unreasonably withheld.

SECTION 8. **AMENDMENT.** This Agreement shall constitute the entire agreement between the parties and may be modified in writing only by the mutual agreement of all parties.

SECTION 9. **TERMINATION.** This Agreement shall continue in effect until it is rescinded in writing by the mutual assent of each party.

SECTION 10. **NEGOTIATION AT ARM'S LENGTH.** This Agreement has been negotiated fully between the parties as an arm's length transaction. All parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, all parties are deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against either party.

SECTION 11. **BENEFICIARIES.** This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns. Notwithstanding the foregoing, the Trustee for the Series 2024-2 Bonds, acting at the direction of the bondholders thereof, shall have the right to directly enforce the provisions of this Agreement. The Trustee shall not be deemed to have assumed any obligations under this Agreement.

SECTION 12. **LIMITATIONS ON GOVERNMENTAL LIABILITY.** Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, Florida Statutes or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

SECTION 13. **APPLICABLE LAW.** This Agreement shall be governed by the laws of the State of Florida. Venue shall be in the State Circuit Court, in and for Flagler County, Florida.

SECTION 14. **PUBLIC RECORDS.** As a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, all documents of any kind, whether made or received by the District or provided to the District in connection with this Agreement may be public records subject to public disclosure in accordance with Florida law.

SECTION 15. **EXECUTION IN COUNTERPARTS.** This instrument may be executed in any number of counterparts, each of which, when executed and delivered, shall constitute an original, and such counterparts together shall constitute one and the same instrument. Signature

and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

SECTION 16. **EFFECTIVE DATE.** This Agreement shall become effective after execution by the parties hereto on the date reflected above.

**IN WITNESS WHEREOF,** the parties execute this agreement the day and year first written above.

Signed, Sealed and Delivered in the presence of:

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**, a community development district authorized and created pursuant to Chapter 190, Florida Statutes

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
**Clint Smith, Chairman**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_  
\_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF FLAGLER

I hereby certify that on this day, before me, by means of  X  physical presence or \_\_\_\_\_ online notarization, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally Clint Smith, as Chairman of the Board of Supervisors of GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT, to me known to be the person described in and who executed the foregoing instrument and acknowledged before that he executed the same for the purpose therein expressed.

WITNESS my hand and official seal in the County and State aforesaid this \_\_\_\_ day of June, 2024.

\_\_\_\_\_  
Notary Public  
Printed Name:  
My Commission Expires:

Signed, Sealed and Delivered in the presence of:

**PALM COAST INTRACOASTAL, LLC,  
A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of June, 2024 by William G. Allen, Jr., as Manager of **Palm Coast Intracoastal, LLC, a Florida limited liability company**, on behalf of the Company. He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Name: \_\_\_\_\_

Signed, Sealed and Delivered in the presence of:

**VERANDA BAY INVESTMENTS, LLC,**  
**A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of June, 2024 by William G. Allen, Jr., as Manager of **Veranda Bay Investments, LLC, a Florida limited liability company**, on behalf of the Company. He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT B**

**FORM OF COMPLETION AGREEMENT**

## COMPLETION AGREEMENT

This **COMPLETION AGREEMENT** (the "**Agreement**") executed on this \_\_\_ day of June 2024 by and between Palm Coast Intracoastal LLC, a Florida limited liability company and Veranda Bay Investments, LLC a Florida limited liability company (collectively the "**Landowner**"), and the Gardens at Hammock Beach Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes (hereinafter the "**District**").

### RECITALS

**WHEREAS**, the Landowner owns certain lands located in Flagler County, Florida consisting of approximately 49 acres as more particularly described in **Exhibit A** (hereinafter the "**Property**");

**WHEREAS**, the District was created as a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes and pursuant to duly adopted Ordinance 2005-2, enacted by the Board of County Commissioners of Flagler County, Florida effective October 2005;

**WHEREAS**, the District is a residential planned unit development (the "**Development**") located entirely in Flagler County, Florida. The District is located South of State Road 100, West of the Intracoastal Waterway, West by John Anderson Highway with Daytona Beach to the South and St. Augustine to the North;

**WHEREAS**, the Development currently includes the District and the lands within the District consisting of approximately 49 acres;

**WHEREAS**, the District previously adopted that certain *Gardens at Hammock Beach Community Development District Amended and Restated Master Engineer's Report – Phase 1-3 Tract* dated April, 2024, which contains a description of the improvements anticipated to be funded, acquired, operated and/or maintained by the District ("**Improvement Plan**");

**WHEREAS**, the Landowner intends to develop the Property and the District intends to fund a portion of the improvements comprising the Assessment Area One CIP (hereinafter defined) through the issuance of its Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One) Series 2024-2 bonds (the "**2024-2 Bonds**");

**WHEREAS**, on May 17, 2024, the District adopted the *Gardens at Hammock Beach Community Development District Supplemental Engineer's Report – Phase 1-3 Tract* (hereinafter the "**2024 Engineer's Report**") which includes an estimate of the cost for the construction of infrastructure within the Property (the "**Assessment Area One CIP**" and the components being financed with the 2024-2 Bonds, hereinafter the "**2024-2 Project**"); and

**WHEREAS**, in order to ensure that the 2024-2 Project is completed and funding is available in a timely manner to provide for its completion, the Landowner and the District hereby



agree that the District will be obligated to issue no more than \$ \_\_\_\_\_ in 2024-2 Bonds to fund the 2024-2 Project and the Landowner will make provision for any additional funds that may be needed in the future for the completion of the 2024-2 Project over and above that amount including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs.

**NOW THEREFORE**, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which is hereby acknowledged, the District and the Landowner agree as follows:

**1. INCORPORATION OF RECITALS.** The recitals stated above are true and correct and by this reference are incorporated by reference as a material part of this Agreement.

**2. COMPLETION OF 2024-2 PROJECT.** The Landowner and District agree and acknowledge that the 2024-2 Bonds may provide only a portion of the funds necessary to complete the 2024-2 Project. In the event that the cost of the 2024-2 Project is such that the construction funds available from the 2024-2 Bond proceeds are insufficient to complete the 2024-2 Project, which determination shall be in the reasonable discretion of the District consistent with the 2024 Engineer's Report, the Landowner hereby agrees to complete or cause to be completed those portions of the 2024-2 Project which remain unfunded including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs (the "**Remaining 2024-2 Project**") whether pursuant to existing contracts, including change orders thereto, contracts assigned by the Landowner to the District, or future contracts. Nothing herein shall cause or be construed to require the District to (i) complete the construction of the 2024-2 Project or (ii) issue additional bonds or indebtedness to provide funds for any portion of the Remaining 2024-2 Project. The District and Landowner hereby acknowledge and agree that the District's execution of this Agreement constitutes the manner and means by which the District has elected to provide any and all portions of the Remaining 2024-2 Project not funded by the 2024-2 Bonds or other indebtedness.

When all or any portion of the Remaining 2024-2 Project is the subject of an existing District contract, the Landowner shall provide funds directly to the District as and when actually needed by the District to pay costs, in an amount sufficient to complete the Remaining 2024-2 Project pursuant to such contract, including change orders thereto. When any portion of the Remaining 2024-2 Project is not the subject of an existing District contract, the Landowner may choose to complete, cause to be completed, or provide funds to the District in an amount sufficient to allow the District to complete or cause to be completed, the Remaining 2024-2 Project, subject to a formal determination by the District that the option selected by the Landowner will not adversely impact the District, and is in the District's best interests. Nothing herein shall prevent the District and Landowner from agreeing to amend the Acquisition Agreement dated June \_\_, 2024 to include all or any portion of the Remaining 2024-2 Project.

**3. OTHER CONDITIONS AND ACKNOWLEDGMENTS**

(a) The District and the Landowner agree and acknowledge that the exact location, size, configuration and composition of the 2024-2 Project may change from that described in the 2024 Engineer's Report, depending upon final design of the development, permitting or other regulatory requirements over time, or other factors. Material changes to the 2024-2 Project shall be made by a written amendment to the 2024 Engineer's Report, which shall include an estimate of the cost of the changes.

(b) The District and Landowner agree and acknowledge that for any and all portions of the Remaining 2024-2 Project which are constructed, or caused to be constructed, by the Landowner for the benefit of the District shall be conveyed to the District or such other appropriate unit of local government as is designated in the 2024 Engineer's Report or required by governmental regulation or development approval. All conveyances to another governmental entity shall be in accordance with and in the same manner as provided in any agreement between the District and the appropriate unit of local government. All conveyances to the District shall be in accordance with an agreement or agreements governing conveyances between the Landowner and the District as approved by the District's engineer.

(c) Notwithstanding anything to the contrary contained in this Agreement, the payment or performance by Landowner of its completion obligations hereunder is expressly subject to, dependent and conditioned upon (a) the issuance of \$ \_\_\_\_\_ par amount of 2024-2 Bonds and use of the proceeds thereof to fund all or a portion of the 2024-2 Project, and (b) to the extent the District enters into a construction contract for any portion of the 2024-2 Project, the scope, configuration, size and/or composition of the 2024-2 Project not materially changing without the consent of the Landowner. Such consent is not necessary, and the Landowner must meet its completion obligations when the scope, configuration, size and/or composition of the 2024-2 Project are materially changed in response to a requirement imposed by a regulatory agency upon notice and coordination with the Landowner.

**4. DEFAULT AND PROTECTION AGAINST THIRD PARTY INTERFERENCE.** A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance. The District shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the District's right to protect its rights from interference by a third party to this Agreement.

**5. AMENDMENTS.** Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the District and the Landowner.

**6. AUTHORIZATION.** The execution of this Agreement has been duly authorized by the appropriate body or official of the District and the Landowner, both the District and the Landowner have complied with all the requirements of law, and both the District and the Landowner have full power and authority to comply with the terms and provisions of this instrument.

7. **NOTICES.** All notices, requests, consents and other communications under this Agreement ("**Notices**") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

(a)	If to Landowner:	Palm Coast Intracoastal, LLC 3129 Springbank Lane, Suite 201 Charolotte, NC 28226  AND  Veranda Bay Investments, LLC 5150 Tamiami Trail North, Suite 500 Naples, FL 34103
(b)	If to District:	Landings CDD c/o Governmental Management Services – Central Florida, LLC 219 East Livingston Street Orlando, FL 32801 Attn: District Manager Tel: (407) 841-5524
	With a copy to:	Chiumento Law P.L.L.C. 145 City Place, Suite 301 Palm Coast, FL 32164 Attn: Michael D. Chiumento III, Esq. Tel: (386) 445-8900

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Landowner may deliver Notice on behalf of the District and the Landowner. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

8. **ARM’S LENGTH TRANSACTION.** This Agreement has been negotiated fully between the District and the Landowner as an arm’s length transaction. Both parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either the District or the Landowner.

**9. THIRD PARTY BENEFICIARIES.** This Agreement is solely for the benefit of the District and the Landowner, and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and the Landowner any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Landowner and their respective representatives, successors, and assigns. Notwithstanding the foregoing, the Trustee for the 2024-2 Bonds, acting at the direction of the bondholders thereof, shall have the right to directly enforce the provisions of this Agreement. The Trustee shall not be deemed to have assumed any obligations under this Agreement.

**10. ASSIGNMENT.** Neither the District nor the Landowner may assign this Agreement or any monies to become due hereunder without the prior written approval of the other and the Trustee acting on behalf of the bondholders.

**11. CONTROLLING LAW.** This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida. Venue shall be in the State Circuit Court, in and for Flagler County, Florida.

**12. EFFECTIVENESS.** This Agreement shall be effective after execution by the District and the Landowner.

**13. PUBLIC RECORDS.** The Landowner understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and may be treated as such in accordance with Florida law.

**14. SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

**15. SOVEREIGN IMMUNITY.** Landowner agrees that nothing in this Agreement shall be deemed a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in section 768.28, Florida Statutes or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

**16. HEADINGS FOR CONVENIENCE ONLY.** The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

**17. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

**IN WITNESS WHEREOF,** the parties execute this agreement the day and year first written above.

GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT

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

Clint Smith, Chairman

Date: June \_\_, 2024

ATTEST:

\_\_\_\_\_

**[Landowner's Signature on Following Page]**

PALM COAST INTRACOASTAL, LLC

By: \_\_\_\_\_  
William G. Allen, Jr., Manager of Palm Coast  
Intracoastal, LLC

Date: June \_\_\_\_, 2024

ATTEST:

\_\_\_\_\_

VERANDA BAY INVESTMENTS, LLC

By: \_\_\_\_\_  
William G. Allen, Jr., Manager of Veranda Bay  
Investments, LLC

Date: June \_\_\_\_, 2024

ATTEST:

\_\_\_\_\_

**EXHIBIT C**

**FORM OF COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT  
RIGHTS RELATING TO THE PROPERTY**

**This instrument prepared by and  
return to:**

**VINCENT L. SULLIVAN, ESQ.  
Chimento Law, P.L.L.C.  
145 City Place, Suite 301  
Palm Coast, Florida 32164**

**COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS  
RELATING TO THE PROPERTY**

This COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS RELATING TO THE PROPERTY (herein, the "**Assignment**") is made this \_\_\_ day of June, 2024, by PALM COAST INTRACOASTAL, LLC a Florida limited liability company and VERANDA BAY INVESTMENTS, LLC a Florida limited liability company (collectively the "**Landowner**") in favor of the GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT, a local unit of special purpose government created pursuant to Chapter 190, Florida Statutes, and located in Flagler County, Florida (together with its successors and assigns, the "**District**").

