

*In the opinion of Bond Counsel, under existing law, and assuming compliance with the tax covenants described herein, interest on the 2022-1 Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax, however, for tax years beginning after December 31, 2022, interest on the 2022-1 Bonds is included in the adjusted financial statement income of certain applicable corporations that are subject to the alternative minimum tax under the Internal Revenue Code of 1986, as amended. **INTEREST ON THE 2022-2 BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES.** See "TAX MATTERS" herein regarding certain other tax considerations.*

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5
(Port St. Lucie, Florida)
\$8,760,000 Special Assessment Bonds, Series 2022-1 (Community Infrastructure)
and
\$2,935,000 Special Assessment Bonds, Series 2022-2 (Community Infrastructure)
(Federally Taxable)

Dated: Date of Delivery**Due: May 1, as set forth below**

Southern Grove Community Development District No. 5 (the "District" or the "Issuer") is issuing its Special Assessment Bonds, Series 2022-1 (Community Infrastructure) (the "2022-1 Bonds") and its Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable) (the "2022-2 Bonds") and, together with the 2022-1 Bonds, the "2022 Bonds") in fully registered form, without coupons, in denominations of \$5,000 and integral multiples thereof; provided, however, delivery of the 2022 Bonds to the initial purchasers thereof shall be in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof. The 2022 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the 2022 Bonds will be made in book entry only form and purchasers of beneficial interests in the 2022 Bonds will not receive physical 2022 Bond certificates. For so long as the book entry system is maintained, the principal of, premium, if any, and interest on the 2022 Bonds will be paid from the sources described herein by U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee (the "Trustee"), to DTC as the registered owner thereof. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of the DTC Participants, as more fully described herein. Any purchaser, as a beneficial owner of a 2022 Bond, must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of, premium, if any, and interest on such 2022 Bond. Interest on the 2022 Bonds is calculated on the basis of a 360 day year comprised of twelve thirty day months and is payable on each May 1 and November 1, commencing May 1, 2023. See "DESCRIPTION OF THE 2022 BONDS" herein. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture (hereinafter defined) or in the District Development Interlocal Agreement (hereinafter defined).

The District is a local unit of special-purpose government and an independent special district and political subdivision of the State of Florida created in accordance with the Uniform Community Development District Act of 1980, Florida Statutes, as amended (the "CDD Act") by ordinance, as amended (the "Ordinance"), enacted by the City of Port St. Lucie, Florida (the "City"). The District is contiguous, or in close proximity, to nine other community development districts established pursuant to the CDD Act (collectively, the "Other Districts" and, together with the District, the "Districts") and certain additional community development districts also established pursuant to the CDD Act (together with the Districts, the "CDDs"). The CDDs have jurisdiction over the lands located within the mixed-use master-planned community known as "Tradition" located within the City. The Districts have jurisdiction over the portion of Tradition within the Southern Grove DRI (hereinafter defined). See "INTRODUCTION—Developments Since the Date of the Preliminary Limited Offering Memorandum; Matters Relating to New Districts," "TRADITION" and "SOUTHERN GROVE" herein.

Pursuant to the District Development Interlocal Agreement among the Districts, the Other Districts delegate authority to the District as the initial "Issuer" within the meaning of the District Development Interlocal Agreement to finance Community Infrastructure, consisting of community-wide public infrastructure and facilities needed to serve land within the boundaries of the Districts. See "THE INTERLOCAL AGREEMENTS." Proceeds of the 2022-1 Bonds will be used, together with other legally available funds, to (i) pay a portion of the Costs of the 2022-1 CI Project, which consists of constructing and/or acquiring certain public infrastructure, improvements, and facilities, as described herein under "THE 2022 CI PROJECT;" (ii) pay a portion of the interest coming due on the 2022-1 Bonds; (iii) fund the 2022-1 Reserve Account in an amount equal to the initial 2022-1 Reserve Account Requirement; and (iv) pay Costs of issuance of the 2022-1 Bonds. Proceeds of the 2022-2 Bonds will be used, together with other legally available funds, to (i) pay a portion of the Costs of the 2022-2 CI Project, which consists of acquiring certain autonomous vehicles and paying certain related costs comprising the TIM Project and which may also include constructing and/or acquiring certain public infrastructure, improvements and facilities, as described herein under "THE 2022 CI PROJECT;" (ii) pay a portion of the interest coming due on the 2022-2 Bonds; (iii) fund the 2022-2 Reserve Account in an amount equal to the initial 2022-2 Reserve Account Requirement; and (iv) pay Costs of issuance of the 2022-2 Bonds. See "THE 2022 CI PROJECT," "ESTIMATED SOURCES AND USES OF PROCEEDS" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—2022 Acquisition and Construction Account" and "2022 Reserve Accounts" and "APPENDIX A—Consulting Engineer's Report."

The 2022 Bonds are being issued pursuant to the CDD Act, the charter of the District (as set forth in the Ordinance), the Florida Constitution and other applicable law and the District Development Interlocal Agreement. The 2022 Bonds are further issued pursuant to a Master Trust Indenture dated December 17, 2014 entered into between the District and the Trustee (the "Master Indenture") as supplemented by an Eighth Supplemental Trust Indenture (the "Supplemental Indenture," and together with the Master Indenture, the "Indenture"), to be dated as of December 1, 2022 and to be entered into between the District and the Trustee, and joined in by the Other Districts. The principal of and interest on the 2022 Bonds shall be payable solely from, and shall be secured solely by, the revenues derived from the collection of the 2022 CI Assessments levied by certain of the Districts in connection with the 2022 CI Project (the "2022 CI Pledged Revenues") and the Funds and Accounts (except for the 2022-1 Rebate Account) established by the Indenture, provided, however, that the funds on deposit in the 2022-1 Costs of Issuance Subaccount, the 2022-1 Acquisition and Construction Subaccount, the 2022-1 Reserve Account and the 2022-1 Capitalized Interest Subaccount are held solely for the benefit of the 2022-1 Bonds and the funds in the 2022-2 Costs of Issuance Subaccount, the 2022-2 Acquisition and Construction Subaccount, the 2022-2 Reserve Account and the 2022-2 Capitalized Interest Subaccount are held solely for the benefit of the 2022-2 Bonds (the "2022 Pledged Funds and Accounts"). The 2022 CI Pledged Revenues and the 2022 Pledged Funds and Accounts collectively comprise the "2022 Trust Estate." See "THE INTERLOCAL AGREEMENTS" and "SECURITY FOR THE 2022 BONDS—General."

The 2022-1 Bonds are subject to optional, mandatory and extraordinary mandatory redemption at the times, in the amounts, and at the redemption price more fully described herein under the caption "DESCRIPTION OF THE 2022 BONDS – Redemption Provisions." The 2022-2 Bonds are subject to optional, mandatory and extraordinary mandatory redemption at the times, in the amounts, and at the redemption price more fully described herein under the caption "DESCRIPTION OF THE 2022 BONDS – Redemption Provisions."

Investment in the 2022 Bonds involves certain risks. See "SUITABILITY FOR INVESTMENT" and "BONDHOLDERS' RISKS" herein.

This cover page contains certain information for quick reference only. It is not a summary of the 2022 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

See the inside cover page hereof for principal amounts, interest rates, maturities, prices or yields, and initial CUSIP numbers of the 2022 Bonds.

The 2022 Bonds are offered for delivery when, as and if issued by the District and accepted by MBS Capital Markets, LLC, as the Underwriter of the 2022 Bonds (the "Underwriter"), subject to the receipt of the opinion of Greenspoon Marder LLP, Fort Lauderdale, Florida, Bond Counsel, as to the validity of the 2022 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Greenspoon Marder LLP, Fort Lauderdale, Florida, is also serving as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by its counsel, Bryant Miller Olive, P.A., Orlando, Florida; for the District by its counsel, Gonano & Harrell, Fort Pierce, Florida; and for the Trustee by Holland & Knight LLP, Miami, Florida. It is expected that the 2022 Bonds will be delivered in book-entry form through the facilities of DTC on or about December 9, 2022.

MBS CAPITAL MARKETS, LLC

**PRINCIPAL AMOUNTS, INTEREST RATES, MATURITIES, YIELDS, PRICES AND
INITIAL CUSIP NUMBERS**

2022-1 Bonds

\$3,650,000 Term 2022-1 Bonds 5.80% Due May 1, 2042 Yield 5.80% Priced at 100%
Initial CUSIP No. 843021AN6*

\$5,110,000 Term 2022-1 Bonds 6.00% Due May 1, 2049 Yield 6.00% Priced at 100%
Initial CUSIP No. 843021AP1*

2022-2 Bonds

\$2,935,000 Term 2022-2 Bonds 7.00% Due May 1, 2035 Yield 7.00% Priced at 100%
Initial CUSIP No. 843021AQ9*

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Underwriter or the Trustee. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2022 Bonds. None of the District, the Underwriter or the Trustee is responsible for the selection or uses of these CUSIP numbers, and no representation is made with respect to the correctness thereof on the 2022 Bonds or as reflected above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2022 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2022 Bonds. None of the District, the Underwriter or the Trustee have agreed to, nor is there any duty or obligation to, update this Limited Offering Memorandum to reflect any change or correction in the CUSIP numbers reflected above.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5

BOARD OF SUPERVISORS

Frank Covelli, Chair
Tyler Gaffney, Vice Chair
Steven Dassa, Supervisor
Jennifer Davis, Supervisor
David Graham, Supervisor

DISTRICT MANAGER AND ASSESSMENT CONSULTANT

Special District Services, Inc.
Port St. Lucie, Florida

COUNSEL TO THE DISTRICT

Gonano & Harrell
Fort Pierce, Florida

DISTRICT ENGINEER

Culpepper & Terpening, Inc.
Fort Pierce, Florida

BOND COUNSEL AND DISCLOSURE COUNSEL

Greenspoon Marder LLP
Fort Lauderdale, Florida

No dealer, broker, salesperson, or other person has been authorized by Southern Grove Community Development District No. 5 (the “District” or the “Issuer”) or MBS Capital Markets, LLC (the “Underwriter”) to give any information or 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 either of the foregoing. 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 in the affairs of the District, the Other Districts or the 2022 Assessment Area (as such capitalized terms are hereinafter defined) since the date hereof. Neither the delivery of this Limited Offering Memorandum nor any sale made pursuant to this Limited Offering Memorandum implies that any information set forth in this Limited Offering Memorandum is correct as of any date after the date of this Limited Offering Memorandum.

The information set forth herein has been obtained from public documents, records and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

Statements contained herein that are not purely historical, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies of the District regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included herein are based on information available on the date hereof, and the District assumes no obligation to update any such forward-looking statements. Such forward-looking statements are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District and owners of land in the 2022 Assessment Area. Actual results could differ materially from those discussed in such forward-looking statements and, therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate.