**RECITALS**

**WHEREAS**, the District proposes to issue its Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two) Series 2024-2 bonds (the "**2024-2 Bonds**") to purchase and/or construct certain public infrastructure which will provide special benefit to certain lands including but not limited to the real property described on Exhibit A (the "**Property**") in the development commonly referred to as Veranda Bay (the "**Development**"), which is located within the geographical boundaries of the District;

**WHEREAS**, the security for the repayment of the 2024-2 Bonds is the special assessments levied against the Property ("**2024-2 Bond Assessments**");

**WHEREAS**, the Landowner is currently the owner of the Property;

**WHEREAS**, the District or the Landowner, on behalf of the District, plans to make to make improvements and develop the Property with proceeds of the 2024-2 Bonds;

**WHEREAS**, on May 17, 2024, the District adopted the Gardens a Hammock Beach Community Development District Supplemental Engineer's Report – Phase 1-3 Tract dated April 2024 (hereinafter the "**2024 Engineer Report**") which includes an estimate of the cost to purchase the completed public improvements within the Property (hereinafter the "**2024-2 Project**");

**WHEREAS**, the purchasers of the 2024-2 Bonds anticipate that the Property will finish being developed in accordance with the 2024-2 Engineer's Report (which is on file in the District's office), and developed lots sold to homebuilders and/or end-users ("**Development Completion**");



**WHEREAS**, the failure to achieve Development Completion may increase the likelihood that the purchasers of the 2024-2 Bonds will not receive the full benefit of their investment in the 2024 Bonds; and

**WHEREAS**, during the period in which the Property is being developed and has yet to reach Development Completion, there is an increased likelihood that adverse changes to local or national economic conditions may result in a default in the payment of the 2024-2 Bond Assessments;

**WHEREAS**, in the event of default in the payment of the 2024-2 Bond Assessments, the District has certain remedies – namely, if the 2024-2 Bond Assessments are direct billed, the remedy available to the District for non-payment of the 2024 Bond Assessments would be an action in foreclosure, or if the 2024-2 Bond Assessments are collected pursuant to Florida’s uniform method of collection, the remedy available to the District for non-payment of the 2024-2 Bond Assessments would be the sale of tax-certificates (collectively, “**Remedial Rights**”); and

**WHEREAS**, the Landowner and the District have entered into certain other agreements concurrently herewith with respect to the 2024-2 Bonds (such agreements being referred to collectively as the “**Bond Documents**”);

**WHEREAS**, in the event the District exercises its Remedial Rights, the District will require the assignment of certain Development Rights (defined in Section 2 below), to complete development of the Property to the extent that such Development Rights have not been previously assigned, transferred, or otherwise conveyed to: (1) a retail homebuyer in the ordinary course of business; (2) Flagler County, Florida; (3) the District; (4) any applicable property owner’s association; or (5) any other governmental entity or association as may be required by applicable permits, government approvals, plats, entitlements, or regulations associated with the development of the Property or affecting the Property (each a “**Partial Transfer**”); and

**WHEREAS**, in the event of a transfer, conveyance or sale of any portion of the Property that is not a Partial Transfer, the successors-in-interest to the real property so conveyed by Landowner shall be subject to this Assignment, which shall be recorded in the Official Records of Flagler County, Florida.

**NOW, THEREFORE**, in consideration of the above recitals which the parties hereby agree are true and correct and are hereby incorporated by reference and other good and valuable consideration, the sufficiency of which is acknowledged, Landowner and District agree as follows:

1. **Incorporation of Recitals and Exhibit**. The recitals set forth above and Exhibit A attached hereto are incorporated herein, as if restated in their entirety.

2. **Collateral Assignment**. Landowner hereby collaterally assigns to District, to the extent assignable and to the extent that they are owned or controlled by Landowner upon execution of this Assignment or acquired in the future, all of Landowner's development rights and contract rights relating to the Property and to the extent assigned pursuant to this Section 2 (herein the “**Development Rights**”) as security for Landowner's payment and performance of all of its obligations arising under the Bond Documents. This Assignment is made on an exclusive basis to

the extent that the Development Rights pertain solely to the Property or to the development of the Property, except as otherwise set forth in this Assignment. The Development Rights shall include, but shall not be limited to, all of the following to the extent that they pertain to the Property, but shall specifically exclude any such portion of the Development Rights which relate solely to any portion of the Property which has been conveyed or dedicated or is in the future conveyed or dedicated as a Partial Transfer:

(a) Zoning approvals, density approvals and entitlements, concurrency capacity certificates and development agreement rights.

(b) Engineering and construction plans and specifications for grading, roadways, site drainage, stormwater drainage, signage, water distribution, wastewater collection, and other improvements.

(c) Preliminary and final site plans.

(d) Architectural plans and specifications for buildings and other improvements to the lands in the Property (other than house, multi-family building and commercial building plans).

(e) Permits, approvals, resolutions, variances, licenses, and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the development of the Property and construction of improvements thereon and off-site to the extent improvements are necessary or required to complete the development of the Property.

(f) Contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the Property or the construction of improvements thereon.

(g) Contracts and agreements with private utility providers to provide utility services to the lands within the Property.

(h) All future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing.

(i) Any declaration of covenants of a homeowner's association governing the Property, as recorded in the Official Records of Flagler County, Florida, and as the same may be supplemented, amended and restated from time to time, including, without limitation, all of the right, title, interest, powers, privileges, benefits and options of the "developer" or "declarant" thereunder.

This Assignment is not intended to impair or interfere with the development of the Property or the Development, including, without limitation, Landowner's contracts with potential future homebuilders or homeowner's, and shall only be inchoate until becoming an effective and absolute assignment and assumption of the Development Rights upon an Event of Default (defined hereinafter) and the District's exercise of its Remedial Rights on account thereof; provided, however, that such assignment shall only be effective and absolute to the extent that this Assignment has not been terminated earlier pursuant to the provisions of this Assignment.

3. **Warranties by Landowner**. Landowner represents and warrants to District that:

(a) Subject to the sales contracts, Landowner has made no assignment of the Development Rights to any person other than District.

(b) During the Term (as defined in Section 8 below) of this Assignment, any transfer, conveyance or sale of the Property shall subject any and all affiliated entities or successors-in-interest of the Landowner to this Assignment, except to the extent of a Partial Transfer.

(c) Landowner is not prohibited under any agreement with any other person or under any judgment or decree from the execution, delivery and performance of this Assignment.

(d) No action has been brought or threatened which would in any way interfere with the right of Landowner to execute this Assignment and perform all of Landowner's obligations herein contained.

4. **Covenants.** Landowner covenants with District that during the Term:

(a) Landowner will use reasonable, good faith efforts to: (i) fulfill, perform, and observe each and every material condition and covenant of Landowner relating to the Development Rights; and (ii) give notice to District of any claim of default relating to the Development Rights received or given by Landowner, together with a complete copy of any such claim.

(b) If and when this Assignment becomes absolute, the Development Rights will include all of Landowner's right to modify the Development Rights, to terminate the Development Rights, and to waive or release the performance or observance of any obligation or condition of the Development Rights; unless such modification, termination, waiver or release affects any of the Development Rights which pertain to lands outside of the Property and/or not relating to development of the Property, or solely to any portion of the lands or the Property that were subject to a Partial Transfer.

(c) Landowner agrees to perform any and all actions necessary and use good faith efforts relating to any and all future creations, changes, extensions, revisions, modifications, substitutions, and replacements of the Development Rights, none of which actions or rights shall be limited by this Assignment except to the extent and as set forth in this Assignment.

5. **Event(s) of Default.** A breach of the Landowner's warranties contained in Section 3 hereof or breach of covenants contained in Section 4 hereof will, after the giving of notice and an opportunity to cure (which cure period shall be at least sixty (60) days and may be longer if District, in its reasonable discretion, agrees to a longer cure period), constitute an Event of Default under this Assignment.

6. **Remedies Upon Event of Default.** Upon an Event of Default, or upon the District's exercise of any of its Remedial Rights and the transfer of title to lands within the Property owned by Landowner pursuant to a judgment of foreclosure entered by a court of competent jurisdiction in favor of District (or its designee) or a deed in lieu of foreclosure to the District (or its designee) or the acquisition of title to such property through the sale of tax certificates, the District may, as the District's sole and exclusive remedies, take any or all of the following actions, at the District's option:

(a) Perform any and all obligations of Landowner relating to the Development Rights and exercise any and all rights of Landowner therein as fully as Landowner could.

(b) Initiate, appear in, or defend any action arising out of or affecting the Development Rights.

(c) Further assign any and all of the Development Rights to a third-party acquiring title to the property so acquired or any portion thereof on the District or bondholders' behalf.

7. **Authorization**. Upon the occurrence and during the continuation of an Event of Default, Landowner does hereby authorize and shall direct any party to any agreement relating to the Development Rights to tender performance thereunder to the District upon written notice and request from District. Any such performance in favor of the District shall constitute a full release and discharge to the extent of such performance as fully as though made directly to Landowner, but not a release of Landowner from any remaining obligations under this Assignment.

8. **Term and Termination**. In the event that this Assignment does not become an effective and absolute assignment and assumption of the Development Rights, this Assignment will automatically terminate upon the earliest to occur of the following ("**Term**"): (a) payment of the 2024-2 Bond Assessments in full; (b) Development Completion; or (c) upon occurrence of a Partial Transfer, but only to the extent that such Development Rights pertain solely to the Partial Transfer.

9. **Third Party Beneficiaries**. The Trustee for the 2024-2 Bonds, on behalf of the bondholders thereof, shall be a direct third-party beneficiary of the terms and conditions of this Assignment but only entitled to cause the District to enforce the Landowner's obligations hereunder. Except as set forth above, this Assignment is solely for the benefit of the parties to this Assignment, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any other third party. The Trustee shall not be deemed by virtue of this Assignment to have assumed any obligations or duties.

10. **Amendment**. This Assignment may be modified in writing only by the mutual agreement of all parties hereto and the prior written consent of the Trustee acting on behalf and at the direction of the bondholders owning a majority of the aggregate principal amount of the 2024-2 Bonds then outstanding.

11. **Miscellaneous**. Unless the context requires otherwise, whenever used herein, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders. The terms "person" and "party" shall include individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups and combinations. Titles of paragraphs contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Assignment or the intent of any provisions hereunder. This Assignment shall be construed under Florida law.

12. **Public Records**. As a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, all documents of any kind, whether made or received by the District

or provided to the District in connection with this Assignment may be public records subject to public disclosure in accordance with Florida Law.

IN WITNESS WHEREOF, Landowner and District have caused this Assignment to be executed and delivered on the day and year first written above.

GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

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

Clint Smith, Its Chairman

Date: June \_\_\_, 2024

\_\_\_\_\_  
, Secretary

STATE OF FLORIDA  
COUNTY OF FLAGLER

I hereby certify that on this day, before me, by means of X physical presence or \_\_\_\_\_ online notarization, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally Clint Smith, as Chairman of the Board of Supervisors of GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT, to me known to be the person described in and who executed the foregoing instrument and acknowledged before that he executed the same for the purpose therein expressed.

WITNESS my hand and official seal in the County and State aforesaid this \_\_\_day of June, 2024.

\_\_\_\_\_  
Notary Public

Printed Name:

My Commission Expires:

Signed, Sealed and Delivered in the presence of:

**PALM COAST INTRACOASTAL, LLC,**  
**A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

I hereby certify that on this day, before me, by means of \_\_\_\_\_ physical presence or \_\_\_\_\_ online notarization, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally William G. Allen, Jr., as Manager of Palm Coast Intracoastal, LLC a Florida limited liability company, to me known to be the person described in and who executed the foregoing instrument and acknowledged before that he executed the same for the purpose therein expressed.

WITNESS my and official seal in the County and State aforesaid this \_\_\_\_\_ day of June, 2024.

\_\_\_\_\_  
Notary Public  
Printed Name:  
My Commission Expires:

Signed, Sealed and Delivered in the presence of:

**VERANDA BAY INVESTMENTS, LLC,**  
**A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

I hereby certify that on this day, before me, by means of \_\_\_\_ physical presence or \_\_\_\_ online notarization, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally William G. Allen, Jr., as Manager of Veranda Bay Investments, LLC a Florida limited liability company, to me known to be the person described in and who executed the foregoing instrument and acknowledged before that he executed the same for the purpose therein expressed.

WITNESS my and official seal in the County and State aforesaid this \_\_\_\_ day of June, 2024.