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM (“ORIGINAL BOUND FORMAT”) OR IN ELECTRONIC FORMAT ON THE WEBSITE www.MuniOS.com. THIS LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL 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.

Certain information in this Limited Offering Memorandum has been provided by The Depository Trust Company, New York, New York ("DTC"). The District has not provided information in this Limited Offering Memorandum with respect to DTC and does not certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC and is not responsible for the information provided by DTC.

THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE A CONTRACT BETWEEN THE DISTRICT OR THE UNDERWRITER AND ANY ONE OR MORE OF THE OWNERS OF THE 2022 BONDS.

THE 2022 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE (HEREINAFTER DEFINED) 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 2022 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 BY SUCH JURISDICTIONS. NONE OF THE DISTRICT, THE CITY OF PORT ST. LUCIE, FLORIDA, ST. LUCIE COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF HAS GUARANTEED OR PASSED UPON THE MERITS OF THE 2022 BONDS. OTHER THAN THE DISTRICT, NONE OF THE CITY OF PORT ST. LUCIE, FLORIDA, ST. LUCIE COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

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LIMITED OFFERING MEMORANDUM

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5 (Port St. Lucie, Florida)

\$8,760,000 Special Assessment Bonds, Series 2022-1 (Community Infrastructure) and \$2,935,000 Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable)

INTRODUCTION

General

The purpose of this Limited Offering Memorandum, including the cover page, inside cover page, and appendices hereto, is to provide certain information in connection with the issuance and sale by Southern Grove Community Development District No. 5 (the “District” or the “Issuer”) of its Special Assessment Bonds, Series 2022-1 (Community Infrastructure) (the “2022-1 Bonds”) and its Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable) (the “2022-2 Bonds” and, together with the 2022-1 Bonds, the “2022 Bonds”). No person has been authorized by the District or the Underwriter (the “Underwriter”) 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. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture (hereinafter defined) or in the District Development Interlocal Agreement (hereinafter defined).

The District is a local unit of special-purpose government and an independent special district and political subdivision of the State of Florida created in accordance with the Uniform Community Development District Act of 1980, Florida Statutes, as amended (the “CDD Act”) by ordinance, as amended (the “Ordinance”), enacted by the City of Port St. Lucie, Florida (the “City”). The District is contiguous, or in close proximity, to nine other community development districts established pursuant to the CDD Act (collectively, the “Other Districts” and, together with the District, the “Districts”) and certain additional community development districts also established pursuant to the CDD Act (together with the Districts, the “CDDs”). See “INTRODUCTION—Developments Since the Date of the Preliminary Limited Offering Memorandum; Matters Relating to New Districts” below. The CDDs have jurisdiction over the lands located within the mixed-use master-planned community known as “Tradition” located within the City. The Districts have jurisdiction over the portion of Tradition within the Southern Grove DRI (hereinafter defined). See “TRADITION” and “SOUTHERN GROVE” herein.

Pursuant to the District Development Interlocal Agreement among the Districts, the Other Districts delegate authority to the District as the initial “Issuer” within the meaning of the District Development Interlocal Agreement to finance Community Infrastructure, consisting of community-wide public infrastructure and facilities needed to serve land within the boundaries of the Districts. See “THE INTERLOCAL AGREEMENTS.”

Certain Matters Relating to the 2022 Bonds

Proceeds of the 2022-1 Bonds will be used, together with other legally available funds, to (i) pay a portion of the Costs of the 2022-1 CI Project, which consists of constructing and/or acquiring certain public infrastructure, improvements, and facilities, as described herein under “THE 2022 CI PROJECT;” (ii) pay a portion of the interest coming due on the 2022-1 Bonds; (iii) fund the 2022-1 Reserve Account in an amount equal to the initial 2022-1 Reserve Account Requirement; and (iv) pay Costs of issuance of the 2022-1 Bonds. Proceeds of the 2022-2 Bonds will be used, together with other legally available funds, to (i) pay a portion of the Costs of the 2022-2 CI Project, which consists of acquiring certain autonomous vehicles and paying certain related costs comprising the TIM Project, and which may also include constructing and/or acquiring certain public infrastructure, improvements and facilities, as described herein under “THE 2022 CI PROJECT;” (ii) pay a portion of the interest coming due on the 2022-2 Bonds; (iii) fund the 2022-2 Reserve Account in an amount equal to the initial 2022-2 Reserve Account Requirement; and (iv) pay Costs of issuance of the 2022-2 Bonds. See “THE 2022 CI PROJECT,” “ESTIMATED SOURCE AND USES OF PROCEEDS” and “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—‘2022 Acquisition and Construction Account’ and ‘2022 Reserve Accounts’” and “APPENDIX A—Consulting Engineer’s Report.”

The 2022 Bonds are being issued pursuant to the CDD Act, the charter of the District (as set forth in the Ordinance), the Florida Constitution and other applicable law and the Interlocal Agreements (collectively, the “Act”). The 2022 Bonds are being further issued pursuant to a Master Trust Indenture (the “Master Indenture”) dated December 17, 2014 entered into between the District and the Trustee, as supplemented by an Eighth Supplemental Trust Indenture (the “Supplemental Indenture,” and together with the Master Indenture, the “Indenture”), to be dated as of December 1, 2022 and to be entered into between the District and the Trustee, and joined in by the Other Districts.

The principal of and interest on the 2022 Bonds shall be payable solely from, and shall be secured solely by, the revenues derived from the collection of the 2022 CI Assessments levied by certain of the Districts in connection with the 2022 CI Project (the “2022 CI Pledged Revenues”) and the Funds and Accounts (except for the 2022-1 Rebate Account) established by the Indenture, provided, however, that the funds on deposit in the 2022-1 Costs of Issuance Subaccount, the 2022-1 Acquisition and Construction Subaccount, the 2022-1 Reserve Account and the 2022-1 Capitalized Interest Subaccount are held solely for the benefit of the 2022-1 Bonds and the funds in the 2022-2 Costs of Issuance Subaccount, the 2022-2 Acquisition and Construction Subaccount, the 2022-2 Reserve Account and the 2022-2 Capitalized Interest Subaccount are held solely for the benefit of the 2022-2 Bonds (the “2022 Pledged Funds and Accounts”). The 2022 CI Pledged Revenues and the 2022 Pledged Funds and Accounts collectively comprise the “2022 Trust Estate.” See “THE INTERLOCAL AGREEMENTS” and “SECURITY FOR THE 2022 BONDS—General.”

NONE OF THE REVENUES DERIVED BY THE DISTRICT OR ANY OF THE OTHER DISTRICTS FROM THE LEVY AND COLLECTION OF NON-AD VALOREM ASSESSMENTS OTHER THAN THE 2022 CI ASSESSMENTS LEVIED BY THE DISTRICT AND THE OTHER DISTRICTS WITH JURISDICTION OVER THE DISTRICT LANDS IN THE 2022 ASSESSMENT AREA WILL SECURE OR OTHERWISE BE AVAILABLE TO PAY THE 2022 BONDS.

The 2022-1 Bonds are subject to optional, mandatory and extraordinary mandatory redemption, and the 2022-2 Bonds are subject to optional, mandatory and extraordinary mandatory redemption, at the times, in the amounts, and at the redemption price more fully described herein under the caption “DESCRIPTION OF THE 2022 BONDS – Redemption Provisions.”

Investment in the 2022 Bonds involves certain risks. See “SUITABILITY FOR INVESTMENT” and “BONDHOLDERS’ RISKS” herein.

Developments Since the Date of the Preliminary Limited Offering Memorandum; Certain Matters Relating to New Districts

The following provides information regarding developments since November 4, 2022, the date of the Preliminary Limited Offering Memorandum relating to the 2022 Bonds (the “PLOM”).

On November 14, 2022, the City established four new community development districts designated as Southern Grove Community Development District No. 7 (“District No. 7”), Southern Grove Community Development District No. 8 (“District No. 8”), Southern Grove Community Development District No. 9 (“District No. 9”) and Southern Grove Community Development District No. 10 (“District No. 10” and, collectively with District No. 7, District No. 8 and District No. 9, the “New Districts”) pursuant to the CDD Act (as defined in the Master Indenture). The New Districts have jurisdiction over a portion of the District Lands previously in the boundaries of the Issuer and a portion of the District Lands previously in the respective boundaries of Southern Grove Community Development District Nos. 1, 3, 4 and 6. Accordingly, contemporaneously with the establishment of the New Districts, the boundaries of the Issuer and the boundaries of Southern Grove Community Development District Nos. 1, 3, 4 and 6 were contracted to exclude any District Lands included in the boundaries of the applicable New Districts. These changes were undertaken, in part, to better align the boundaries of the District and the applicable current Other Districts with the ownership of land within their respective boundaries. Appendix H hereto includes a map depicting the boundaries of the initial Southern Grove Community Development Districts prior to the establishment of the New Districts and a map depicting the current boundaries of the Districts.

It is a condition to the issuance of the 2022 Bonds that: (i) the respective Board of Supervisors of each of the New Districts cause their respective appropriate authorized officers to execute a joinder to the Eighth Supplemental Indenture, the District Development Interlocal Agreement and the TIM Project Interlocal Agreement (hereinafter defined); (ii) the respective Board of Supervisors of each of the New Districts approve the 2022 Supplemental Engineer’s Report (hereinafter defined); (iii) the respective Board of Supervisors of each of the Districts with jurisdiction over District Lands in the 2022 Assessment Area, as described under “SPECIAL ASSESSMENT METHODOLOGY,” approve the final Special Assessment Methodology Report attached hereto as Appendix E (the “2022 Supplemental Assessment Report”); and (iv) the Assignment and Assumption Agreements (hereafter described) relating to the 2022 CI Assessments are executed and delivered.

The Assignment and Assumption Agreements are defined in the Eighth Supplemental Indenture, generally, to mean, with respect to the 2022 Assessment Area, the written agreements providing for (i) the assignment by the Issuer and Southern Grove Community Development District Nos. 3, 4 and/or 6, as applicable, to Southern Grove Community Development District No. 3, District No. 8, District No. 9 and/or District No. 10, as applicable, of the obligation to collect

and remit to the Trustee the 2022 CI Assessments (and certain other Community Infrastructure Assessments) levied on the District Lands previously in the boundaries of the applicable assigning District and now within the boundaries of the applicable assignee District and (ii) the assumption by the applicable assignee District of such authority and obligation. See “THE INTERLOCAL AGREEMENTS.”

The defined terms “Districts” and “Other Districts” as used herein, unless the context otherwise is expressly inconsistent or expressly relates to actions taken or events occurring prior to the establishment of the New Districts, shall be construed to include the New Districts.

In addition to the foregoing, on November 7, 2022 the Board of Supervisors of the District filled a vacancy on the Board. See “THE DISTRICT—Board of Supervisors.”

Finally, a new last paragraph has been added to the information presented in the PLOM under “INTERLOCAL AGREEMENTS—Stormwater Interlocal Agreement.”

Miscellaneous

There follows in this Limited Offering Memorandum a brief description of the District, the 2022 CI Project and the 2022 Assessment Area, together with summaries of terms of the 2022 Bonds, the Indenture, certain interlocal agreements to which the District, the Other Districts and/or the current Administration District (hereinafter defined) is a party, and certain provisions of the CDD Act (as defined in the Master Indenture). All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and all references to the 2022 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. For the full text of the Master Indenture and the form of the Supplemental Indenture, see “APPENDIX B— Master Indenture and Form of the Supplemental Indenture.” For the full text of the District Development Interlocal Agreement, see “APPENDIX F—District Development Interlocal Agreement.”

DESCRIPTION OF THE 2022 BONDS

General

The 2022 Bonds are issuable only in fully-registered form, in denominations of \$5,000 and integral multiples thereof; provided, however, delivery of 2022 Bonds to the initial purchasers thereof shall be in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof. The 2022 Bonds will be dated as of the date of delivery thereof, will bear interest from that date at the rates per annum, and subject to the redemption provisions set forth below, will mature on the dates, set forth on the inside cover page of this Limited Offering Memorandum. Interest on the 2022 Bonds will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each May 1 and November 1, commencing May 1, 2023. U.S. Bank Trust Company, National Association is acting as successor Trustee, Paying Agent and Registrar for the 2022 Bonds.

The 2022 Bonds shall be initially issued in the form of a separate single certificated fully registered 2022 Bond for each maturity thereof. Upon initial issuance, the ownership of each such 2022 Bond shall be registered in the registration books kept by the Registrar in the name of Cede

& Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), the initial Bond Depository. Except as provided in the Indenture, all of the Outstanding 2022 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. See “DESCRIPTION OF THE 2022 BONDS - Book-Entry Only System” herein.

Redemption Provisions

Optional Redemption.

2022-1 Bonds

The 2022-1 Bonds are subject to redemption prior to maturity at the option of the District in whole or part on any date on or after May 1, 2032 at the Redemption Price of the principal amount of the 2022-1 Bonds or portions thereof to be redeemed, together with accrued interest to the date of redemption.

2022-2 Bonds

The 2022-2 Bonds are subject to redemption prior to maturity at the option of the District in whole or part on any date on or after May 1, 2032 at the Redemption Price of the principal amount of the 2022-2 Bonds or portions thereof to be redeemed, together with accrued interest to the date of redemption.

Mandatory Redemption.

2022-1 Bonds

The 2022-1 Bonds maturing May 1, 2042 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2022-1 Sinking Fund Subaccount established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price 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>May 1</u> <u>of the Year</u>	<u>Amortization</u> <u>Installment</u>	<u>May 1</u> <u>of the Year</u>	<u>Amortization</u> <u>Installments</u>
2035	\$270,000	2039	\$480,000
2036	405,000	2040	510,000
2037	425,000	2041	540,000
2038	450,000	2042*	570,000

* Maturity

The 2022-1 Bonds maturing May 1, 2049 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2022-1 Sinking Fund Subaccount established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price 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>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installments</u>
2043	\$605,000	2047	\$770,000
2044	645,000	2048	815,000
2045	685,000	2049*	865,000
2046	725,000		

* Maturity

Upon any redemption of 2022-1 Bonds (other than 2022-1 Bonds redeemed in accordance with scheduled Amortization Installments and other than 2022-1 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 7.04 of the Master Indenture), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so as to amortize the Outstanding 2022-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the 2022-1 Bonds.

2022-2 Bonds

The 2022-2 Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2022-2 Sinking Fund Subaccount established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price 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>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installments</u>
2024	\$175,000	2030	\$270,000
2025	190,000	2031	290,000
2026	205,000	2032	310,000
2027	215,000	2033	330,000
2028	235,000	2034	355,000
2029	250,000	2035*	110,000

* Maturity

Upon any redemption of 2022-2 Bonds (other than 2022-2 Bonds redeemed in accordance with scheduled Amortization Installments and other than 2022-2 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 7.04 of the Master Indenture), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so as to amortize the Outstanding 2022-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the 2022-2 Bonds.

Extraordinary Mandatory Redemption.

2022-1 Bonds

The 2022-1 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part, pro rata, determined based on the Outstanding principal of each 2022-1 Term Bond divided by the total Outstanding principal amount of the 2022-1 Bonds, calculated by the District, and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

- (a) on or after the Date of Completion of the 2022-1 CI Project, by application of moneys transferred from the 2022-1 Acquisition and Construction Subaccount to the 2022-1 Prepayment Subaccount of the 2022-1 Redemption Account in accordance with the terms of the Indenture; or
- (b) from amounts, including 2022 Prepayment Principal, required by the Indenture to be deposited into the 2022-1 Prepayment Subaccount of the 2022-1 Redemption Account; or
- (c) from amounts transferred to the 2022-1 Prepayment Subaccount of the 2022-1 Redemption Account resulting from surplus in the 2022-1 Reserve Account as provided for in the Indenture; or
- (d) on and after the date on which the amount on deposit in the 2022-1 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the 2022-1 Bonds then Outstanding, including accrued interest thereon.

Extraordinary mandatory redemptions of the 2022-1 Bonds may occur pursuant to subsection (b) above at any time after the issuance of the 2022-1 Bonds on a regular and accelerated basis. See “THE 2022 ASSESSMENT AREA—Allocation of 2022 CI Assessments.”

2022-2 Bonds

The 2022-2 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the 2022-2 CI Project, by application of moneys transferred from the 2022-2 Acquisition and Construction Subaccount to the 2022-2 Prepayment Subaccount of the 2022-2 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including 2022 Prepayment Principal, required by the Indenture to be deposited into the 2022-2 Prepayment Subaccount of the 2022-2 Redemption Account; or

(c) from amounts transferred to the 2022-2 Prepayment Subaccount of the 2022-2 Redemption Account resulting from surplus in the 2022-2 Reserve Account as provided for in the Indenture; or

(d) on and after the date on which the amount on deposit in the 2022-2 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the 2022-2 Bonds then Outstanding, including accrued interest thereon.

Extraordinary mandatory redemptions of the 2022-2 Bonds may occur pursuant to subsection (b) above at any time after the issuance of the 2022-2 Bonds on a regular and accelerated basis. See “THE 2022 ASSESSMENT AREA—Allocation of 2022 CI Assessments.”

Selection of 2022 Bonds for Redemption. If less than all of the 2022 Bonds of a maturity within a Series shall be called for redemption, the particular 2022 Bonds or portions of 2022 Bonds of such Series to be redeemed shall be selected by lot by the Registrar as provided in the Indenture or directed by DTC.

Purchase In Lieu of Redemption. Subject to the provisions of Section 7.04 of the Master Indenture, the District may purchase 2022 Bonds Outstanding at any time in the open market, whether or not such 2022 Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having regard to maturity, option to redeem, rate and price, such price not to exceed the principal of such 2022 Bonds to be purchased, plus the amount of the premium, if any, which would be payable on the next redemption date to the Owners of such Bonds under the provisions of the Indenture if such 2022 Bonds were called for redemption on such date. The principal amount of any such 2022 Bonds so purchased shall be credited to the amounts otherwise required to be deposited for the payment of 2022 Bonds as provided in Section 7.04 of the Master Indenture.

Notice and Effect of Redemption

The Indenture provides that when required to redeem 2022 Bonds of either or both Series under any provision of the Master Indenture or directed to do so by the District, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption date to all Owners of 2022 Bonds to be redeemed (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption of the 2022 Bonds for which notice was duly mailed in accordance with Section 7.02 of the Master Indenture. Further notice of redemption shall

be given by the Registrar to certain registered securities depositories and information services as set forth in the Indenture.

As provided in the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

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 makes any representation or warranty or takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the 2022 Bonds. The 2022 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2022 Bond certificate will be issued for each maturity of the 2022 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2022 Bond (each a "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 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2022 Bonds, except in the event that use of the book-entry system for the 2022 Bonds is discontinued.

To facilitate subsequent transfers, all 2022 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 the 2022 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 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2022 Bond documents. For example, Beneficial Owners of 2022 Bonds may wish to ascertain that the nominee holding the 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2022 Bonds within a series or a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's 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 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2022 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 Paying Agent on a payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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 DTC Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the 2022 Bonds, as applicable, 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, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2022 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2022 Bond certificates are required to be printed and delivered. Subject to the policies and procedures of DTC (or any successor securities depository), the District may decide to discontinue use of the system of book-entry transfers through DTC upon compliance with any applicable DTC rules and procedures. In that event, 2022 Bond certificates will be printed and delivered. So long as Cede & Co. is the registered owner of the 2022 Bonds, as nominee of DTC, reference herein to the Bondholders or Registered Owners of the 2022 Bonds will mean Cede & Co., as aforesaid, and will not mean the Beneficial Owners of the 2022 Bonds.

The District can make no assurances that DTC will distribute payments of principal of, redemption price, if any, or interest on the 2022 Bonds to the Direct Participants, or that Direct and Indirect Participants will distribute payments of principal of, redemption price, if any, or interest on the 2022 Bonds or redemption notices to the Beneficial Owners of such 2022 Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Limited Offering Memorandum. The District is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct or Indirect Participant to give any notice or make any payment to a Beneficial Owner in respect to the 2022 Bonds or any error or delay relating thereto. The rights of holders of beneficial interests in the 2022 Bonds and the manner of transferring or pledging those interests are subject to applicable state law. Holders of beneficial interests in the 2022 Bonds may want to discuss the manner of transferring or pledging their interest in the 2022 Bonds with their legal advisors.

NONE OF THE DISTRICT, THE TRUSTEE OR THE PAYING AGENT SHALL HAVE ANY OBLIGATION WITH RESPECT TO ANY DEPOSITORY PARTICIPANT OR BENEFICIAL OWNER OF THE 2022 BONDS DURING SUCH TIME AS THE 2022 BONDS ARE REGISTERED IN THE NAME OF A SECURITIES DEPOSITORY PURSUANT TO A BOOK-ENTRY ONLY SYSTEM OF REGISTRATION.