\_\_\_\_\_  
Notary Public  
Printed Name:  
My Commission Expires:

**EXHIBIT D**

**FORM OF DECLARATION OF CONSENT TO JURISDICTION OF GARDENS AT  
HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT AND IMPOSITION OF  
SPECIAL ASSESSMENTS**



This instrument prepared by and  
return to:

VINCENT L. SULLIVAN, ESQ.  
Chiumento Law, P.L.L.C.  
145 City Place, Suite 301  
Palm Coast, Florida 32164

**DECLARATION OF CONSENT TO JURISDICTION OF  
GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT  
AND TO IMPOSITION OF SPECIAL ASSESSMENTS**

Palm Coast Intracoastal, LLC, a Florida limited liability company and Veranda Bay Investments, LLC, a Florida limited liability company (herein referred to as the “Landowner”) is the owner of the land described in **Exhibit “A”** attached hereto, which land is located within the boundaries of the Gardens at Hammock Beach Community Development District (the “District”). The undersigned, intending that it and its respective successors in interest shall be legally bound by this Declaration, hereby declares, acknowledges and agrees as follows, as of this \_\_\_ day of June 2024:

1. The Landowner, its heirs, successors and assigns, hereby agrees that the District is, and has been at all times on and after October 9, 2006, a legally created, duly organized, and validly existing independent special district under the provisions of Chapter 190, *Florida Statutes*, as amended (the “Act”), and the members of the Board of Supervisors of the District (the “Supervisors”) and officers of the District as constituted from October 9, 2022, to and including the date of this Declaration were duly appointed or elected to their respective positions in accordance with all requirements of Federal and Florida law including the Constitution of the United States of America and of the State of Florida and had the authority and right to authorize, approve, and undertake all actions of the District approved and undertaken from October 9, 2022, to and including the date of this Declaration.
2. The Landowner, its heirs, successors and assigns, hereby confirm, acknowledge, and agree that the special assessments levied upon the Property securing the Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area One), Series 2024-1 (the "Series 2024-1 Bonds") and the Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two), Series 2024-2 (the "Series 2024-2 Bonds" and, together with the Series 2024-1 Bonds, the "Series 2024 Bonds") as provided in Resolution Nos. 2022-\_\_\_, 2022-\_\_\_, 2024-\_\_\_, and 2024-\_\_\_ and any resolution supplemental thereto, of the District (collectively, the “Assessment Resolutions”), are valid, legal, binding liens against the property with respect to which they are assessed, and the District acknowledges that its

recourse for any failure to pay the assessments shall be limited to enforcement of the assessments as provided by law.

3. The Landowner, its heirs, successors and assigns, hereby waives the right, if any, under Section 170.09, *Florida Statutes*, as amended, to prepay the special assessments imposed and levied pursuant to the Assessment Resolutions within thirty (30) days after the improvements financed with proceeds of the 2024 Bonds are completed, without interest, in consideration of the District's undertaking to make such improvements.
4. The Landowner acknowledges and agrees to the reassessment process (i.e., density reduction payment) as set forth in the Master Assessment Methodology and Supplemental Assessment Methodology for the Phase 1-3 Tract referred to in the Assessment Resolutions.
5. The Landowner acknowledges and agrees that the *Gardens at Hammock Beach Community Development District Supplemental Engineers Report – Phase 1-3 Tract* dated April 2024 (the "Engineer's Report") may be updated from time to time to reflect the current status of development at the time of issuance of certain bonds or other indebtedness to finance portions of the improvements identified in the Engineer's Report.
6. PUBLIC RECORDS. The Parties understand and agree that all documents of any kind provided to the District may be public records and treated as such in accordance with Florida law.

THE DECLARATIONS, ACKNOWLEDGMENTS, AND AGREEMENTS CONTAINED HEREIN SHALL RUN WITH THE LAND DESCRIBED IN EXHIBIT A HERETO AND SHALL BE BINDING ON PROPERTIES AND ON ALL PERSONS (INCLUDING CORPORATIONS, ASSOCIATIONS, TRUSTS, AND OTHER LEGAL ENTITIES) TAKING TITLE TO ALL OR ANY PART OF THE LAND, AND ITS SUCCESSORS IN INTEREST, WHETHER OR NOT THE LAND IS PLATTED AT SUCH TIME. BY TAKING SUCH TITLE SUCH PERSONS SHALL BE DEEMED TO HAVE CONSENTED AND AGREED TO THE PROVISIONS OF THIS DECLARATION TO THE SAME EXTENT AS IF THEY HAD EXECUTED IT AND BY TAKING SUCH TITLE SUCH PERSONS SHALL BE ESTOPPED FROM CONTESTING, IN COURT OR OTHERWISE, THE VALIDITY, LEGALITY, AND ENFORCEABILITY OF THIS DECLARATION OR OF ANY OF THE ORDINANCES, RESOLUTIONS, AGREEMENTS, DOCUMENTS, AND OTHER MATTERS DEALT WITH HEREIN.

Signed, Sealed and Delivered in the presence of:

**PALM COAST INTRACOASTAL, LLC,  
A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of June, 2024 by William G. Allen, Jr., as Manager of **Palm Coast Intracoastal, LLC, a Florida limited liability company**, on behalf of the Company. He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Name: \_\_\_\_\_

Signed, Sealed and Delivered in the presence of: **VERANDA BAY INVESTMENTS, LLC,**  
**A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of June, 2024 by William G. Allen, Jr., as Manager of **Veranda Bay Investments, LLC, a Florida limited liability company**, on behalf of the Company. He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT E**

**FORM OF AGREEMENT FOR THE ACQUISITION OF CERTAIN WORK PRODUCT,  
MATERIALS, AND INFRASTRUCTURE**

**AGREEMENT FOR THE ACQUISITION OF  
CERTAIN WORK PRODUCT, MATERIALS, AND INFRASTRUCTURE**

**THIS AGREEMENT** entered into as of this \_\_\_ day of June, 2024, by and between the **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT** (hereinafter the “District”), a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes, with a mailing address of 219 East Livingston Street, Orlando, Florida 32801, by and through its Board of Supervisors and **PALM COAST INTRACOASTAL, LLC**, a Florida limited liability company, and whose principal address is 3129 Springbank Lane, Suite 201, Charlotte, NC 28226 and **VERANDA BAY INVESTMENTS, LLC**, a Florida limited liability company 5150 Tamiami Trail North, Suite 500, Naples, FL 34103 (collectively the “Landowner”).

**RECITALS**

**WHEREAS**, the Landowner is the owner and/or developer of certain lands (hereinafter the “Development”) in Flagler County, Florida located within the boundaries of the District; and

**WHEREAS**, the District is a community development district located in Flagler County, Florida, which was established to plan, construct, install, acquire, finance, manage, and operate public improvements and community facilities pursuant to Chapter 190, Florida Statutes; and

**WHEREAS**, the District presently intends to finance the acquisition of certain infrastructure improvements and facilities supporting the Development and anticipates issuing its Gardens at Hammock Beach Community Development District Special Assessment Bonds (Assessment Area Two) Series 2024-2 bonds (the “2024-2 Bonds”) together with other legally available funds for the payment of the costs of construction of a portion of the improvements identified as Assessment Area One as set forth in that certain *Gardens at Hammock Beach Community Development District Supplemental Engineers Report – Phase 1-3 Tract* dated April 2024, prepared by Parker

Mynchenberg & Associates (the "Supplemental Engineer's Report" and the improvements set forth therein, the "2024-2 Project"); and

**WHEREAS**, the District plans to acquire ownership of certain constructed, or partially constructed, public infrastructure improvements within the 2024-2 Project as outlined in the Supplemental Engineer's Report; and

**WHEREAS**, in order to permit the Landowner to continue with construction of the infrastructure such as mass grading for public areas, stormwater facilities, public roadways, potable water, wastewater and effluent reuse systems, electrical and lighting, landscape, hardscape and irrigation, pocket parks, open space and entrance gatehouse together with all real property underlying the improvements, Landowner has advanced, funded and commenced certain public infrastructure to enable the District to expeditiously provide the infrastructure comprising the 2024-2 Project; and

**WHEREAS**, Landowner acknowledges that upon its conveyance to the District, the District will have the right to use and rely upon the completed 2024-2 Project constructed at the direction of the Landowner for its intended purposes and further desires to release all of its right, title, and interest in and to the improvements conveyed (except as provided in this Agreement); and

**WHEREAS**, Landowner acknowledges that if it is conveying incomplete projects, Landowner shall have the obligation to complete construction of such project to the specifications outlined by the District; and

**WHEREAS**, the District desires to acquire ownership of the partially or fully completed 2024-2 Project improvements as well as the unrestricted right to use and rely upon the 2024-2 Project improvements for its intended purposes; and

**WHEREAS**, the District intends to finance the acquisition, construction and completion of the 2024-2 Project through the issuance of one or more series of bonds including but not limited to the 2024-2 Bonds dated **\*\*\*[Insert Bond Dates]\*\*\*; and**

**WHEREAS**, the District acknowledges the Landowner's need for expeditious development of the 2024-2 Project; and

**NOW THEREFORE**, in consideration of the mutual understandings and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the District and Landowner agree as follows:

**Section 1.**     General. The recitals so stated above are true and correct and by this reference are incorporated herein and made a part hereof.

**Section 2.**     2024-2 Project.

- A. MATERIALS. The Landowner shall purchase, or cause to be purchased, all materials needed to complete the 2024-2 Project.
- B. COST. The District agrees that it will not have sufficient monies to proceed with the conclusion of construction of the 2024-2 Project and in order to avoid development delays, Landowner has advanced, or will advance, funds to purchase the required materials to construct the 2024-2 Project and has begun, or will shortly begin, construction of the 2024-2 Project on behalf of the District. The Landowner agrees to provide the funds and cause construction of the 2024-2 Project in accordance with the provisions of this Agreement. Landowner shall provide copies of invoices, bills, receipts or other evidence of costs incurred by Landowner for the 2024-2 Project. The District's engineer shall review all evidence of costs and shall present to the District Board for



consideration the total actual amount of the cost that, in the District's engineer's commercially reasonable opinion, is reasonable for the 2024-2 Project; provided, however, that the District shall pay no more than the actual cost incurred, or the fair market value of the 2024-2 Project, whichever is less. The District's Engineer's opinion as to cost shall be set forth in an Engineer's Certificate that shall accompany the requisition for the funds from the District's bond trustee. In the event that the Landowner disputes the District's Engineer's opinion as to cost, the parties agree to use good faith best efforts to resolve such dispute. If the parties are unable to resolve any such dispute, the parties agree to jointly select a third party engineer whose decision as to any such dispute shall be binding upon the parties. Such a decision by a third-party engineer shall be set forth in an engineer's certificate that shall accompany the requisition for the funds from the District's bond trustee.

C. CONVEYANCE AND ACCEPTANCE. Landowner agrees to convey the 2024-2 Project to the District upon payment by the District to the Landowner of all of the 2024-2 Bond proceeds on deposit in the acquisition and construction account established under the indenture securing the 2024-2 Bonds provided the sums are determined to be reasonable by the District's engineer and approved by the District Board as set forth in section 2.B. above. The Landowner acknowledges that all the materials currently located on the property shall remain the property of the District upon final payment by the District and acceptance by the District in writing.

D. RELEASE AND ACCEPTANCE.

1. The District shall, upon payment of the sums described above, have non-exclusive rights, title and interest in and to the 2024-2 Project, as well as all common law, statutory and other reserved rights, including all copyrights therein and extensions and renewals thereof under United States Law and throughout the world and all publication rights and all subsidiary rights and other rights in and to the 2024-2 Project in all forms, mediums and media, now known or hereinafter devised to the extent owned by the Landowner and conveyed pursuant to this Agreement.
2. Upon payment of the sums described above, Landowner agrees to release to the District all right, title, and interest that the Landowner may have in and to the above described 2024-2 Project, as well as all common law, statutory, and other reserved rights including all copyrights therein and extensions and renewals thereof under United States Law and throughout the world and all publication rights and all subsidiary rights and other rights in and to the 2024-2 Project in all forms, mediums, and media, now known or hereinafter devised. To the extent determined necessary by the District, Landowner shall obtain all releases from any professional providing services in connection with the 2024-2 Project to enable the District to use and rely upon the 2024-2 Project, to the extent practical. Such releases may include, but are not limited to, any architectural, engineering, or other professional services. Such releases shall be provided in a timely manner to the District.

- E. USE AND RELIANCE. Landowner acknowledges the District's right to use and rely upon the 2024-2 Project only for the purposes for which it is intended.
- F. WARRANTY. Landowner agrees to warrant that, to the best of its knowledge, the 2024-2 Project is installed correctly, is fit for the purposes intended, provided, however, that the Landowner may provide such a warranty from a third party acceptable to the District. The Landowner shall assign to the District any warranties, indemnifications, or other third-party commitments relating to the 2024-2 Project as may be assigned.
- G. ACCESS. The District agrees to allow Landowner access to and use of the 2024-2 Project, whether through easement or real property dedication at no additional cost to the District.
- H. IMPROVEMENTS. Landowner, to the extent applicable, shall cooperate fully in the transfer of any permits to the District or a governmental entity with maintenance obligations for any portion of the 2024-2 Project conveyed pursuant to this Agreement. To the extent there is a delay in the conveyance of certain components of the 2024-2 Project between the District and the governmental entity that is due to actions or inactions of the Landowner, Landowner agrees to indemnify and hold the District harmless for any damage or repairs that may be required to such 2024-2 Project due to Landowner's actions or inactions. Landowner shall cooperate with the District to transfer any applicable permits, certifications, or other approvals necessary to convey the 2024-2 Project to the governmental entity and shall provide copies of such documents to the District as may be required for such transfer. Landowner

further acknowledges and agrees that any costs associated with work by District staff to process the acquisitions contemplated by this Agreement shall be paid by requisition from the District's available construction funds. Landowner further authorizes the District Board to approve such requisitions for payment. Nothing contained herein shall obligate the District to take ownership of partially complete improvements. The District may, in its reasonable discretion, determine that such improvements are not sufficiently close enough to completion and refuse to accept such improvements until such time as the District reasonably deems the improvements sufficiently complete, in reliance on the District's engineer.