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ESTIMATED SOURCES AND USES OF PROCEEDS

Proceeds from the issuance and delivery of the 2022 Bonds are expected to be applied as follows:

2022-1 Bonds

Sources

Principal Amount of 2022-1 Bonds	<u>\$8,760,000.00</u>
Total Sources	<u>\$8,760,000.00</u>

Uses

Deposit to 2022-1 Capitalized Interest Subaccount ⁽¹⁾	\$ 463,590.56
Deposit to 2022-1 Acquisition and Construction Subaccount ⁽²⁾	7,515,886.46
Deposit to 2022-1 Reserve Account ⁽³⁾	448,025.00
Deposit to 2022-1 Costs of Issuance Subaccount ⁽⁴⁾	<u>332,497.98</u>
Total Uses	<u>\$8,760,000.00</u>

2022-2 Bonds

Sources

Principal Amount of 2022-2 Bonds	<u>\$2,935,000.00</u>
Total Sources	<u>\$2,935,000.00</u>

Uses

Deposit to 2022-2 Capitalized Interest Subaccount ⁽¹⁾	\$ 183,763.61
Deposit to 2022-2 Acquisition and Construction Subaccount ⁽²⁾	2,447,205.32
Deposit to 2022-2 Reserve Account ⁽³⁾	188,862.50
Deposit to 2022-2 Costs of Issuance Subaccount ⁽⁴⁾	<u>115,168.57</u>
Total Uses	<u>\$2,935,000.00</u>

⁽¹⁾ To pay interest through November 1, 2023.

⁽²⁾ See "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—2022 Acquisition and Construction Account."

⁽³⁾ Equal to the initial 2022-1 Reserve Account Requirement or initial 2022-2 Reserve Requirement, as applicable.

⁽⁴⁾ Includes the allocable portion of the fees of professionals and consultants, printing and other related costs of issuance. Also includes the allocable underwriter's discount not deposited to 2022 Costs of Issuance Account.

DEBT SERVICE REQUIREMENTS FOR THE 2022 BONDS

2022-1 Bonds⁽¹⁾

Period Ending	Principal	Interest*	Period Total
11/1/2023	\$ 0	\$ 463,591	\$ 463,591
11/1/2024	0	518,300	518,300
11/1/2025	0	518,300	518,300
11/1/2026	0	518,300	518,300
11/1/2027	0	518,300	518,300
11/1/2028	0	518,300	518,300
11/1/2029	0	518,300	518,300
11/1/2030	0	518,300	518,300
11/1/2031	0	518,300	518,300
11/1/2032	0	518,300	518,300
11/1/2033	0	518,300	518,300
11/1/2034	0	518,300	518,300
11/1/2035	270,000	510,470	780,470
11/1/2036	405,000	490,895	895,895
11/1/2037	425,000	466,825	891,825
11/1/2038	450,000	441,450	891,450
11/1/2039	480,000	414,480	894,480
11/1/2040	510,000	385,770	895,770
11/1/2041	540,000	355,320	895,320
11/1/2042	570,000	323,130	893,130
11/1/2043	605,000	288,450	893,450
11/1/2044	645,000	250,950	895,950
11/1/2045	685,000	211,050	896,050
11/1/2046	725,000	168,750	893,750
11/1/2047	770,000	123,900	893,900
11/1/2048	815,000	76,350	891,350
11/1/2049	<u>865,000</u>	<u>25,950</u>	<u>890,950</u>
 TOTAL	 <u>\$8,760,000</u>	 <u>\$10,698,631</u>	 <u>\$19,458,631</u>

*Includes capitalized interest.

⁽¹⁾ Amounts are rounded to the nearest whole dollar.

2022-2 Bonds⁽¹⁾

<u>Period Ending</u>	<u>Principal</u>	<u>Interest*</u>	<u>Period Total</u>
11/1/2023	\$ 0	\$ 183,764	\$ 183,764
11/1/2024	175,000	199,325	374,325
11/1/2025	190,000	186,550	376,550
11/1/2026	205,000	172,725	377,725
11/1/2027	215,000	158,025	373,025
11/1/2028	235,000	142,275	377,275
11/1/2029	250,000	125,300	375,300
11/1/2030	270,000	107,100	377,100
11/1/2031	290,000	87,500	377,500
11/1/2032	310,000	66,500	376,500
11/1/2033	330,000	44,100	374,100
11/1/2034	355,000	20,125	375,125
11/1/2035	<u>110,000</u>	<u>3,850</u>	<u>113,850</u>
 TOTAL	 <u>\$2,935,000</u>	 <u>\$1,497,139</u>	 <u>\$4,432,139</u>

*Includes capitalized interest.

⁽¹⁾ Amounts are rounded to the nearest whole dollar.

2022-1 Bonds and 2022-2 Bonds⁽¹⁾

Period Ending	Principal	Interest*	Period Total
11/1/2023	\$ 0	\$ 647,354	\$ 647,354
11/1/2024	175,000	717,625	892,625
11/1/2025	190,000	704,850	894,850
11/1/2026	205,000	691,025	896,025
11/1/2027	215,000	676,325	891,325
11/1/2028	235,000	660,575	895,575
11/1/2029	250,000	643,600	893,600
11/1/2030	270,000	625,400	895,400
11/1/2031	290,000	605,800	895,800
11/1/2032	310,000	584,800	894,800
11/1/2033	330,000	562,400	892,400
11/1/2034	355,000	538,425	893,425
11/1/2035	380,000	514,320	894,320
11/1/2036	405,000	490,895	895,895
11/1/2037	425,000	466,825	891,825
11/1/2038	450,000	441,450	891,450
11/1/2039	480,000	414,480	894,480
11/1/2040	510,000	385,770	895,770
11/1/2041	540,000	355,320	895,320
11/1/2042	570,000	323,130	893,130
11/1/2043	605,000	288,450	893,450
11/1/2044	645,000	250,950	895,950
11/1/2045	685,000	211,050	896,050
11/1/2046	725,000	168,750	893,750
11/1/2047	770,000	123,900	893,900
11/1/2048	815,000	76,350	891,350
11/1/2049	<u>865,000</u>	<u>25,950</u>	<u>890,950</u>
 TOTAL	 <u>\$11,695,000</u>	 <u>\$12,195,769</u>	 <u>\$23,890,769</u>

*Includes capitalized interest.

⁽¹⁾ Amounts are rounded to the nearest whole dollar.

THE INTERLOCAL AGREEMENTS

The following is intended to only briefly summarize the pertinent provisions of the District Development Interlocal Agreement, the TIM Project Interlocal Agreement (hereinafter defined), the City Interlocal Agreement (hereinafter defined) and the CRA Interlocal Agreement (hereinafter defined) and is not intended to be an exhaustive description of such agreements. Reference is made to the complete copy of the District Development Interlocal Agreement attached hereto as APPENDIX F for all the terms and conditions thereof.

District Development Interlocal Agreement

General

The District and the Other Districts (consisting of Southern Grove Community Development District No. 1, Southern Grove Community Development District No. 2, Southern Grove Community Development District No. 3, Southern Grove Community Development District No. 4, and Southern Grove Community Development District No. 6, District No. 7, District No. 8, District No. 9 and District No. 10 (the District and the Other Districts being referred to collectively as the “Districts”) have jurisdiction over approximately 3,600 acres of land being developed as a single mixed-use development of regional impact known as the “Southern Grove DRI.” See “SOUTHERN GROVE” herein.

The initial Southern Grove Community Development Districts (consisting of the District and Southern Grove Community Development District Nos. 1, 2, 3, 4 and 6) have entered into, and, prior to the issuance of the 2022 Bonds, the New Districts will enter into, that certain Second Amended and Restated District Development Interlocal Agreement, amended and restated as of July 9, 2013, as amended, and as may be further amended from time to time (the “District Development Interlocal Agreement”). The District Development Interlocal Agreement provides, among other matters, for the delegation of authority to one of the Districts designated in the manner set forth in the District Development Interlocal Agreement to act as the “Issuer” to finance the acquisition, construction, and equipping of certain public infrastructure projects for the benefit of the District Lands (the “Community Infrastructure”) and/or for the benefit of the District Lands within any of the respective Districts (the “District Infrastructure” and together with the Community Infrastructure, the “Public Infrastructure”). Pursuant to the District Development Interlocal Agreement, the District is designated as the initial “Issuer.” Accordingly, the District may issue indebtedness relating to Community Infrastructure, such as the 2022 Bonds, on behalf of all of the Districts (collectively, the “Community Infrastructure Indebtedness”) and indebtedness related to its own District Infrastructure (collectively, “CDD No. 5 Infrastructure Indebtedness”) and indebtedness relating to District Infrastructure on behalf of any of the Other Districts, at their request (the “Other District Infrastructure Indebtedness”). Each of the Districts also reserves the right to finance, operate and maintain its own District Infrastructure.

The District has heretofore issued its \$7,035,000 in original principal amount of Special Assessment Bonds, Series 2019 (Community Infrastructure), which are currently outstanding in the principal amount of \$6,350,000, to finance and refinance a portion of the Community Infrastructure (the “2019 Bonds”), its \$6,535,000 in original principal amount of Special Assessment Bonds, Series 2020 (Community Infrastructure), which are currently outstanding in

the principal amount of \$5,025,000, to finance and refinance a portion of the Community Infrastructure (the “2020 Bonds”) and its \$15,730,000 in original principal amount of Special Assessment Bonds, Series 2021 (Community Infrastructure), which are currently outstanding in the principal amount of \$13,345,000, to finance and refinance a portion of the Community Infrastructure (the “2021 Bonds”). The 2019 Bonds, the 2020 Bonds and the 2021 Bonds are the only obligations representing Community Infrastructure Indebtedness currently outstanding pursuant to the authority of the District Development Interlocal Agreement. There is currently no CDD No. 5 Infrastructure Indebtedness or Other District Indebtedness outstanding pursuant to the authority of the District Development Interlocal Agreement. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—No Parity Bonds; Issuance of Other Obligations.”

In addition, pursuant to the District Development Interlocal Agreement, Southern Grove Community Development District No. 1 (“District No. 1”) has been appointed as the initial Administration District within the meaning of the District Development Interlocal Agreement, with the authority to (i) implement all matters relating to the collection and enforcement of the non-ad valorem special assessments levied in connection with Community Infrastructure (the “Community Infrastructure Assessments”) and in connection with District Infrastructure (the “District Infrastructure Assessments” and, collectively with the Community Infrastructure Assessments, the “Public Infrastructure Assessments”); (ii) operate and maintain Community Infrastructure; and (iii) if requested by any one of the Districts other than District No. 1, operate and maintain District Infrastructure on behalf of such requesting Districts.

Pursuant to the District Development Interlocal Agreement, the District has delegated to the Administration District the responsibility for operating and maintaining the 2022 CI Project and the Administration District has accepted such delegation. Certain of the Administration District’s responsibilities with respect to operation and maintenance of the TIM Project (as defined in the Supplemental Indenture) will be further delegated to Tradition Community Development District No. 1 pursuant to the TIM Project Interlocal Agreement described below.

The applicable District serving as the Administration District may be changed to a different District from time to time in accordance with the District Development Interlocal Agreement.