**Section 3.**     Conveyance of Real Property Interests.

A. REAL PROPERTY INTERESTS. As the Landowner completes the 2024-2 Project, in one or more phases, the Landowner agrees to convey all necessary real property interest to the District, including warranty deeds or easements as determined by the parties, over which the 2024-2 Project has been constructed. This conveyance may occur in one or more transactions. Landowner agrees to provide the District the following, if applicable: (i) appropriate deeds or other instruments of conveyance reasonably acceptable to the District and (ii) legal descriptions, whether by metes and bounds or other reference to plats or recorded data, to the reasonable satisfaction of the District. Landowner and District agree that reasonable future adjustments to the legal descriptions may be made in order to accurately describe lands conveyed to the District. The parties agree to cooperate and act in good faith in relation to any such

adjustment(s) to legal descriptions. The parties agree that any land transfers made to accommodate such adjustments shall be accomplished by donation. The District reserves the right, consistent with the covenants in its bond documents, to require title insurance or an opinion of title at the expense of the Landowner. Costs associated with the closing on all transfers of real property, including those to third-party governmental bodies, shall be borne by the Landowner.

B. CONVEYANCE TO THIRD PARTIES. If real property is to be conveyed to a third-party governmental entity, the parties agree to cooperate in good faith to assist with the timely conveyance of the real property to the third-party governmental entity in the form or manner required by said third-party governmental entity.

**Section 4.** Entire Agreement. This instrument shall constitute the final and complete expression of the agreement between the parties relating to the subject matter of this Agreement.

**Section 5.** Amendment. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing that is executed by both of the parties hereto.

**Section 6.** Authority to Contract. The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law and each party has full power and authority to comply with the terms and provisions of this instrument.

**Section 7.** Assignment. This Agreement may be assigned, in whole or in part, by either party only upon written consent of the other, which consent shall not be unreasonably withheld.

**Section 8.** Effective Date. This Agreement shall have an effective date as of the date first written above.

**Section 9.** Negotiation at Arm's Length. This Agreement has been negotiated fully between the parties as an arm's length transaction. Both parties fully participated in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both parties are deemed to have drafted, chosen and selected language, and the doubtful language will not be interpreted or construed against either party.

**Section 10.** Default. A default by the Landowner under this Agreement shall entitle the District to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief and specific performance. A default by the District under this Agreement shall entitle the Landowner to all remedies available at law or in equity, which may include, but not be limited to, the rights of damages, injunctive relief and specific performance.

**Section 11.** Enforcement of Agreement. In the event the District is required to enforce this Agreement by court proceedings or otherwise, then the Landowner agrees that if the District is the prevailing party then the District shall be entitled to recover from the Landowner all fees and costs incurred, including reasonable attorney's fees and costs for trial, alternative dispute resolution or appellate proceedings. In the event that the Landowner is required to enforce this Agreement by court proceedings or otherwise, then the District agrees that if the Landowner is the prevailing party then the Landowner shall be entitled to recover from the District all fees and costs incurred, including reasonable attorney's fees and costs for trial, alternative dispute resolution, or appellate proceedings.

**Section 12.** Public Records. The Landowner understands and agrees that all documents of any kind provided to the District or to District staff in connection with the activities contemplated under this Agreement may be public records and may be treated as such in accordance with Florida law.

**Section 13.** Severability. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

**Section 14.** Execution in Counterparts. This instrument may be executed in any number of counterparts, each of which will constitute an original, and such counterparts together shall constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

**Section 15.** Sovereign Immunity. Landowner agrees that nothing herein shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28 of the Florida Statutes, or any other applicable laws.

*ATTEST:*

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_

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

Clint Smith, Chairman

Date: June \_\_, 2024

**[LANDOWNER'S SIGNATURE ON FOLLOWING PAGE]**

*ATTEST:*

**PALM COAST INTRACOASTAL, LLC**

\_\_\_\_\_  
Print: \_\_\_\_\_ By: \_\_\_\_\_  
William G. Allen, Jr., Manager of Palm Coast  
Intracoastal, LLC  
Date: June \_\_\_\_\_, 2024

*ATTEST:*

**VERANDA BAY INVESTMENTS, LLC**

\_\_\_\_\_  
Print: \_\_\_\_\_ By: \_\_\_\_\_  
William G. Allen, Jr., Manager of Veranda Bay  
Investments, LLC  
Date: June \_\_\_\_\_, 2024



# SECTION V

## RESOLUTION 2024-06

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT APPROVING THE CONVEYANCE OF REAL PROPERTY AND IMPROVEMENTS FROM PALM COAST INTRACOASTAL, LLC TO THE DISTRICT AND FROM THE GARDENS COMMUNITY DEVELOPMENT DISTRICT TO THE CITY OF FLAGLER BEACH, FLORIDA; AUTHORIZING DISTRICT STAFF AND THE CHAIRMAN TO REVIEW, EXECUTE AND ACCEPT ALL DOCUMENTS TO EFFECTUATE SUCH CONVEYANCE; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, the Gardens At Hammock Beach Community Development District (“**District**”) is a unit of special-purpose government established pursuant to the Uniform Community Development District Act of 1980, as codified in Chapter 190, *Florida Statutes* (“**Uniform Act**”), for the purpose of, among other things, financing and managing the acquisition, construction, maintenance and operation of certain infrastructure within and without the boundaries of the premises to be governed by the District; and

**WHEREAS**, the District has the authority, generally under the Act, and specifically under Section 190.012, Florida Statutes, to acquire real property and improvements for, among other things, the purposes of operating and maintaining systems, facilities, and basic infrastructure within the District; and

**WHEREAS**, the District has the authority, generally under Florida Law and the Act, and specifically under Section 190.011(7)(a), Florida Statutes, to acquire, dispose of any real property, dedications or platted reservations in any manner so long as it is in the best interest of the District; and

**WHEREAS** Palm Coast Intracoastal, LLC, a Florida limited liability company (hereinafter “**PCI**”), has requested the approval and transfer by the District of real property and infrastructure improvements, as more particularly described in the Special Warranty Deeds, Bills of Sale Absolute and Agreement, Agreement Regarding Taxes, Owner’s Affidavit and Certificate of District Engineer, attached hereto as **Exhibit “A”** (the “**Conveyance Documents**”), from PCI to the District, and thereafter from the District to the City of Flagler Beach, a municipal corporation under the laws of the State of Florida (hereinafter “**City**”); and

**WHEREAS**, the District Counsel and the District Manager have reviewed the conveyances from PCI, and the District Engineer has also reviewed the conveyances and has provided a Certificate of District Engineer for each conveyance, attached hereto as part of **Exhibit “A”**, to evidence compliance with the requirements of the District for transferring the conveyances.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT:**

- 1. RECITALS.** The recitals as stated above are true and correct and by this reference are incorporated into and form a material part of this Resolution.
  
- 2. APPROVAL OF ACCEPTANCE AND TRANSFER OF REAL PROPERTY AND IMPROVEMENTS.** The Board hereby approves the acceptance and transfer of the real property and improvements described in **Exhibit “A”**, from PCI to the District and thereafter to the City, and approves and accepts the documents evidencing such conveyances in **Exhibit “A”**.
  
- 3. AUTHORIZATION FOR AGENTS.** The Board hereby authorizes the District Chairman, District Manager and District Counsel (hereinafter “District Agents”) to act as agents of the District with regard to any and all matters pertaining to the conveyance of the real property and improvements described in **Exhibit “A”**, and all transactions in connection therewith. The District Agents are hereby authorized and directed to execute all necessary or desirable certificates, documents, papers, and agreements necessary to the undertaking and fulfillment of all transactions contemplated by this Resolution.
  
- 4. RATIFICATION OF PRIOR ACTIONS.** All actions taken to date by the District Agents are hereby ratified and authorized on behalf of the District.
  
- 5. SEVERABILITY.** If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.
  
- 6. EFFECTIVE DATE.** This Resolution shall become effective upon its passage.

**PASSED AND ADOPTED** this \_\_\_\_ day of May, 2024.

ATTEST:

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**

\_\_\_\_\_  
Assistant Secretary

\_\_\_\_\_  
Clint Smith, Chairman, Board of Supervisors

\_\_\_\_\_

# **EXHIBIT A**

PREPARED BY AND RETURN TO:  
Palm Coast Intracoastal, LLC  
P.O. Box 353460  
Palm Coast, FL 32135-3460

Property Appraisers Parcel  
Identification Number: 13-12-31-7201-00000-1A0A

### **SPECIAL WARRANTY DEED**

**THIS SPECIAL WARRANTY DEED** is made and entered into as of this \_\_\_\_ day of May, 2024 by **PALM COAST INTRACOASTAL, LLC, a Florida limited liability company** (hereinafter called the “Grantor”), whose mailing address is P.O. Box 353460, Palm Coast, FL 32135-3460 to **THE GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT, a local unit of special purpose government organized and existing under the laws of the State of Florida**, (hereinafter called the “Grantee”), whose mailing address is 219 East Livingston Street, Orlando, FL 32801.

Wherever used herein, the terms “Grantor” and “Grantee” shall be deemed to include the parties to this Special Warranty Deed and the successors and assigns of each corporation or entity. The singular shall be deemed to include the plural and vice versa, where the context so permits.

**WITNESSETH**, that Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the Grantee, all of that certain land situated in Flagler County, Florida, to-wit:

**Parcel 1A-A, VERANDA BAY PHASE 1A, according to plat or map thereof, as recorded in Plat Book 40, Pages 59 through 64, Public Records of Flagler County, Florida (the “Property”).**

TOGETHER with all rights, privileges, easements, tenements, hereditaments, and appurtenances thereto belonging or in anywise appertaining to the Property.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the Grantor hereby covenants with the Grantee that Grantor is lawfully seized of the Property in fee simple; that the Grantor has good right and lawful authority to sell and convey the Property; and hereby warrants the title to the Property and will defend the Property against the lawful claims of all persons claiming by, through or under said Grantor, but against none other.

SUBJECT TO taxes for the year of recording, covenants, restrictions, easements, reservations and limitations of record, if any.

IN WITNESS WHEREOF, the said Grantor has caused this instrument to be executed in its name, the day and year first above written.

Signed, Sealed and Delivered  
in the presence of:

**PALM COAST INTRACOASTAL, LLC,**  
**A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of May, 2024 by **William G. Allen, Jr., as Manager of Palm Coast Intracoastal, LLC, a Florida limited liability company.** He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Name: \_\_\_\_\_

PREPARED BY AND RETURN TO:  
Palm Coast Intracoastal, LLC  
P.O. Box 353460  
Palm Coast, FL 32135-3460

Property Appraisers Parcel  
Identification Numbers: 38-12-31-7220-00000-2A0B

### **SPECIAL WARRANTY DEED**

**THIS SPECIAL WARRANTY DEED** is made and entered into as of this \_\_\_\_ day of May, 2024 by **PALM COAST INTRACOASTAL, LLC, a Florida limited liability company** (hereinafter called the “Grantor”), whose mailing address is P.O. Box 353460, Palm Coast, FL 32135-3460 to **THE GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT, a local unit of special purpose government organized and existing under the laws of the State of Florida,** (hereinafter called the “Grantee”), whose mailing address is 219 East Livingston Street, Orlando, FL 32801.

Wherever used herein, the terms “Grantor” and “Grantee” shall be deemed to include the parties to this Special Warranty Deed and the successors and assigns of each corporation or entity. The singular shall be deemed to include the plural and vice versa, where the context so permits.

**WITNESSETH**, that Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the Grantee, all of that certain land situated in Flagler County, Florida, to-wit:

**Parcel 2A-B, VERANDA BAY PHASE 2A, according to plat or map thereof, as recorded in Plat Book 40, Pages 65 through 70, Public Records of Flagler County, Florida (the “Property”).**

TOGETHER with all rights, privileges, easements, tenements, hereditaments, and appurtenances thereto belonging or in anywise appertaining to the Property.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the Grantor hereby covenants with the Grantee that Grantor is lawfully seized of the Property in fee simple; that the Grantor has good right and lawful authority to sell and convey the Property; and hereby warrants the title to the Property and will defend the Property against the lawful claims of all persons claiming by, through or under said Grantor, but against none other.

SUBJECT TO taxes for the year of recording, covenants, restrictions, easements, reservations and limitations of record, if any.

IN WITNESS WHEREOF, the said Grantor has caused this instrument to be executed in its name, the day and year first above written.

Signed, Sealed and Delivered in the presence of: **PALM COAST INTRACOASTAL, LLC,  
A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of May, 2024 by William G. Allen, Jr., as Manager of **Palm Coast Intracoastal, LLC, a Florida limited liability company**, on behalf of the Company. He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Name: \_\_\_\_\_



PREPARED BY:  
Michael D. Chiumento III, Esq.  
Chiumento Law, PLLC  
145 City Place, Suite 301  
Palm Coast, FL 32164  
Attn: Caroline McNeil

RETURN TO:  
City of Flagler Beach  
P.O. Box 70  
Flagler Beach, FL 32136

Property Appraiser Parcel ID No.  
13-12-31-7201-00000-1A0A  
38-12-31-7220-00000-2A0B

NOTE TO RECORDER: This deed is a conveyance of unencumbered property for no consideration and is exempt from documentary stamp tax pursuant to Florida Administrative Code Rule 12B- 4.014(2)(b). Minimum documentary stamp tax of \$0.70 is being paid herein.

### **SPECIAL WARRANTY DEED**

**THIS SPECIAL WARRANTY DEED** is made and entered into as of this \_\_\_\_ day of May, 2024 by **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**, a community development district authorize and created pursuant to Chapter 190, Florida Statutes, (hereinafter called the “Grantor”), whose mailing address is 219 East Livingston Street, Orlando, FL 32801 to **CITY OF FLAGLER BEACH, FLORIDA, a municipal corporation existing under the laws of the State of Florida** (hereinafter called the “Grantee”), whose mailing address is P.O. Box 70, Flagler Beach, FL 32136.

Wherever used herein, the terms “Grantor” and “Grantee” shall be deemed to include the parties to this Special Warranty Deed and the successors and assigns of each corporation or entity. The singular shall be deemed to include the plural and vice versa, where the context so permits.

**WITNESSETH**, that Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the Grantee, all of that certain land situated in Flagler County, Florida, to-wit:

**Parcel 1A-A, VERANDA BAY PHASE 1A, according to plat or map thereof, as recorded in Plat Book 40, Pages 59 through 64, Public Records of Flagler County, Florida;**

**AND**

**Parcel 2A-B, VERANDA BAY PHASE 2A, according to plat or map thereof, as recorded in Plat Book 40, Pages 65 through 70, Public Records of Flagler County, Florida;**

**(collectively the “Property”).**

TOGETHER with all rights, privileges, easements, tenements, hereditaments, and appurtenances thereto belonging or in anywise appertaining to the Property.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the Grantor hereby covenants with the Grantee that Grantor is lawfully seized of the Property in fee simple; that the Grantor has good right and lawful authority to sell and convey the Property; and hereby warrants the title to the Property and will defend the Property against the lawful claims of all persons claiming by, through or under said Grantor, but against none other.

SUBJECT TO taxes for the year of recording, covenants, restrictions, easements, reservations and limitations of record, if any.

IN WITNESS WHEREOF, the said Grantor has caused this instrument to be executed in its name, the day and year first above written.

Signed, Sealed and Delivered  
in the presence of:

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**, a community development  
district authorized and created pursuant to  
Chapter 190, Florida Statutes

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
**Clint Smith, Chairman**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Witness Address: \_\_\_\_\_  
\_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of May, 2024 by **CLINT SMITH**, as Chairman of **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**, a community development district authorized and created pursuant to Chapter 190, Florida Statutes, who ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of Florida \_\_\_\_\_

**BILL OF SALE ABSOLUTE AND AGREEMENT**

Gardens At Hammock Beach Community Development District

Lift Stations (Veranda Bay Phase 1A and 2A)

**THIS BILL OF SALE ABSOLUTE AND AGREEMENT** (“Agreement”) is made as of this \_\_\_ day of May, 2024, by and between **GARDEN AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**, a Florida community development district created pursuant to Chapter 190, Florida Statutes, whose address is 219 East Livingston Street, Orlando, FL 32801(the “District”), and **PALM COAST INTRACOASTAL, LLC**, a Florida limited liability company (the “Developer”), whose address is 3129 Springbank Lane, Suite 201, Charlotte, NC 28226, and

**RECITALS**

**WHEREAS**, Developer owns certain improvements, equipment and personal property located within the boundaries of the District, and the extent, nature and location of such improvements and equipment is more fully set forth in **Exhibit “1”** attached hereto (collectively, the “Improvements”); and

**WHEREAS**, both Developer and the District find it to be in the best interest of both parties for the District to perpetually own, operate, and maintain the Improvements, as the District may deem reasonable or appropriate, within its sole discretion, for the benefit of the District; and

**WHEREAS**, Developer desires to convey the Improvements to the District to allow such perpetual ownership, operation and maintenance, and the District desires to accept such ownership, operation and maintenance.

**NOW, THEREFORE**, the parties hereto hereby agree to and acknowledge the following:

1. The above recitals are true and correct and are hereby incorporated into this Agreement.

2. **KNOW ALL MEN BY THESE PRESENTS** that Developer, for and in consideration of the sum of Ten Dollars (\$10.00) lawful money of the United States, to it paid by the District, the receipt whereof is hereby acknowledged, has granted, bargained, sold, transferred and delivered, and by these presents does grant, bargain, sell, transfer, set over and deliver unto the District, its executors, administrators and assigns, and the District hereby

accepts, all of Developer's right, title and interest in and to the Improvements, to have and to hold the same unto the District, its executors, administrators and assigns forever, and the District hereby accepts, all of the Developer's right, title and interest in and to the Improvements, to have and to hold the same unto the District, its executors, administrators and assigns forever, together with all of the Developer's right and title to any and all contracts, warranties, guarantees, permits, approvals and similar rights in favor of or which may have accrued to the Developer from any and all persons, firms, agencies or corporations who have performed work or labor or supplied goods, materials or services to or for the benefit of or comprising any part of the Improvements to the extent they are assignable, together with any related documents, materials, data, letters, and agreements, to have and to hold unto District, its successors and assigns, to and for its or their use, forever.

3. Developer agrees that any of the above-referenced contracts, warranties, permits, approvals and guarantees which are not assignable by their terms or in respect of which consents to their assignment are required but are not available, shall be held in trust for the District by the Developer (and, if required, performed by the Developer on behalf of the District) and all benefits derived thereunder shall be for the benefit of the District.

4. The Developer represents and warrants to the District that the Developer has good and lawful right, title and interest in the Improvements and that the Improvements are free and clear of any and all liens or encumbrances, that the Improvements are in good working conditions, and as of the date hereof, there are no defaults or violations of the terms and conditions of any contracts, warranties, permits, approvals, and guarantees.

5. This Bill of Sale may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

***[/SIGNATURES APPEAR ON THE FOLLOWING PAGES/]***

Signed, Sealed and Delivered  
in the presence of:

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**, a community development  
district authorized and created pursuant to  
Chapter 190, Florida Statutes

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
**Clint Smith, Chairman**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me by (  ) physical presence or (  )  
online notarization this \_\_\_\_ day of May, 2024 by **CLINT SMITH**, as Chairman of **GARDENS  
AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**, a community  
development district authorized and created pursuant to Chapter 190, Florida Statutes, who (  ) is  
personally known to me or (  ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of Florida \_\_\_\_\_

Signed, Sealed and Delivered in the presence of:

**PALM COAST INTRACOASTAL, LLC,  
A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of May, 2024 by William G. Allen, Jr., as Manager of **Palm Coast Intracoastal, LLC, a Florida limited liability company**, on behalf of the Company. He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT "1"**

**LIST AND DESCRIPTION OF IMPROVEMENTS AND EQUIPMENT**

Phase 1A

Lift station tract improvement include all pipes, valves, fittings, wet well, pumps, electrical panels, fencing and other equipment.

*The foregoing improvements are located on the following parcel of real property:*

Parcel 1A-A, VERANDA BAY PHASE 1A, according to plat or map thereof, as recorded in Plat Book 40, Pages 59 through 64, Public Records of Flagler County, Florida.

Phase 2A

Lift station tract improvement include all pipes, valves, fittings, wet well, pumps, electrical panels, fencing and other equipment.

*The foregoing improvements are located on the following parcel of real property:*

Parcel 2A-B, VERANDA BAY PHASE 2A, according to plat or map thereof, as recorded in Plat Book 40, Pages 65 through 70, Public Records of Flagler County, Florida.

**Bill of Sale**

Lift Station Parcel 1A-A Phase 1A

Lift Station Parcel 2A-B Phase 2A

Gardens At Hammock Beach Community Development District

**Gardens at Hammock Beach Community Development District**, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, whose address is 219 East Livingston Street, Orlando, FL 32801 (“Seller”), for and in consideration of the sum of one dollar (\$1.00) and other valuable consideration paid to Seller by the **City of Flagler Beach, Florida**, a municipal corporation existing under the laws of the State of Florida (“Buyer”) whose address is P.O. Box 70, Flagler Beach, FL 32136, receipt of which is hereby acknowledged does grant, sell, transfer, convey and deliver to Buyer all pipes, valves, fittings, wet well, pumps, electrical panels, fencing and other equipment that comprise the lift stations on the tracts described as follows:

**Parcel 1A-A, VERANDA BAY PHASE 1A, according to plat or map thereof, as recorded in Plat Book 40, Pages 59 through 64, Public Records of Flagler County, Florida;**

AND

**Parcel 2A-B, VERANDA BAY PHASE 2A, according to plat or map thereof, as recorded in Plat Book 40, Pages 65 through 70, Public Records of Flagler County, Florida.**

Buyer shall have all rights and title to the goods in itself and its assigns.

Seller warrants that it is the lawful owners of the goods and the goods are free from all liens and encumbrances. Seller has good right to sell the goods and will warrant and defend the right against the lawful claims and demands of all persons.

Signed, Sealed and Delivered  
in the presence of:

\_\_\_\_\_  
Print Name:\_\_\_\_\_

\_\_\_\_\_  
Print Name:\_\_\_\_\_

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**, a community development  
district authorized and created pursuant to  
Chapter 190, Florida Statutes

By:\_\_\_\_\_ **Clint Smith, Chairman**



STATE OF FLORIDA  
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of May, 2024 by **CLINT SMITH**, as Chairman of **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**, a community development district authorized and created pursuant to Chapter 190, Florida Statutes, who ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of Florida \_\_\_\_\_

**AGREEMENT REGARDING TAXES**

Gardens At Hammock Beach Community Development District  
Lift Station – Parcel 1A-A Phase 1A  
Lift Station Parcel 2A-B Phase 2A

**THIS AGREEMENT REGARDING TAXES** (“Agreement”) is entered into this \_\_\_ day of May, 2024, by and between **PALM COAST INTRACOASTAL, LLC**, a Florida limited liability company, whose address is 3129 Springbank Lane, Suite 201, Charlotte NC 28226 (the “Developer”), and the **GARDENS AT HAMMOCK BEACH COMMUNITY DEVELOPMENT DISTRICT**, a Florida community development district, whose address is 219 East. Livingston Street, Orlando, FL 32801 (the “District”).

**WITNESSETH:**

**WHEREAS**, Developer is the owner and developer of certain real property located within the boundaries of the District, as such property is described on **Exhibit “A”** attached hereto and incorporated herein (the “Property”); and

**WHEREAS**, Developer is the owner and developer of infrastructure improvements and personal property, made in, on, over, under and through the Property and the land owned by the District, as described on **Exhibit “A”** attached hereto and incorporated herein (the “Improvements”); and

**WHEREAS**, the District is a Florida community development district and local unit of special-purpose government created pursuant to Chapter 190, Florida Statutes; and

**WHEREAS**, as part of the ongoing development activities within the boundaries of the District, Developer has, simultaneously with the execution of this Agreement, conveyed the Property and the Improvements to the District by Special Warranty Deed and Bill of Sale Absolute and Agreement; and

**WHEREAS**, all or a substantial portion of real property already owned by the District is either exempt from ad-valorem taxes or has been given a minimal valuation by the Flagler County Property Appraiser because of the District’s status as a governmental entity; and

**WHEREAS**, in conjunction with the conveyance of the Property and Improvements from Developer to District, Developer and District are desirous of setting forth in this Agreement their respective responsibilities with regard to applicable ad-valorem taxes and assessments on the Property.

**NOW, THEREFORE**, in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other valuable considerations, paid by each party to the other, the receipt and sufficiency of which is hereby acknowledged, and in further consideration of the mutual covenants and conditions contained herein, the parties hereto agree as follows:

1. The above recitals are true and correct and are incorporated herein by reference.
2. Developer hereby represents that all ad-valorem taxes and assessments relating to the Property, or any portion thereof, for tax year 2023 and all prior years have been paid in full.
3. Developer hereby agrees to pay in full, and prior to their becoming delinquent, any and all ad-valorem taxes and assessments, if any, levied on the Property for the tax year 2024.
4. Subsequent to the District's acceptance of the Property and Improvements, and only in the event the Property is not conveyed to another governmental entity, the District shall endeavor to either obtain an exemption from ad-valorem taxes pertaining to the Property or, in the alternative, shall seek a minimal valuation of the Property, from the Flagler County Property Appraiser and, subsequent to tax year 2024, Developer shall have no further responsibility with regard to ad-valorem taxes or assessments levied against the Property and/or Improvements, as applicable.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed on their behalf by their duly authorized representatives, all as of the date first set forth above.