Matters Relating to Public Infrastructure Assessments

Each of the initial Southern Grove Community Development Districts has, by resolution, previously adopted the proceedings required by applicable law to impose the Public Infrastructure Assessments on the assessable lands within their respective boundaries. As described under “INTRODUCTION—Developments Since the Date of the Preliminary Limited Offering Memorandum; Certain Matters Relating to New Districts,” prior to the issuance of the 2022 Bonds the Assignment and Assumption Agreements will be executed and delivered to provide for (i) the assignment by the District and Southern Grove Community Development District Nos. 3, 4 and/or 6, as applicable, to Southern Grove Community Development District No. 3, District No. 8, District No. 9 and/or District No. 10, as applicable, of the obligation to collect and remit to the Trustee the 2022 CI Assessments (and certain other Community Infrastructure Assessments) levied on the District Lands previously in the boundaries of the applicable assigning District and

now within the boundaries of the applicable assignee District and (ii) the assumption by the applicable assignee District of such authority and obligation.

The Community Infrastructure Assessments are determined pursuant to the Assessment Proceedings (as defined in the Supplemental Indenture) on an aggregate basis, based on all of the planned uses in the Districts, thereby creating a maximum amount of Community Infrastructure Assessments that can be levied on the property in the Districts. The Assessment Proceedings provide for the allocation to the uses planned for the real property within the Districts specially benefited thereby, in accordance with the assessment methodology set forth therein, the total actual and estimated cost of the Community Infrastructure, plus related actual financing costs. As noted, the 2022 CI Assessments are a portion of the Community Infrastructure Assessments.

In addition, each of the initial Southern Grove Community Development Districts, including the District, has adopted the assessment proceedings required by applicable law (the “District Assessment Proceedings”) to impose the Public Infrastructure Assessments relating to District Infrastructure on the assessable lands within their respective boundaries in an amount equal to the applicable maximum amount reflected in the Assessment Proceedings for each of the Districts, based on a cost of \$60,000 per acre. The Assignment and Assumption Agreements also address the assignment and assumption by the applicable Districts of Public Infrastructure Assessments relating to District Infrastructure.

Pursuant to the District Development Interlocal Agreement, District No. 1, as the current Administration District, is charged with collecting Public Infrastructure Assessments (of which the 2022 CI Assessments are a part) pledged to particular Public Infrastructure Indebtedness (of which the 2022 Bonds are a part) and remitting them to the Trustee for such Public Infrastructure Indebtedness.

Revenues derived from the levy and collection of any Community Infrastructure Assessments other than the 2022 CI Assessments are not included as part of the 2022 Trust Estate and shall not be available to pay any amounts due with respect to the 2022 Bonds.

In addition, revenues derived from the levy and collection of any District Infrastructure Assessments are not included as part of the 2022 Trust Estate and shall not be available to pay any amounts due with respect to the 2022 Bonds.

See “SPECIAL ASSESSMENT METHODOLOGY” and “APPENDIX E—Special Assessment Methodology Report” for additional information regarding the 2022 CI Assessments.

Term; Termination

The term of the District Development Interlocal Agreement (the “Term”), unless extended or earlier terminated as provided therein, shall terminate on the date that is last to occur of (a) fifty years from the date thereof, and (b) the date on which all Public Infrastructure Indebtedness (which includes the 2022 Bonds) used to finance all or part of any Public Infrastructure (which includes the 2022 CI Project), including refinancings thereof, are no longer deemed Outstanding (as defined in the financing documents related to such Public Infrastructure Indebtedness). The Term may be

extended for additional successive one-year terms upon the written consent of all of the Districts provided no later than sixty (60) days prior to the expiration of the then current Term.

The Term may be terminated as follows: (a) upon the failure of the Issuer or the Administration District, as applicable, to cure, or to be actively taking steps to cure, any default in its obligations under the District Development Interlocal Agreement within 180 days following receipt of written notice from all of the Other Districts specifying the default and describing the steps required to be taken to remedy such default; or (b) upon the written consent of all of the Districts.

TIM Project Interlocal Agreement

The initial Southern Grove Community Development Districts, together with Tradition Community Development District Nos. 1, 2, 7, 8, 9 and 10, have entered into that certain Interlocal Agreement for the Provision of Autonomous Electric Vehicle Trolley Services dated October 14, 2020, as amended, and as may be further amended from time to time (the “TIM Project Interlocal Agreement”). The New Districts will execute a written joinder to the TIM Project Interlocal Agreement prior to the issuance of the 2022 Bonds.

The TIM Project Interlocal Agreement provides for matters relating to the planning, financing, acquiring, and constructing portions of a project consisting of autonomous electric trolley vehicles (“AVs”) and supporting services, and software applications to implement autonomous electric vehicle trolley or shuttle services (“AV Services”). The TIM Project, as defined in the Supplemental Indenture and the 2022 Supplemental Engineer’s Report, is subject to the terms and conditions of the TIM Project Interlocal Agreement.

Generally, the TIM Project Interlocal Agreement (i) delegates to Tradition Community Development District No. 1 the authority to provide for matters relating to the administration, operation and maintenance of the AVs and the AV Services (which includes the TIM Project), (ii) creates a mechanism for the districts that are parties to the TIM Interlocal Agreement to share in the cost of operation and maintenance of the AVs and the provision of AV Services, and (iii) provides for Tradition Community Development District No. 1 to own the AVs, on behalf of the District and the Other Districts, when the acquisition of AVs is financed or refinanced by the District or one of the Other Districts acting as the “Issuer” under the District Development Interlocal Agreement, or on behalf of one of Tradition Community Development District Nos. 7 through 10, when one of those districts is financing the acquisition of AVs. The TIM Project Interlocal Agreement also provides for advances to be made by the Master Developer (hereinafter defined) to fund acquisition of AVs and for the repayment of such advances by the District or one of the Other Districts, when the acquisition of AVs is financed or refinanced by the District or one of the Other Districts acting as the “Issuer” under the District Development Interlocal Agreement, or by one of Tradition Community Development District Nos. 7 through 10, when one of those districts is financing the acquisition of AVs.

The term of the TIM Project Interlocal Agreement terminates upon the sale or other disposition of the AVs.

City Interlocal Agreement

The City, the District and the Other Districts have entered into that certain City/District Development Interlocal Agreement (Southern Grove) dated September 11, 2012 (the “City Interlocal Agreement”) to confirm, among other matters, the exercise by the District and the Other Districts outside of their respective boundaries and the boundaries of any of the Districts of the powers granted by the Act with respect to their own District Infrastructure, consistent with the Act and the local government comprehensive plan of the City.

The New Districts are automatically deemed to be parties to the City Interlocal Agreement by the terms of the City Interlocal Agreement.

CRA Interlocal Agreement

The City, the Port St. Lucie Community Redevelopment Agency (the “Agency”) and District No. 1 have entered into that certain Interlocal Agreement dated April 28, 2014 (the “CRA Interlocal Agreement”). The CRA Interlocal Agreement recognizes that the City has (i) established the Agency and adopted a community redevelopment plan, as amended (the “Redevelopment Plan”) for a community redevelopment area (the “Redevelopment Area”) within the City; (ii) has established a trust fund (the “Trust Fund”) for the Redevelopment Area; (iii) determined that the land within the boundaries of the Southern Grove DRI (hereinafter defined) is a blighted area located within the Redevelopment Area and that the Redevelopment Plan includes a guide for redevelopment within Southern Grove, including provision for development incentive payments; and (iv) has established a special assessment district (the “SAD”) to fund the costs of a City infrastructure project benefitting the lands within the Southern Grove DRI (the “SAD Project”) through the issuance of its special assessment bonds (the “SAD Bonds”), currently scheduled to mature on July 1, 2045. See “SOUTHERN GROVE—Overview” for more information about the SAD Project.

Pursuant to the Redevelopment Plan, tax increment revenues from a portion of the incremental increase in ad valorem taxes levied within Southern Grove are paid into the Trust Fund for community redevelopment within Southern Grove. The CRA Interlocal Agreement provides that the City and the Agency shall take such actions as may be necessary to deposit into the Trust Fund any “Increment Revenue” collected with respect to taxable property within the Southern Grove DRI and to transfer from the Trust Fund annually to a trust account established by District No. 1 an amount equal to 95% of such Increment Revenue (the “Transferred Revenues”). Increment Revenue is defined in the CRA Interlocal Agreement to mean the amount calculated annually pursuant to Section 163.87(1), Florida Statutes and received by the City for any parcel of taxable property within the Southern Grove DRI.

Generally, the CRA Interlocal Agreement provides for certain amounts of the Transferred Revenues to be paid by District No. 1 annually to owners of parcels in the Southern Grove DRI subject to assessment as a result of the SAD Bonds and for certain available Transferred Revenues to be used by District No. 1 to fund capital projects benefitting land subject to assessment as a result of the SAD Bonds, in each case subject to certain limitations in, and to the terms and conditions of, the CRA Interlocal Agreement.

The term of the CRA Interlocal Agreement terminates on September 30, 2025, subject to extension for additional successive five-year terms upon the written consent of the Agency and District No. 1 provided no later than 120 days prior to the expiration of the then current term. The CRA Interlocal Agreement may be terminated (i) by the City or the Agency upon the failure of District No. 1 to cure, or to be actively taking steps to cure, any default in its obligations under the CRA Interlocal Agreement within 180 days following receipt of written notice from the City or the Agency specifying the default and describing the steps required to be taken to remedy such default, (ii) by District No. 1 upon the failure of the City and the Agency timely to make certain determinations set forth in the CRA Interlocal Agreement, or (iii) upon the written consent of the Agency and District No. 1.

During the Fiscal Year ended September 30, 2021, District No. 1 received approximately \$724,470.73 in Transferred Revenues and during the Fiscal Year ended September 30, 2022, District No. 1 received approximately \$1,072,283.12 in Transferred Revenues. No assurance can be made as to the amounts, if any, of Transferred Revenues to be received by District No. 1 in the future.

Stormwater Interlocal Agreement

The City and District No. 1, on behalf of the Districts, has entered into that certain Interlocal Agreement dated as of May 15, 2019 (the “Stormwater Interlocal Agreement”). The Stormwater Interlocal Agreement provides for the District No. 1, on behalf of the Districts, to assume the City’s responsibility for owning, operating and maintaining that portion of the stormwater system serving the City and lying within the boundaries of all of the Districts. In exchange, the City agrees to remit to District No. 1, on behalf of the Districts, a portion of the stormwater utility fees (the “SG Stormwater Fees”) collected by the City from assessable properties lying within the boundaries of all of the Districts. The amount to be remitted to District No. 1 is equal to 75% of the net SG Stormwater Fees collected by the City in each Fiscal Year. Pursuant to the Stormwater Interlocal Agreement, for Fiscal Year 2018-2019, a single payment of \$150,000 was made to District No. 1. Beginning in Fiscal Year 2019-2020, payments are made annually on or before the 15th day of each January, with respect to those SG Stormwater Fees collected by the City by December 31st. After January 15th, payments are made monthly, as SG Stormwater Fees are collected by the City. For the 2019-2020 Fiscal Year, the City remitted SG Stormwater Fees to District No. 1 in the aggregate amount of \$406,847.28. For the 2020-2021 Fiscal Year, the City remitted SG Stormwater Fees to District No. 1 in the aggregate amount of \$549,035.46. For the 2021-2022 Fiscal Year, through September 30, 2022, the City remitted SG Stormwater Fees to District No. 1 in the aggregate amount of \$619,924.59. The term of the Stormwater Interlocal Agreement extends in perpetuity, provided, however, either party may terminate the Stormwater Interlocal Agreement, with or without cause, by written notice provided not less than six months prior to such termination.