[SIGNATURE PAGE FOLLOWS]

Signed, Sealed and Delivered  
in the presence of:

**PALM COAST INTRACOASTAL, LLC,**  
**A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Signed, Sealed and Delivered  
in the presence of:

**GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT, a community development  
district authorized and created pursuant  
to Chapter 190, Florida Statutes**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
**Clint Smith, Chairman**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**EXHIBIT "A"**

**LIST AND DESCRIPTION OF IMPROVEMENTS AND EQUIPMENT**

**Phase 1A**

Lift station tract improvement include all pipes, valves, fittings, wet well, pumps, electrical panels, fencing and other equipment.

*The foregoing improvements are located on the following parcel of real property:*

Parcel 1A-A, VERANDA BAY PHASE 1A, according to plat or map thereof, as recorded in Plat Book 40, Pages 59 through 64, Public Records of Flagler County, Florida.

**Phase 2A**

Lift station tract improvement include all pipes, valves, fittings, wet well, pumps, electrical panels, fencing and other equipment.

*The foregoing improvements are located on the following parcel of real property:*

Parcel 2A-B, VERANDA BAY PHASE 2A, according to plat or map thereof, as recorded in Plat Book 40, Pages 65 through 70, Public Records of Flagler County, Florida.

**OWNER'S AFFIDAVIT**

Gardens At Hammock Beach Community Development District  
Lift Station – Parcel 1A-A Phase 1A  
Lift Station Parcel 2A-B Phase 2A

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

**BEFORE ME**, the undersigned authority, personally appeared William G. Allen, Jr. (“Affiant”) as Manager of **Palm Coast Intracoastal, LLC**, a Florida limited liability company, whose principal address is 3129 Springbank Lane, Suite 201, Charlotte, NC 28826 (the “Owner”), who being first duly sworn on oath says:

1. That Affiant knows of his/her own knowledge that the Owner is the fee simple title holder to certain lands located in Flagler County, Florida (the “Property”) and of certain infrastructure improvements on the Property (the “Improvements”), as more particularly described on **Exhibit “A”** attached hereto, and that Affiant is the Manager of the Owner, is making this Affidavit in that capacity only, and that no recourse shall be made against Affiant individually.

2. That the Property and Improvements, as described in the Special Warranty Deed and Bill of Sale Absolute and Agreement, dated as of the date hereof, are free and clear of all liens and encumbrances except for those encumbrances and matters affecting title included in the plat of Veranda Bay Phase 1A, as recorded in Plat Book 40, Page 59, of the Official Records of Flagler County, Florida and the plat of Veranda Bay Phase 2A, as recorded in Plat Book 40, Page 65, of the Official Records of Flagler County, Florida (collectively the “Plat”).

3. That Affiant knows of no facts by reason of which the title to, or possession of, the Property and Improvements might be disputed or questioned, or by reason of which any claim to any part of the Property and Improvements might be asserted adversely to Owner.

4. That there have been no liens filed against the Property or the Improvements as a result of any labor, materials, equipment or other work authorized by Owner, its employees, or agents or of which Owner has actual knowledge, nor any unpaid bills of any nature as a result of any labor, materials, equipment or other work authorized by Owner, its employees, or agents or of which Owner has actual knowledge either for services of any architect, engineer, or surveyor, or for labor or material that may have been placed on the Property or Improvements, either in the construction or repair of the Improvements, or otherwise in connection with the Property which bills may have been incurred during the last ninety (90) days.

5. That no proceedings in bankruptcy or receivership have ever been instituted by or against the Owner, nor has Owner ever made an assignment for the benefit of its creditors.

6. That Affiant knows of no action or proceeding relating to the Property or Improvements which is now pending in any state or federal court in the United States affecting the Property, nor does Affiant know of any state or federal judgment or any federal lien of any kind or nature that now constitutes a lien or charge upon the Property or Improvements.

7. That, except as set forth in the Plat, Affiant knows of no unrecorded easements, liens, or assessments for sanitary sewers, streets, roadways, paving, other public utilities or improvements against the Property, nor are there any special assessments or taxes which are not shown as existing liens by the public records.

8. That this Affidavit is given for the purposes of inducing the Gardens at Hammock Community Development District (the "District"), a Florida community development district and local unit of special purpose government, to accept the Owner's conveyance of the Property and Improvements to the District.

9. That there are no matters pending against Owner that could give rise to any lien(s) that could attach to the Property or the Improvements between the effective date of the Plat and the recording of the deed of conveyance, and that Affiant shall not execute nor permit the execution or recording of any instruments that would adversely affect title of the Property or the ownership of the Improvements.

10. Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the District and Chiumento Law, PLLC ("Chiumento"), that withholding of tax is not required upon the disposition of a U.S. real property interest by Owner, Owner hereby swears, affirms and certifies the following to District and Chiumento that Owner: (i) is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); (ii) is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii); (iii) is not a non-resident alien (as such term is defined in the Internal Revenue Code and Income Tax Regulations) for the purposes of U.S. income taxation; (iv) has an EIN/Federal Tax Identification Number of 82-3536224; (v) has a mailing address of 3129 Springbank Lane, Suite 201, Charlotte, NC 28226. Affiant understands that this certification may be disclosed to the Internal Revenue Service by Owner and that any false statement contained herein could be punished by fine, imprisonment, or both. Affiant understands that the District and Chiumento are relying on this certification in determining whether withholding is required upon said transfer.

11. That Affiant is familiar with the nature of an oath and with the penalties as provided by the laws of the State of Florida for falsely swearing to statements made in an instrument of this nature. Affiant further certifies that he has read the full facts set forth in this Affidavit and understands its content and context to be correct in all respects.

**FURTHER AFFIANT SAYETH NAUGHT.**

**DATED:** May \_\_\_\_\_, 2024

Signed, Sealed and Delivered  
in the presence of:

**PALM COAST INTRACOASTAL, LLC,**  
**A Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
William G. Allen, Jr., Its Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of May, 2024 by William G. Allen, Jr., as Manager of **Palm Coast Intracoastal, LLC, a Florida limited liability company**, on behalf of the Company. He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Name: \_\_\_\_\_



**EXHIBIT "A"**

**LIST AND DESCRIPTION OF IMPROVEMENTS AND EQUIPMENT**

**Phase 1A**

Lift station tract improvement include all pipes, valves, fittings, wet well, pumps, electrical panels, fencing and other equipment.

*The foregoing improvements are located on the following parcel of real property:*

Parcel 1A-A, VERANDA BAY PHASE 1A, according to plat or map thereof, as recorded in Plat Book 40, Pages 59 through 64, Public Records of Flagler County, Florida.

**Phase 2A**

Lift station tract improvement include all pipes, valves, fittings, wet well, pumps, electrical panels, fencing and other equipment.

*The foregoing improvements are located on the following parcel of real property:*

Parcel 2A-B, VERANDA BAY PHASE 2A, according to plat or map thereof, as recorded in Plat Book 40, Pages 65 through 70, Public Records of Flagler County, Florida.

**CERTIFICATE OF DISTRICT ENGINEER**

Gardens At Hammock Beach Community Development District

Lift Station – Parcel 1A-A Phase 1A

Lift Station Parcel 2A-B Phase 2A

I, **Parker Mynchenberg**, of **Parker Mynchenberg & Associates, Inc.**, a Florida corporation, and licensed to provide professional engineering services to the public in the State of Florida under Florida license number of 32645, with offices located at 1729 Ridgewood Ave., Holly Hill, FL 32117 (“Parker”), hereby acknowledge and states the following, to the best of my knowledge, information and belief, to be true and correct in all respects:

1. That I, through Parker, currently serve as District Engineer to the Gardens At Hammock Beach Community Development District (the “District”).

2. That the District proposes to accept from **PALM COAST INTRACOASTAL, LLC**, a Florida limited liability company (“Developer”), for ownership, operation and maintenance, certain real property described in **Exhibit “A”** attached hereto and incorporated herein (collectively, the “Property”), plus infrastructure improvements and personal property, made in, on, over, under and through the Property and the land owned by the District, as described more completely in **Exhibit “A”** attached hereto and incorporated herein (collectively, the “Improvements”), and subsequently convey such real property and improvements to the City of Flagler Beach, a municipal corporation existing under the laws of the State of Florida, whose address is P.O. Box 70, Flagler Beach, FL 32136 (“City”). Any real property being conveyed to the District is being transferred at only nominal cost to the District, so no review of an appraisal or similar documentation to reasonableness of purchase price or other valuation is required or being rendered.

3. That this certification (the “Certification”) is provided in conjunction with, and in support of, the District’s approval of the conveyance of the Property and Improvements from the Developer to the District and the District’s subsequent conveyance of the Property and Improvements to City. The District will rely on this Certification for such purposes.

4. That the Improvements were constructed, installed, and/or completed, as appropriate, in accordance with known plans, specifications, contracts and permits required and/or approved by any known governmental authorities, as applicable. I have reviewed the actual cost of the Improvements built or constructed by or at the direction of the Developer and the District is paying no more than the actual cost incurred, or the current value thereof, whichever is less. The Property and Improvements are in a condition acceptable for acceptance by the District.

5. That the Improvements are properly permitted by the appropriate governmental entities, and that copies of the applicable plans, specifications and permits

relating to the Improvements, if any, that have actually been provided to Parker are being held by Parker as records of the District on its behalf.

6. That the District shall pay no more than the actual cost incurred, or the current value thereof, whichever is less, as determined by the District Engineer.

**Dated:** May \_\_\_\_, 2024

\_\_\_\_\_  
Print: \_\_\_\_\_

\_\_\_\_\_  
**Parker Mynchenberg, P.E.**  
State of Florida License No.: 32645  
on behalf of the Company  
Parker Mynchenberg & Associates, Inc.

\_\_\_\_\_  
Print: \_\_\_\_\_

**STATE OF FLORIDA**  
**COUNTY OF \_\_\_\_\_**

The foregoing instrument was acknowledged before me by ( ) physical presence or ( ) online notarization this \_\_\_\_ day of May, 2024 by **Parker Mynchenberg** of Parker Mynchenberg & Associates, Inc., a Florida corporation, on behalf of the Corporation. He ( ) is personally known to me or ( ) has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of Florida \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT "A"**

**LIST AND DESCRIPTION OF IMPROVEMENTS AND EQUIPMENT**

**Phase 1A**

Lift station tract improvement include all pipes, valves, fittings, wet well, pumps, electrical panels, fencing and other equipment.

*The foregoing improvements are located on the following parcel of real property:*

Parcel 1A-A, VERANDA BAY PHASE 1A, according to plat or map thereof, as recorded in Plat Book 40, Pages 59 through 64, Public Records of Flagler County, Florida.

**Phase 2A**

Lift station tract improvement include all pipes, valves, fittings, wet well, pumps, electrical panels, fencing and other equipment.

*The foregoing improvements are located on the following parcel of real property:*

Parcel 2A-B, VERANDA BAY PHASE 2A, according to plat or map thereof, as recorded in Plat Book 40, Pages 65 through 70, Public Records of Flagler County, Florida

# SECTION VI

# SECTION C

# SECTION 1

***Gardens at Hammock Beach***  
***Community Development District***

***Unaudited Financial Reporting***  
***April 30, 2024***





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1	<hr/>	<u>Balance Sheet</u>
2	<hr/>	<u>General Fund</u>
3	<hr/>	<u>Month to Month</u>
4	<hr/>	<u>Developer Contributions Schedule</u>

# Gardens at Hammock Beach

## Community Development District

### Combined Balance Sheet

April 30, 2024

	<i>General Fund</i>	
<b>Assets:</b>		
<u>Cash:</u>		
Operating Account	\$	614
Due From Developer	\$	15,304
Due From Capital	\$	-
Prepaid Expenses	\$	-
<b>Total Assets</b>	<b>\$</b>	<b>15,919</b>
<b>Liabilities:</b>		
Accounts Payable	\$	10,924
Due To Developer	\$	-
<b>Total Liabilities</b>	<b>\$</b>	<b>10,924</b>
<b>Fund Balances:</b>		
Unassigned	\$	4,995
<b>Total Fund Balances</b>	<b>\$</b>	<b>4,995</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$</b>	<b>15,919</b>

# Gardens at Hammock Beach

## Community Development District

### General Fund

#### Statement of Revenues, Expenditures, and Changes in Fund Balance

For The Period Ending April 30, 2024

	Adopted	Prorated Budget	Actual	
	Budget	Thru 04/30/24	Thru 04/30/24	Variance
<b>Revenues</b>				
Developer Contributions	\$ 80,430	\$ 33,936	\$ 33,936	\$ -
<b>Total Revenues</b>	<b>\$ 80,430</b>	<b>\$ 33,936</b>	<b>\$ 33,936</b>	<b>\$ -</b>
<b>Expenditures:</b>				
<b><u>General &amp; Administrative:</u></b>				
Supervisor Fees	\$ 7,200	\$ 4,200	\$ -	\$ 4,200
FICA Expense	\$ 551	\$ 321	\$ -	\$ 321
Engineering	\$ 5,000	\$ 2,917	\$ -	\$ 2,917
Attorney	\$ 5,000	\$ 2,917	\$ 1,386	\$ 1,531
Dissemination	\$ 3,500	\$ -	\$ -	\$ -
Arbitrage	\$ 450		\$ -	\$ -
Trustee Fees	\$ 4,050		\$ -	\$ -
Annual Audit	\$ 3,300	\$ -	\$ -	\$ -
Management Fees	\$ 36,750	\$ 21,438	\$ 21,438	\$ -
Information Technology	\$ 750	\$ 438	\$ 438	\$ -
Website Maintenance	\$ 500	\$ 292	\$ 292	\$ -
Telephone	\$ 100	\$ 58	\$ -	\$ 58
Postage	\$ 750	\$ 438	\$ 9	\$ 429
Insurance	\$ 6,119	\$ 6,119	\$ 5,785	\$ 334
Printing & Binding	\$ 500	\$ 292	\$ 33	\$ 258
Legal Advertising	\$ 5,000	\$ 2,917	\$ -	\$ 2,917
Other Current Charges	\$ 610	\$ 356	\$ 273	\$ 83
Office Supplies	\$ 125	\$ 73	\$ 0	\$ 72
Dues, Licenses & Subscriptions	\$ 175	\$ 175	\$ 175	\$ -
<b>Total Expenditures</b>	<b>\$ 80,430</b>	<b>\$ 42,948</b>	<b>\$ 29,829</b>	<b>\$ 13,120</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ -</b>		<b>\$ 4,108</b>	
<b>Fund Balance - Beginning</b>	<b>\$ -</b>		<b>\$ 887</b>	
<b>Fund Balance - Ending</b>	<b>\$ -</b>		<b>\$ 4,995</b>	



# Gardens at Hammock Beach

## Community Development District

### Developer Contributions/Due from Developer FY2024

Funding Request #	Date Prepared	Date Payment Received	Check Amount	Total Funding Request	General Fund Portion (23)	General Fund Portion (24)	Over and (short) Balance Due
FY 2023							
25	9/19/23	10/4/23	\$ 9,013.00	\$ 9,013.00	\$ 3,228.00	\$ 5,785.00	
FY 2024							
26	10/17/23	10/31/23	\$ 3,345.31	\$ 3,345.31		\$ 3,345.31	\$ -
FY 2024							
27	11/21/23	12/6/23	\$ 3,167.33	\$ 3,167.33		\$ 3,167.33	
FY 2024							
28	12/12/23	12/19/23	\$ 3,167.33	\$ 3,167.33		\$ 3,167.33	
FY 2024							
29	1/12/24	1/23/24	\$ 2,564.67	\$ 2,564.67		\$ 2,564.67	
FY 2024							
30	3/11/24			\$ 11,123.73		\$ 11,123.73	
FY 2024							
31	4/29/24			\$ 4,180.73		\$ 4,180.73	
<b>Due from Developer</b>			<b>\$ 21,257.64</b>	<b>\$ 21,257.64</b>	<b>\$ 3,228.00</b>	<b>\$ 33,334.10</b>	<b>\$ -</b>

**Total Developer Contributions FY24**

**\$ 33,334.10**

# SECTION 2

# Gardens At Hammock Beach

Community Development District

Funding Request - #30  
March 11, 2024

Payee	General Fund FY2024
<b>1 Governmental Management Services-CF, LLC</b> Inv# 123 - Management Fees - February 2024	\$ 3,171.06
<b>2 Governmental Management Services-CF, LLC</b> Inv# 124 - Management Fees - March 2024	\$ 3,166.67
<b>3 Chiumento Law, PLLC</b> Inv# 18398 - General Counsel - NOV 2023	\$ 1,050.00
<b>4 Chiumento Law, PLLC</b> Inv# 18675 - General Counsel - JAN 2024	\$ 336.00
<b>5 Grau and Associates</b> Inv# 25092 - Audit FYE 09/30/23	\$ 3,400.00
<hr/>	
	<b><u>\$ 11,123.73</u></b>

Please make check payable to:

**Gardens at Hammock Beach CDD**  
6200 Lee Vista Boulevard, Suite 300  
Orlando, FL 32822

**GMS-Central Florida, LLC**

1001 Bradford Way  
 Kingston, TN 37763

**Invoice**

**Invoice #:** 123  
**Invoice Date:** 2/1/24  
**Due Date:** 2/1/24  
**Case:**  
**P.O. Number:**

**Bill To:**

Gardens at Hammock Beach CDD  
 219 E. Livingston St.  
 Orlando, FL 32801

Description	Hours/Qty	Rate	Amount
Management Fees - February 2024		3,062.50	3,062.50
Website Administration - February 2024		41.67	41.67
Information Technology - February 2024		62.50	62.50
Office Supplies		0.18	0.18
Postage		4.21	4.21
<b>Total</b>			<b>\$3,171.06</b>
<b>Payments/Credits</b>			<b>\$0.00</b>
<b>Balance Due</b>			<b>\$3,171.06</b>



**GMS-Central Florida, LLC**1001 Bradford Way  
Kingston, TN 37763**Invoice****Invoice #:** 124  
**Invoice Date:** 3/1/24  
**Due Date:** 3/1/24  
**Case:**  
**P.O. Number:****Bill To:**Gardens at Hammock Beach CDD  
219 E. Livingston St.  
Orlando, FL 32801

Description	Hours/Qty	Rate	Amount
Management Fees - March 2024		3,062.50	3,062.50
Website Administration - March 2024		41.67	41.67
Information Technology - March 2024		62.50	62.50
<b>Total</b>			<b>\$3,166.67</b>
<b>Payments/Credits</b>			<b>\$0.00</b>
<b>Balance Due</b>			<b>\$3,166.67</b>

Bill to:

**Gardens at Hammock Beach Community Development District (CDD)**  
 c/o Governmental Management Services - Central FL  
 6200 Lee Vista Blvd  
 Suite 300  
 Orlando, FL 32822

[Invoices@gmscfl.com](mailto:Invoices@gmscfl.com)

**Gardens at Hammock Beach CDD-General Representation 190581**

**INVOICE**

To December 31, 2023

Invoice Date January 25, 2024  
 Invoice Number 18398  
 Due Date Due Upon Receipt

**Account Summary**

Previous Balance	\$1,870.00
Payments Received	(\$1,870.00)
Outstanding Balance	\$0.00
Current Invoice	\$1,050.00
<b>Gardens at Hammock Beach CDD-General Representation - Prepaid Balance</b>	\$0.00

**Total Due \$1,050.00**

Pay Online  
 Click the link or scan the code with your device to pay online.



<https://firmcentral.westlaw.com/pay/5C3JGT5>

**Payment Transactions**

Date	Type	Invoice #	Description	Amount
9/20/2023	Check	17169	ck 265 09202023.1CK	\$420.00
8/24/2023	Check	16994	CK 261 08242023.3CK	\$420.00

Date	Type	Invoice #	Description	Amount
8/24/2023	Check	15899	CK 261 08242023.3CK	\$951.00
8/24/2023	Check	15844	CK 261 08242023.3CK	\$79.00

**Fee Detail**

Date	Description	Hours	Rate	Total
11/3/2023	MC Prepared for and attended meeting.	2.50	\$420.00/hr	\$1,050.00
		<b>Hours Total</b>	<b>2.50</b>	<b>Fee Total</b>
				<b>\$1,050.00</b>

**Expense Detail**

Date	Description	Quantity	Rate	Total
<i>No expenses have been charged for this invoice.</i>				
			<b>Expenses Total</b>	<b>\$0.00</b>

Fees	\$1,050.00
Expense	\$0.00
<b>Current Due</b>	<b>\$1,050.00</b>
Outstanding Balance	\$0.00
<b>Total Due</b>	<b>\$1,050.00</b>

**Timekeeper Summary**

Timekeeper	Hours
Michael Chiumento III	2.50
	<b>Total Hours</b>
	<b>2.50</b>

Bill to:

**Gardens at Hammock Beach Community Development District (CDD)**  
c/o Governmental Management Services - Central FL  
6200 Lee Vista Blvd  
Suite 300  
Orlando, FL 32822

[Invoices@gmscfl.com](mailto:Invoices@gmscfl.com)

**Gardens at Hammock Beach CDD-General Representation 190581**

**INVOICE**

To January 31, 2024

Invoice Date February 13, 2024  
Invoice Number 18675  
Due Date Due Upon Receipt

**Account Summary**

Previous Balance	\$1,050.00
Payments Received	\$0.00
Outstanding Balance	\$1,050.00
Current Invoice	\$336.00
<b>Gardens at Hammock Beach CDD-General Representation - Prepaid Balance</b>	\$0.00

**Total Due \$1,386.00**

Pay Online  
Click the link or scan the code with your device to pay online.



<https://firmcentral.westlaw.com/pay/BB3KML7>

**Payment Transactions**

Date	Type	Invoice #	Description	Amount
<i>No payments have been made on this account.</i>				

**Fee Detail**

Date		Description	Hours	Rate	Total
1/29/2024	MC	Telephone conference with Ken Belshe and Bret Sealy regarding CDD Bond assessment.	0.80	\$420.00/hr	\$336.00
<b>Hours Total</b>			<b>0.80</b>	<b>Fee Total</b>	<b>\$336.00</b>

**Expense Detail**

Date	Description	Quantity	Rate	Total
<i>No expenses have been charged for this invoice.</i>				
<b>Expenses Total</b>				<b>\$0.00</b>

Fees	\$336.00
Expense	\$0.00
<b>Current Due</b>	<b>\$336.00</b>
Outstanding Balance	\$1,050.00
<b>Total Due</b>	<b>\$1,386.00</b>

**Timekeeper Summary**

Timekeeper	Hours	
Michael Chiumento III	0.80	
<b>Total Hours</b>		<b>0.80</b>

# Grau and Associates

951 W. Yamato Road, Suite 280  
Boca Raton, FL 33431-  
www.graucpa.com

Phone: 561-994-9299

Fax: 561-994-5823

*Gardens at Hammock Beach Community Development District  
6200 Lee Vista Blvd Suite 300  
Orlando, FL 32822*

Invoice No. 25092  
Date 02/05/2024

---

SERVICE	AMOUNT
Audit FYE 09/30/2023	\$ <u>3,400.00</u>
Current Amount Due	\$ <u>3,400.00</u>

0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Balance
3,400.00	0.00	0.00	0.00	0.00	3,400.00

Payment due upon receipt.

the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion (United Nations 1998).

There are a number of reasons why the number of children in the world is increasing. One of the main reasons is that the number of children who are surviving to adulthood is increasing. This is due to a number of factors, including improved medical care, better nutrition, and a decrease in child mortality. Another reason is that the number of children who are being born is increasing. This is due to a number of factors, including a decrease in the age at which women are having children, and an increase in the number of children who are being born to women who are already having children.

The increase in the number of children in the world is a cause for concern. This is because children are the most vulnerable members of society, and they are often the most neglected.

There are a number of ways in which we can help to improve the lives of children. One of the most important ways is to ensure that all children have access to education. This is because education is the key to a better future. It helps children to learn about the world around them, and it gives them the skills they need to succeed in life. Another way to help children is to ensure that they have access to basic necessities, such as food, clothing, and shelter.

There are a number of organizations that are working to help children in need. One of the most well-known is UNICEF. UNICEF works to improve the lives of children in over 100 countries. They do this by providing food, clothing, and shelter to children who are in need. They also provide education and health care to children. Another organization that is working to help children is the Red Cross. The Red Cross provides a wide range of services to children, including food, clothing, and shelter. They also provide education and health care to children.

There are a number of things that we can do to help children in need. We can donate money to organizations that are helping children. We can also volunteer our time to help children. We can also make sure that we are treating children with respect and dignity.

Children are the future of our world. It is our responsibility to ensure that they have a better future than we did.

There are a number of ways in which we can help to improve the lives of children. We can ensure that all children have access to education. We can ensure that they have access to basic necessities, such as food, clothing, and shelter.

We can also make sure that we are treating children with respect and dignity. Children are the most vulnerable members of society, and they are often the most neglected.

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There are a number of organizations that are working to help children in need. We can donate money to these organizations. We can also volunteer our time to help children.