The City is exploring changing the methodology it uses to determine the percentage of stormwater fees collected by it and shared with community development districts in order to significantly reduce this percentage. Any change to the Stormwater Interlocal Agreement (or a replacement agreement) reflecting a reduction in the current percentage of the net SG Stormwater Fees collected by the City in each Fiscal Year and remitted to District No. 1 as described above is not expected to be effective until on or after September 30, 2024.

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS

General

NEITHER THE 2022 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT OR ANY OF THE OTHER DISTRICTS WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE OF FLORIDA. THE 2022 BONDS AND THE INTEREST PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR ANY OF THE OTHER DISTRICTS OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OR THE OTHER DISTRICTS OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT, THE OTHER DISTRICTS OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY THE DEBT SERVICE REQUIREMENTS OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE 2022 BONDS. RATHER, THE DEBT SERVICE REQUIREMENTS AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE 2022 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2022 CI PLEDGED REVENUES AND THE 2022 PLEDGED FUNDS AND ACCOUNTS PLEDGED TO THE 2022 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

Payment of the principal of, premium, if any, and interest on the 2022 Bonds is secured by a pledge of and a first lien upon the 2022 CI Pledged Revenues and the 2022 Pledged Funds and Accounts. The 2022 CI Pledged Revenues are defined in the Indenture to mean all revenues received from the collection of the 2022 CI Assessments. The 2022 CI Assessments are levied on and allocated to certain assessable lands within the boundaries of the 2022 Assessment Area (also referred to herein as the “Benefitted Parcels”) benefitted by the 2022 CI Project.

The “2022 Assessment Area” consists of 637 platted single-family lots, together with platted non-residential properties totaling approximately 107.7 acres of additional assessable District Lands, as more fully described in the 2022 Supplemental Assessment Report. See “SPECIAL ASSESSMENT METHODOLOGY,” “THE 2022 ASSESSMENT AREA,” “APPENDIX E—Special Assessment Methodology Report and “APPENDIX H—Maps of Prior and Current Boundaries.”

The 2022 Pledged Funds and Accounts consist of the Funds and Accounts established under the Indenture, other than the 2022-1 Rebate Account. The 2022-1 Bonds and the 2022-2 Bonds are payable from the 2022 CI Pledged Revenues, which are comprised primarily of the revenues derived by the Issuer from the levy and collection of the same 2022 CI Assessments on the same assessable District Lands in the 2022 Assessment Area, as more fully described herein.

Notwithstanding, because the 2022-1 Bonds are being issued as Tax-Exempt Bonds and the 2022-2 Bonds are being issued as Taxable Bonds, portions of the 2022 Trust Estate relating to proceeds of the 2022-1 Bonds must be held solely for the benefit of the 2022-1 Bonds. **Accordingly, as noted earlier, the funds on deposit in the 2022-1 Costs of Issuance**

Subaccount, the 2022-1 Acquisition and Construction Subaccount, the 2022-1 Reserve Account and the 2022-1 Capitalized Interest Subaccount are held solely for the benefit of the 2022-1 Bonds and the funds in the 2022-2 Costs of Issuance Subaccount, the 2022-2 Acquisition and Construction Subaccount, the 2022-2 Reserve Account and the 2022-2 Capitalized Interest Subaccount are held solely for the benefit of the 2022-2 Bonds.

The District and the Other Districts having jurisdiction over the District Lands in the 2022 Assessment Area are authorized by the Act (including the District Development Interlocal Agreement) to finance and refinance construction and/or acquisition of the 2022 CI Project by levying the 2022 CI Assessments upon the Benefitted Parcels. The 2022 CI Assessments are a type of non-ad valorem assessment which may be imposed against the Benefitted Parcels upon the basis of a special benefit to such lands determined to result from the implementation of the 2022 CI Project. Non-ad valorem assessments are not based on millage and become a lien against the homestead as permitted by Section 4, Article X of the Florida State Constitution.

In addition, and not in limitation of, the covenants contained elsewhere in the Indenture, the District covenants in the Supplemental Indenture to comply with the terms of the proceedings heretofore adopted with respect to the 2022 CI Assessments and to levy and collect the 2022 CI Assessments and any required density reduction payments in accordance with the Assessment Proceedings in such manner as will generate funds sufficient to pay the principal of and interest and redemption premium, if any, on the 2022 Bonds, when due. By joinder to the Supplemental Indenture, each of the Other Districts with jurisdiction over the District Lands in the 2022 Assessment Area has agreed to the foregoing.

The Supplemental Indenture provides that anything in the Indenture to the contrary notwithstanding, 2022 CI Assessments shall be collected pursuant to the Uniform Method; provided however, in the event the Districts are legally unable to use the Uniform Method, the District and/or the Administration District, on behalf of the Districts, may elect to collect and enforce such 2022 CI Assessments pursuant to any then available and commercially reasonable method under the Act, Chapter 170, Florida Statutes, Chapter 197, Florida Statutes, or any successor statutes thereto. Upon an Event of Default with respect to the 2022 Bonds, the Majority Owners may direct the District and/or the Administration District, on behalf of the Districts, as to the method it will use to collect the 2022 CI Assessments and may require the Districts to bill and collect the 2022 CI Assessments directly, rather than through the Uniform Method, to the extent permitted by applicable law.

The District covenants in the Indenture to cause any revenues from 2022 CI Assessments collected or otherwise received by it to be deposited with the Trustee immediately upon receipt for deposit into the 2022 Revenue Account (provided that all 2022 Prepayment Principal relating to the 2022 CI Assessments shall upon receipt by the Trustee be deposited to the 2022 Prepayment Subaccount). For a discussion of the manner in which payments of the 2022 CI Assessments are enforced, see “ENFORCEMENT OF ASSESSMENT COLLECTIONS” herein.

The District has further covenanted in the Master Indenture that if any 2022 CI Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District or the applicable Other Districts shall be satisfied that any such 2022 CI Assessment is so irregular or defective that the same cannot be enforced or collected, or if the

District or any of the applicable Other Districts shall have omitted to make such 2022 CI Assessments when it might have done so, the District shall either (i) take all necessary steps to cause a new 2022 CI Assessment to be made by it or to enforce the provisions of the District Development Interlocal Agreement to cause one or more of the applicable Other Districts to make new 2022 CI Assessments, for the whole or any part of said improvement, or (ii) in its sole discretion, make up the amount of such 2022 CI Assessment from any legally available moneys, which moneys shall be deposited into the applicable 2022 Revenue Account in the Revenue Fund. In case such second 2022 CI Assessment shall be annulled, the District shall obtain and make, or enforce the provisions of the District Development Interlocal Agreement to cause one or more of the applicable Other Districts to obtain or make, 2022 CI Assessments until valid 2022 CI Assessments shall be made. By joinder in the Supplemental Indenture, each of the Other Districts with jurisdiction over the District Lands in the 2022 Assessment Area is deemed to have agreed to the foregoing.

NONE OF THE REVENUES DERIVED BY THE DISTRICT OR ANY OF THE OTHER DISTRICTS FROM THE LEVY AND COLLECTION OF NON-AD VALOREM ASSESSMENTS OTHER THAN THE 2022 CI ASSESSMENTS LEVIED BY THE DISTRICT AND THE OTHER DISTRICTS WITH JURISDICTION OVER THE DISTRICT LANDS IN THE 2022 ASSESSMENT AREA WILL SECURE OR OTHERWISE BE AVAILABLE TO PAY THE 2022 BONDS.

No Parity Bonds; Issuance of Other Obligations

The District (while it is serving as the “Issuer” for purposes of the District Development Interlocal Agreement) is expected to issue Bonds in addition to the 2022 Bonds to finance Community Infrastructure in addition to the 2022 CI Project, subject to the terms and conditions of the Indenture (hereinafter described), the District Development Interlocal Agreement and the Assessment Proceedings, as same may be amended from time to time.

Pursuant to the authority granted under the District Development Interlocal Agreement, any of the Other Districts then serving as the “Issuer” for purposes of the District Development Interlocal Agreement may issue bonds or other obligations to finance Community Infrastructure, subject to the terms and conditions of the Indenture, the District Development Interlocal Agreement and the Assessment Proceedings, as same may be amended from time to time.

The District may finance or refinance its own District Infrastructure or District infrastructure on behalf of any of the Other Districts, at the request of such Other Districts, and any of the Other Districts can finance or refinance its own District Infrastructure, in each case, subject to the terms and conditions of the Indenture, the District Development Interlocal Agreement and the Assessment Proceedings, as same may be amended from time to time.

The Supplemental Indenture provides that while the 2022 Bonds are Outstanding, other than Bonds issued to refund the then Outstanding 2022 Bonds, the issuance of which results in net present value debt service savings, the Issuer (or the entity then serving as the “Issuer” under the District Development Interlocal Agreement) shall not, while any 2022 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2022 Trust Estate. The Issuer further covenants, and the Other Districts agree, by joinder in the Supplemental Indenture, that so long as

the 2022 Bonds are Outstanding, they will not impose Assessments for capital projects on any property in the 2022 Assessment Area then subject to the 2022 CI Assessments, without the written consent of the Majority Owners, unless the 2022 CI Assessments have been Substantially Absorbed.

The Trustee is entitled to assume that the 2022 CI Assessments have not been Substantially Absorbed absent delivery to the Trustee of a certificate of a Responsible Officer of the Issuer to the contrary on which the Trustee may conclusively rely. For purposes of the foregoing, “Substantially Absorbed” shall mean the date when at least ninety percent (90%) of the principal portion of the 2022 CI Assessments have been assigned to properties within the 2022 Assessment Area in accordance with the Assessment Proceedings and such properties have received a certificate of occupancy.

The foregoing shall not preclude (i) the imposition of Assessments for capital projects comprising Public Infrastructure (and the issuance of Bonds in connection therewith) on District Lands in the 2022 Assessment Area then subject to the 2022 CI Assessments which are necessary, as determined by the Issuer (or the entity then serving as the “Issuer” under the District Development Interlocal Agreement), for health, safety or welfare reasons or to remediate a natural disaster; (ii) the Issuer (or the entity then serving as the “Issuer” under the District Development Interlocal Agreement) or any of the Other Districts from issuing Bonds pursuant to the Master Indenture to finance District Infrastructure payable from Assessments levied on property outside the 2022 Assessment Area; or (iii) the Issuer and any of the Other Districts from levying non-ad valorem special assessments, including Community Infrastructure Operation and Maintenance Assessments, on the same property in the 2022 Assessment Area then subject to the 2022 CI Assessments to provide for the administrative expenses of the Districts in which such property is located, the operation and maintenance expenses relating to Community Infrastructure (including the 2022 CI Project) or the operation and maintenance expenses relating to District Infrastructure serving property in the Districts, including property, if any, in the 2022 Assessment Area.

See “THE INTERLOCAL AGREEMENTS—District Development Interlocal Agreement.” See “Additional Assessments” below for additional information about existing overlapping assessments on the Benefitted Parcels and other assessments that may hereafter be levied on the Benefitted Parcels.

Additional Assessments

The Benefitted Parcels subject to the 2022 CI Assessments are also subject to SAD Assessments (hereinafter defined), the SG Stormwater Fees and certain additional non-ad valorem special assessments levied by the City in connection with the SAD Project (hereinafter defined). See “THE INTERLOCAL AGREEMENTS,” “SPECIAL ASSESSMENT METHODOLOGY,” “THE 2022 ASSESSMENT AREA” and “APPENDIX E—Special Methodology Report.”

In connection with the issuance of Refunding Bonds or Bonds issued pursuant to the Master Indenture, as described above under “No Parity Bonds; Issuance of Other Obligations,” Public Infrastructure Assessments may hereafter be levied on the Benefitted Parcels by the Districts in which such Benefitted Parcels are located.

Other than as provided in the prior paragraph, any Public Infrastructure Indebtedness in addition to the 2022 Bonds is expected to be payable from the revenues derived from the collection of Community Infrastructure Assessments or District Infrastructure Assessments allocated to properties outside the 2022 Assessment Area. See “SPECIAL ASSESSMENT METHODOLOGY,” “THE 2022 ASSESSMENT AREA” and “APPENDIX E—Special Methodology Report.”

Additionally, the Districts impose, and are expected to impose, certain non-ad valorem operation and maintenance assessments, which are of equal dignity with the 2022 CI Assessments, on the Benefitted Parcels upon which the 2022 CI Assessments are imposed, to fund the allocable share of the administrative expenses of the Districts in which the Benefitted Parcels are located, the allocable share of the operation and maintenance costs associated with Community Infrastructure and the allocable share of the operation and maintenance costs of District Infrastructure, if any, serving the Benefitted Parcels. See “THE INTERLOCAL AGREEMENTS—‘District Development Interlocal Agreement’ and ‘TIM Project Interlocal Agreement’.”

In addition to the foregoing, public entities other than the Districts may impose taxes or other special assessments on the same properties encumbered by the 2022 CI Assessments without the consent of the Owners of the 2022 Bonds.

Enforcement of Payment of Assessments

The 2022 CI Assessments have a statutory first lien on Benefitted Parcels in the 2022 Assessment Area of equal dignity with the liens for ad valorem taxes (including voter-approved millage) and any non-ad valorem special assessments levied by the District and/or other governmental entities with jurisdiction over the lands in the Districts (collectively, the “Governmental Impositions”), superior to all other liens, including mortgages. The foregoing include operation and maintenance assessments, any Public Infrastructure Assessments levied in connection with Public Infrastructure (including the 2022 CI Assessments), the SG Stormwater Fees and the SAD Assessments.

When collected under the Uniform Method, all of the Governmental Impositions will be billed on a single tax bill and payable at one time with respect to the applicable Benefitted Parcels in the 2022 Assessment Area.

If a taxpayer does not make complete payment, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Generally, any partial payment is not accepted and any partial payment is returned to the taxpayer, except in the context of an action contesting a tax assessment, as more fully described herein under “ENFORCEMENT OF ASSESSMENT COLLECTIONS—Tax Collection Procedures.” Therefore, while the 2022 CI Assessments are collected pursuant to the Uniform Method, any failure to pay any one line item would likely cause the 2022 CI 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 2022 Bonds. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS—Tax Collection Procedures.”

Under certain circumstances, the 2022 CI Assessments may be collected directly by the entity then serving as the Administration District pursuant to the District Development Interlocal Agreement (currently District No. 1), rather than through the Uniform Method. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS—Foreclosure.”

2022 Acquisition and Construction Account

General

The Supplemental Indenture establishes the 2022 Acquisition and Construction Subaccount and therein a 2022-1 Acquisition and Construction Subaccount and a 2022-2 Acquisition and Construction Subaccount. The Supplemental Indenture provides that amounts on deposit in the 2022-1 Acquisition and Construction Subaccount shall be applied from time to time to pay Costs of the 2022-1 CI Project and that amounts on deposit in the 2022-2 Acquisition and Construction Subaccount shall be applied from time to time to pay Costs of the 2022-2 CI Project, in each case, upon compliance with the requisition provisions set forth in the Indenture. See “2022 CI PROJECT.”

Pursuant to the Supplemental Indenture, amounts on deposit in the 2022-1 Capitalized Interest Subaccount shall, until and including November 1, 2023, be transferred into the 2022-1 Interest Subaccount and applied to the payment of interest first coming due on the 2022-1 Bonds and amounts on deposit in the 2022-2 Capitalized Interest Subaccount shall, until and including November 1, 2023, be transferred into the 2022-2 Interest Subaccount and applied to the payment of interest first coming due on the 2022-2 Bonds. After November 1, 2023 any amounts remaining (i) in the 2022-1 Capitalized Interest Subaccount shall be transferred into the 2022-1 Acquisition and Construction Subaccount, whereupon the 2022-1 Capitalized Interest Subaccount shall be closed and (ii) in the 2022-2 Capitalized Interest Subaccount shall be transferred into the 2022-2 Acquisition and Construction Subaccount, whereupon the 2022-2 Capitalized Interest Subaccount shall be closed.

The Supplemental Indenture provides that anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that (i) the 2022 Pledged Funds and Accounts include, without limitation, all amounts on deposit in the 2022 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the 2022 Bonds, the 2022 Pledged Funds and Accounts may not be used by the Issuer (whether to pay costs of the 2022 CI Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the Issuer or the Administration District had incurred a binding obligation with third parties for work on the 2022 CI Project and payment is for such work, as evidenced in a written certificate of a Responsible Officer to the Trustee, and (iii) upon the occurrence of an Event of Default with respect to the 2022 Bonds, the 2022 Pledged Funds and Accounts may be used by the Trustee and/or the Issuer or the Administration District, to the extent acting individually or jointly, to pursue remedies, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture, provided such action does not adversely impact the tax-exempt status of the 2022-1 Bonds. After the occurrence of an Event of Default, neither the Issuer nor the Administration District shall enter

into any binding agreement to expend any amounts included in the 2022 Trust Estate unless authorized in writing by the Majority Owners.

Certain Matters Related to the 2022-1 Acquisition and Construction Subaccount

The Supplemental Indenture defines the “2022-1 CI Project” to mean public infrastructure improvements, facilities and vehicles comprising Community Infrastructure, as more fully described in the 2022 Supplemental Engineer’s Report and, subject to the provisions of the Supplemental Indenture relating to obtaining an opinion of Bond Counsel, other components of Community Infrastructure described in a future supplement to the Engineer’s Report. The 2022-1 CI Project shall, in all circumstances, exclude the TIM Project.

The Supplemental Indenture provides that notwithstanding anything to the contrary in the Master Indenture, upon the Date of Completion of the 2022-1 CI Project, any balance remaining in the 2022-1 Acquisition and Construction Subaccount not needed to pay any accrued but unpaid Costs of the 2022-1 CI Project which are required to be reserved in the 2022-1 Acquisition and Construction Subaccount in accordance with the certificate of the Consulting Engineer establishing such Date of Completion shall, at the written direction of a Responsible Officer of the Issuer (i) first be transferred to and deposited in the 2022-1 Rebate Subaccount in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, if the Trustee has received a certification from the Issuer detailing the amount of such obligation to be deposited and (ii) the balance, if any, shall be transferred to the 2022-1 Prepayment Subaccount to be used for the extraordinary mandatory redemption of 2022-1 Bonds as provided in the Supplemental Indenture and therein, or, upon the Issuer obtaining an opinion of Bond Counsel, with a copy to the Trustee, to the effect that such application will not adversely affect the tax-exempt status of the 2022-1 Bonds, applied to pay the Cost of a Series Project or Additional Series Project comprising Community Infrastructure other than the 2022-1 CI Project, as shall be directed in writing by a Responsible Officer of the Issuer. See “DESCRIPTION OF THE 2022-1 BONDS—Redemption Provisions—Extraordinary Mandatory Redemption.” When there remain no monies on deposit in the 2022-1 Acquisition and Construction Subaccount, including in the Subaccounts therein, such subaccount shall be closed.

Certain Matters Related to the 2022-2 Acquisition and Construction Subaccount

The Supplemental Indenture defines the “2022-2 CI Project” to mean the TIM Project and further provides that the 2022-2 CI Project may also include other components of Community Infrastructure described in the 2022 Supplemental Engineer’s Report and, subject to the provisions of the Supplemental Indenture relating to review by Bond Counsel or general counsel to the District, other components of Community Infrastructure described in a future supplement to the Engineer’s Report.

The TIM Project is defined in the Supplemental Indenture to mean the portion of the Community Infrastructure described in the 2022 Supplemental Engineer’s Report consisting of autonomous vehicles providing mass transit and any allocable portion of the pathways on which such vehicles travel.

The Supplemental Indenture also provides that notwithstanding anything to the contrary in the Master Indenture, upon the Date of Completion of the 2022-2 CI Project, any balance remaining in the 2022-2 Acquisition and Construction Subaccount not needed to pay any accrued but unpaid Costs of the 2022-2 CI Project which are required to be reserved in the 2022-2 Acquisition and Construction Subaccount in accordance with the certificate of the Consulting Engineer establishing such Date of Completion shall, at the written direction of a Responsible Officer of the Issuer, be transferred to the 2022-2 Prepayment Subaccount to be used for the extraordinary mandatory redemption of 2022-2 Bonds as provided in the Supplemental Indenture and therein, or, upon prior review by Bond Counsel or the District's general counsel, applied to pay the Cost of a Series Project or Additional Series Project comprising Community Infrastructure other than the 2022-2 CI Project, as shall be directed in writing by a Responsible Officer of the Issuer. See "DESCRIPTION OF THE 2022-2 BONDS—Redemption Provisions—Extraordinary Mandatory Redemption." When there remain no monies on deposit in the 2022-2 Acquisition and Construction Subaccount, including in the Subaccounts therein, such subaccount shall be closed.