# Gardens At Hammock Beach

Community Development District

Funding Request - #31  
April 29, 2024

General Fund  
FY2024

Payee

<b>1</b>	<b>Governmental Management Services-CF, LLC</b> Paid 5/6 Inv# 125 - Management Fees - April 2024	\$	3,199.97
<b>2</b>	<b>Chiumento Law, PLLC</b> Inv# 19190 - General Counsel - MAR 2024	\$	350.00
<b>3</b>	<b>Supervisor Fees - 03/22/2023 Meeting</b> William Livingston Clint Smith David Lusby	\$ \$ \$	200.00 200.00 200.00
<b>4</b>	<b>Daytona Beach News-Journal</b> Inv# 0006339668 - Legal Advertising	\$	30.76

**\$ 4,180.73**

Please make check payable to:

**Gardens at Hammock Beach CDD**  
6200 Lee Vista Boulevard, Suite 300  
Orlando, FL 32822



**GMS-Central Florida, LLC**1001 Bradford Way  
Kingston, TN 37763**Invoice**

Paid 5/6

Invoice #: 125  
Invoice Date: 4/1/24  
Due Date: 4/1/24  
Case:  
P.O. Number:**Bill To:**Gardens at Hammock Beach CDD  
219 E. Livingston St.  
Orlando, FL 32801

Description	Hours/Qty	Rate	Amount
Management Fees - April 2024		3,062.50	3,062.50
Website Administration - April 2024		41.67	41.67
Information Technology - April 2024		62.50	62.50
Copies		33.30	33.30

**Total** \$3,199.97**Payments/Credits** \$0.00**Balance Due** \$3,199.97

Bill to:

**Gardens at Hammock Beach Community Development District (CDD)**  
 c/o Governmental Management Services - Central FL  
 6200 Lee Vista Blvd  
 Suite 300  
 Orlando, FL 32822

[Invoices@gmscfl.com](mailto:Invoices@gmscfl.com)

**Gardens at Hammock Beach CDD-General Representation 190581**

**INVOICE**

To March 31, 2024

Invoice Date April 16, 2024  
 Invoice Number 19190  
 Due Date Due Upon Receipt

**Account Summary**

Previous Balance	\$1,386.00
Payments Received	\$0.00
Outstanding Balance	\$1,386.00
Current Invoice	\$350.00
<b>Gardens at Hammock Beach CDD-General Representation - Prepaid Balance</b>	\$0.00

**Total Due \$1,736.00**

Pay Online  
 Click the link or scan the code with your device to pay online.



<https://firmcentral.westlaw.com/pay/593RQE1>

**Payment Transactions**

Date	Type	Invoice #	Description	Amount
<i>No payments have been made on this account.</i>				

**Fee Detail**

Date		Description	Hours	Rate	Total
3/22/2024	VLS	Prepared for and attended March Board of Supervisors meeting.	1.00	\$350.00/hr	\$350.00
<b>Hours Total</b>			<b>1.00</b>	<b>Fee Total</b>	<b>\$350.00</b>

**Expense Detail**

Date	Description	Quantity	Rate	Total
<i>No expenses have been charged for this invoice.</i>				
<b>Expenses Total</b>				<b>\$0.00</b>

Fees	\$350.00
Expense	\$0.00
<b>Current Due</b>	<b>\$350.00</b>
Outstanding Balance	\$1,386.00
<b>Total Due</b>	<b>\$1,736.00</b>

**Timekeeper Summary**

Timekeeper	Hours	
Vincent Sullivan	1.00	
<b>Total Hours</b>		<b>1.00</b>

# Attendance Confirmation for BOARD OF SUPERVISORS

**District Name:** Gardens at Hammock Beach CDD

**Board Meeting Date:** March 22, 2024

	<i>Name</i>	<i>In Attendance Please ✓</i>	<i>Fee Involved Yes / No</i>
1	William Livingston	✓	Yes (\$200)
2	Clint Smith	✓	Yes (\$200)
3	David Lusby	✓	Yes (\$200)
4	David Root		Yes (\$200)
5	Denise Bunch (Oath)		( )

The supervisors present at the above referenced meeting should be compensated accordingly.

**Approved for Payment:**

  
 \_\_\_\_\_  
 District Manager Signature

3/22/24  
 \_\_\_\_\_  
 Date

**\*\*RETURN SIGNED DOCUMENT TO District Accountant\***

# LOCALiQ

The Daytona Beach News-Journal  
Daytona Pennysaver

ACCOUNT NAME Gardens At Hammock Beach		ACCOUNT # 464679	PAGE # 1 of 1
INVOICE # 0006339668	BILLING PERIOD Mar 1- Mar 31, 2024	PAYMENT DUE DATE April 20, 2024	
PREPAY (Memo Info) \$0.00	UNAPPLIED (included in amt due) \$0.00	TOTAL CASH AMT DUE* \$30.76	

**BILLING ACCOUNT NAME AND ADDRESS**

Gardens At Hammock Beach  
219 E. Livingston St.  
Orlando, FL 32801-1508



Legal Entity: Gannett Media Corp.  
Terms and Conditions: Past due accounts are subject to interest at the rate of 18% per annum or the maximum legal rate (whichever is less). Advertiser claims for a credit related to rates incorrectly invoiced or paid must be submitted in writing to Publisher within 30 days of the invoice date or the claim will be waived. Any credit towards future advertising must be used within 30 days of issuance or the credit will be forfeited.

All funds payable in US dollars.

BILLING INQUIRIES/ADDRESS CHANGES 1-877-736-7612 or smb@ccc.gannett.com

FEDERAL ID 47-2390983

To sign-up for E-mailed invoices and online payments please contact [abgspecial@gannett.com](mailto:abgspecial@gannett.com). Previous account number: **DBN\_1008098**

Date	Description	Amount
3/1/24	Balance Forward	\$0.00

**Package Advertising:**

Start-End Date	Order Number	Product	Description	PO Number	Package Cost
✓ 3/13/24	9942306	DTB Flagler/ Palm Coast News Tribune	3.22 Regular Meeting		\$30.76

RECEIVED

APR 15 2024

GMS-CF, LLC

As an incentive for customers, we provide a discount off the total invoice cost equal to the 3.99% service fee if you pay with Cash/Check/ACH. Pay by Cash/Check/ACH and Save!

Total Cash Amount Due	\$30.76
Service Fee 3.99%	\$1.23
*Cash/Check/ACH Discount	-\$1.23
*Payment Amount by Cash/Check/ACH	\$30.76
Payment Amount by Credit Card	\$31.99

**PLEASE DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT**

ACCOUNT NAME		ACCOUNT NUMBER		INVOICE NUMBER		AMOUNT PAID
Gardens At Hammock Beach		464679		0006339668		
CURRENT DUE	30 DAYS PAST DUE	60 DAYS PAST DUE	90 DAYS PAST DUE	120+ DAYS PAST DUE	UNAPPLIED PAYMENTS	TOTAL CASH AMT DUE*
\$30.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30.76
REMITTANCE ADDRESS (Include Account# & Invoice# on check)				TO PAY WITH CREDIT CARD PLEASE CALL:		TOTAL CREDIT CARD AMT DUE
Daytona Beach News-Journal P.O. Box 630476 Cincinnati, OH 45263-0476				1-877-736-7612		\$31.99
				To sign up for E-mailed invoices and online payments please contact <a href="mailto:abgspecial@gannett.com">abgspecial@gannett.com</a>		

000046467900000000000000063396680000307667242

**PROOF OF PUBLICATION**

Stacie Vanderbilt  
Gardens At Hammock Beach  
219 E Livingston ST  
Orlando FL 32801-1508

STATE OF WISCONSIN, COUNTY OF BROWN

Before the undersigned authority personally appeared, who on oath says that he or she is the Legal Coordinator of The Flagler/Palm Coast NEWS-TRIBUNE, published in Flagler County, Florida; that the attached copy of advertisement, being a Govt Public Notices, was published on the publicly accessible website of Flagler County, Florida, or in a newspaper by print in the issues of, on:

03/13/2024

Affiant further says that the website or newspaper complies with all legal requirements for publication in chapter 50, Florida Statutes.

Subscribed and sworn to before me, by the legal clerk, who is personally known to me, on 03/13/2024

Legal Clerk

Notary, State of WI, County of Brown

My commission expires

Publication Cost: \$30.76

Order No: 9942306

Customer No: 464679

PO #:

# of Copies:

1

**THIS IS NOT AN INVOICE!**

*Please do not use this form for payment remittance.*

AMY KOKOTT  
Notary Public  
State of Wisconsin

**NOTICE OF MEETING  
GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT  
DISTRICT**

The regular meeting of the Board of Supervisors of the Gardens at Hammock Beach Community Development District will be held on Friday, March 22, 2024, at 12:30 PM, at the Hilton Garden Inn Palm Coast/Town Center, 55 Town Center Blvd., Palm Coast, Florida. The meeting is open to the public and will be conducted in accordance with the provisions of Florida Law for Community Development Districts. A copy of the agenda for this meeting may be obtained from the District Manager, at 219 East Livingston Street, Orlando, FL 32801. This meeting may be continued to a date, time, and place to be specified on the record at the meeting.

There may be occasions when one or more Supervisors, Staff or other individuals will participate by telephone.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the District Office at least forty-eight (48) hours prior to the meeting by contacting the District Manager at (407)841-5524. If you are hearing or speech impaired, please contact the Florida Relay Service 1-800-955-8770, for aid in contacting the District Office.

Each person who decides to appeal any action taken at these meetings is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

George S. Flint  
Governmental Management  
Services - Central Florida, LLC  
District Manager

NT#9942306 March 13, 2024 1T

# SECTION 3



***Kaiti Lenhart*** ★ FLAGLER COUNTY SUPERVISOR OF ELECTIONS

---

1769 E. Moody Boulevard, Building 2, Suite 101 ★ PO Box 901 ★ Bunnell, Florida 32110-0901  
Phone (386) 313-4170 ★ Fax (386) 313-4171 ★ [www.FlaglerElections.gov](http://www.FlaglerElections.gov)

April 15, 2024

Stacie M. Vanderbilt  
Gardens at Hammock Beach CDD  
219 E. Livingston St.  
Orlando, FL 32801

RECEIVED

APR 18 2024

GMS-CF, LLC

**RE: CDD Registered Voters**

Dear Stacie Vanderbilt:

In accordance with the requirements of Florida Statute 190.006(3)(a)(2)(d), the total number of registered voters for the Gardens at Hammock Beach Community Development District as of April 15, 2024, is **0**.

If you have any questions or require any further assistance, please contact this office.

Thank you,

***Kaiti Lenhart***  
Supervisor of Elections



# SECTION 4

**LANDOWNER PROXY**  
LANDOWNERS' MEETING – NOVEMBER 15, 2024

GARDENS AT HAMMOCK BEACH  
COMMUNITY DEVELOPMENT DISTRICT  
FLAGLER COUNTY, FLORIDA

NOW ALL PERSONS BY THESE PRESENTS, that the undersigned, the fee simple owner of the lands described herein, hereby constitutes and appoints:

\_\_\_\_\_  
Proxy Holder

For and on behalf of the undersigned, to vote as proxy at the meeting of the landowners of the **Gardens at Hammock Beach Community Development District** to be held at **The Hilton Garden Inn Palm Coast/Town Center, 55 Town Center Blvd., Palm Coast, FL 32164** on **November 15, 2024 at 12:30 PM**, and at any continuances or adjournments thereof, according to the number of acres of un-platted land and/or platted lots owned by the undersigned landowner which the undersigned would be entitled to vote if then personally present, upon any question, proposition, or resolution or any other matter or thing which may be considered at said meeting including, but not limited to, the election of members of the Governing Board. Said Proxy Holder may vote in accordance with their discretion on all matters not known or determined at the time of solicitation of this proxy, which may legally be considered at said meeting.

Any proxy heretofore given by the undersigned for said meeting is hereby revoked. This proxy is to continue in full force and effect from the date hereof until the conclusion of the annual meeting and any adjournment or adjournments thereof, but may be revoked at any time by written notice of such revocation presented at the annual meeting prior to the Proxy Holder exercising the voting rights conferred herein.

\_\_\_\_\_  
Print or type name of Landowner

Date \_\_\_\_\_

\_\_\_\_\_  
Signature of Landowner

**Parcel Description**

**Acreage**

**Authorized Votes\***

\_\_\_\_\_  
(must be street address, tax parcel ID number,  
or legal description attached)

**Total Number of Authorized Votes:** \_\_\_\_\_

\*Pursuant to section 190.006 (2)(b), Florida Statutes (2007), a fraction of an acre is treated as one (1) acre entitling the landowner to one vote with respect thereto.

**Please note that a particular real property is entitled to only one vote for each eligible acre of lands or fraction thereof; two (2) or more person who own real property in common that is one acre or less are together entitled to only one vote for that real property. If the fee simple landowner is not an individual, and is instead a corporation, limited liability company, limited partnership or other entity, evidence that the individual signing on behalf of the entity has the authority to do so should be attached hereto. (e.g., bylaws, corporate resolution, etc.). If more than one parcel, each must be listed or described.**

## INSTRUCTIONS

At the Board meeting, when the landowners' election is announced, instructions on how landowners may participate in the election, along with a sample proxy, shall be provided.

At a landowners' meeting, landowners shall organize by electing a Chair who shall conduct the meeting. The Chair may be any person present at the meeting. If the Chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions.

Nominations are made from the floor.

After all nominations are made, a ballot is distributed and votes are cast

Each landowner is entitled to one vote for each acre he owns or portion of an acre.

## SAMPLE AGENDA

1. Determination of Number of Voting Units Represented
2. Call to Order
3. Election of a Chairman for the Purpose of Conducting the Landowners' Meeting
4. Nominations for the Position of Supervisor
5. Casting of Ballots
6. Ballot Tabulation
7. Landowners Questions and Comments
8. Adjournment