2022 Reserve Accounts

2022-1 Reserve Account

The Supplemental Indenture establishes the 2022-1 Reserve Account in the Reserve Fund, which will be funded on the date of issuance of the 2022-1 Bonds in an amount equal to the initial 2022-1 Reserve Account Requirement. Such 2022-1 Reserve Account shall consist only of cash and Investment Securities.

The Supplemental Indenture defines the "2022-1 Reserve Account Requirement" to mean an amount equal to 50% of the Maximum Annual Debt Service Requirement for the Outstanding 2022-1 Bonds (as hereinafter determined) as of the time of any such calculation. For purposes of the foregoing calculation, notwithstanding anything to the contrary in the Master Indenture or herein, the determination of the "Outstanding 2022-1 Bonds" shall take into account any redemptions of 2022-1 Bonds to be made on the next succeeding redemption date immediately following the calculation date. Upon the initial issuance of the 2022-1 Bonds, the 2022-1 Reserve Account Requirement is \$448,025.00, which does not exceed the lesser of (a) 125% of the average annual Debt Service for all Outstanding 2022-1 Bonds calculated as of the date of original issuance thereof or (b) 10% of the proceeds of the 2022-1 Bonds calculated as of the date of original issuance thereof.

Amounts on deposit in the 2022-1 Reserve Account shall be used, except as otherwise provided in the Indenture, only for the purpose of making payments into the 2022-1 Interest Subaccount and the 2022-1 Sinking Fund Subaccount to pay the Debt Service Requirements on the 2022-1 Bonds, when due, to the extent the moneys on deposit in such subaccounts therein and available therefor are insufficient and for no other purpose.

The calculation and recalculation of the 2022-1 Reserve Account Requirement shall be at the times set forth in Section 4.05 of the Supplemental Indenture, which provides that anything in the Indenture to the contrary notwithstanding, simultaneously with deposit by the Trustee of 2022-1 Prepayment Principal into the 2022-1 Prepayment Subaccount, the Trustee is authorized and directed to recalculate the 2022-1 Reserve Account Requirement and to transfer any resulting

excess on deposit in the 2022-1 Reserve Account, if there is no Event of Default, into the 2022-1 Prepayment Subaccount, to be used for the extraordinary mandatory redemption of 2022-1 Bonds as provided for therein. Accordingly, the initial 2022-1 Reserve Account Requirement may reduce as a result of prepayment of 2022-1 CI Assessments.

The Supplemental Indenture further provides that the Trustee, on or before the forty-fifth day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2022-1 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in such account, from the first legally available sources of the District. Any surplus in the 2022-1 Reserve Account shall, if the Trustee does not have knowledge of an Event of Default, be deposited into 2022-1 Prepayment Subaccount, to be used for the extraordinary mandatory redemption of 2022-1 Bonds as provided for therein.

The foregoing three paragraphs shall be subject in all respects to the following provisions of the Supplemental Indenture providing for the treatment of investment earnings on amounts on deposit in the 2022-1 Reserve Account when determining excess amounts or surplus on deposit in the 2022-1 Reserve Account.

On the earliest date on which there is on deposit in the 2022-1 Reserve Account sufficient cash, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2022-1 Bonds, together with accrued interest and redemption premium, if any, on such 2022-1 Bonds to the earliest date of redemption permitted therein and in the Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the 2022-1 Reserve Account into the 2022-1 Prepayment Subaccount in the 2022-1 Redemption Account to pay and redeem all of the Outstanding 2022-1 Bonds on the earliest date permitted for redemption therein and in the Supplemental Indenture.

Earnings on investments in the 2022-1 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 5.04 of the Master Indenture) in the 2022-1 Reserve Account as of the most recent date on which amounts on deposit in such 2022-1 Reserve Account were valued by the Trustee, and if no withdrawals have been made from such 2022-1 Reserve Account since such date which have created a deficiency, then earnings on investments in the 2022-1 Reserve Account shall be deposited into the 2022-1 Capitalized Interest Subaccount through November 1, 2023 and thereafter shall be deposited into the 2022 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the 2022-1 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 5.04 of the Master Indenture), or if after such date withdrawals have been made from the 2022-1 Reserve Account and have created such a deficiency, then earnings on investments in the 2022-1 Reserve Account shall be deposited into the 2022-1 Reserve Account until the amount on deposit therein or credited thereto is equal to the 2022-1 Reserve Account Requirement and thereafter shall be deposited into the 2022-1 Capitalized Interest Subaccount through November 1, 2023 and

thereafter shall be deposited into the 2022 Revenue Account and used for the purpose of such Account.

Notwithstanding the foregoing, prior to any transfers being made pursuant to this paragraph, transfers shall first be made to the credit of the 2022-1 Rebate Account in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, if the Trustee has received a certification from the Issuer detailing the amount of such obligation to be deposited.

2022-2 Reserve Account

The Supplemental Indenture establishes the 2022-2 Reserve Account in the Reserve Fund, which will be funded on the date of issuance of the 2022-2 Bonds in an amount equal to the initial 2022-2 Reserve Account Requirement. Such 2022-2 Reserve Account shall consist only of cash and Investment Securities.

The Supplemental Indenture defines the “2022-2 Reserve Account Requirement” to mean an amount equal to 50% of the Maximum Annual Debt Service Requirement for the Outstanding 2022-2 Bonds (as hereinafter determined) as of the time of any such calculation. For purposes of the foregoing calculation, notwithstanding anything to the contrary in the Master Indenture or herein, the determination of the “Outstanding 2022-2 Bonds” shall take into account any redemptions of 2022-2 Bonds to be made on the next succeeding redemption date immediately following the calculation date. Upon the initial issuance of the 2022-2 Bonds, the 2022-2 Reserve Account Requirement is \$188,862.50.

Amounts on deposit in the 2022-2 Reserve Account shall be used, except as otherwise provided in the Indenture, only for the purpose of making payments into the 2022-2 Interest Subaccount and the 2022-2 Sinking Fund Subaccount to pay the Debt Service Requirements on the 2022-2 Bonds, when due, to the extent the moneys on deposit in such subaccounts therein and available therefor are insufficient and for no other purpose.

The calculation and recalculation of the 2022-2 Reserve Account Requirement shall be at the times set forth in Section 4.05 of the Supplemental Indenture, which provides that anything in the Indenture to the contrary notwithstanding, simultaneously with deposit by the Trustee of 2022-2 Prepayment Principal into the 2022-2 Prepayment Subaccount, the Trustee is authorized and directed to recalculate the 2022-2 Reserve Account Requirement and to transfer any resulting excess on deposit in the 2022-2 Reserve Account, if there is no Event of Default, into the 2022-2 Prepayment Subaccount, to be used for the extraordinary mandatory redemption of 2022-2 Bonds as provided for therein. Accordingly, the initial 2022-2 Reserve Account Requirement may reduce as a result of prepayment of 2022-2 CI Assessments.

The Supplemental Indenture further provides that the Trustee, on or before the forty-fifth day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2022-2 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in such

account, from the first legally available sources of the District. Any surplus in the 2022-2 Reserve Account shall, if the Trustee does not have knowledge of an Event of Default, be deposited into 2022-2 Prepayment Subaccount, to be used for the extraordinary mandatory redemption of 2022-2 Bonds as provided for therein.

The foregoing three paragraphs shall be subject in all respects to the following provisions of the Supplemental Indenture providing for the treatment of investment earnings on amounts on deposit in the 2022-2 Reserve Account when determining excess amounts or surplus on deposit in the 2022-2 Reserve Account.

On the earliest date on which there is on deposit in the 2022-2 Reserve Account sufficient cash, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2022-2 Bonds, together with accrued interest and redemption premium, if any, on such 2022-2 Bonds to the earliest date of redemption permitted therein and in the Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the 2022-2 Reserve Account into the 2022-2 Prepayment Subaccount in the 2022-2 Redemption Account to pay and redeem all of the Outstanding 2022-2 Bonds on the earliest date permitted for redemption therein and in the Supplemental Indenture.

Earnings on investments in the 2022-2 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 5.04 of the Master Indenture) in the 2022-2 Reserve Account as of the most recent date on which amounts on deposit in such 2022-2 Reserve Account were valued by the Trustee, and if no withdrawals have been made from such 2022-2 Reserve Account since such date which have created a deficiency, then earnings on investments in the 2022-2 Reserve Account shall be deposited into the 2022-2 Capitalized Interest Subaccount through November 1, 2023 and thereafter shall be deposited into the 2022-2 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the 2022-2 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 5.04 of the Master Indenture), or if after such date withdrawals have been made from the 2022-2 Reserve Account and have created such a deficiency, then earnings on investments in the 2022-2 Reserve Account shall be deposited into the 2022-2 Reserve Account until the amount on deposit therein or credited thereto is equal to the 2022-2 Reserve Account Requirement and thereafter shall be deposited into the 2022-2 Capitalized Interest Subaccount through November 1, 2023 and thereafter shall be deposited into the 2022-2 Revenue Account and used for the purpose of such Account.

Prepayment of 2022 CI Assessments

Pursuant to Chapter 170, Florida Statutes, any owner of property subject to 2022 CI Assessments may pay the entire balance of the 2022 CI Assessments remaining due, without interest, within thirty (30) days after the 2022 CI Project has been completed and the Board of Supervisors has adopted a resolution accepting the 2022 CI Project as provided by Section 170.09, Florida Statutes. Pursuant to that certain True-Up Agreement dated December 17, 2014 between Tradition Land Company, LLC (the "Interim Landowner") and the District, which is recorded in the public records of St. Lucie County, Florida, the Interim Landowner has waived this right on

behalf of itself and all other owners of property in the 2022 Assessment Area subject to the 2022 CI Assessments.

The Assessment Proceedings also provide that any owner of property subject to 2022 CI Assessments may pay the entire principal balance of 2022 CI Assessments associated with the 2022 Bonds remaining due, in part one time, and in whole at any time, if there is also paid an amount equal to the interest that would otherwise be due on such balance on the next succeeding Quarterly Redemption Date for the 2022 Bonds which is more than forty-five (45) days after the date of such prepayment.

The 2022 Bonds are subject to extraordinary mandatory redemption as indicated under “DESCRIPTION OF THE 2022 BONDS—Redemption Provisions—Extraordinary Mandatory Redemption” from prepayments of 2022 CI Assessments by property owners. The prepayment of 2022 CI Assessments does not entitle the owner of the property to a discount for early payment.

Adjustments to 2022 CI Assessments

Under applicable Florida law, upon completion of the 2022 CI Project, the 2022 CI Assessments are to be credited, pro rata, with any excess of the original 2022 CI Assessments over the actual cost of the 2022 CI Project. In making such credit, no credit shall be given for bond financing costs, funded reserves or bond discount.

Acquisition Agreement

Pursuant to one or more written agreements, the District may acquire completed components of the 2022 CI Project from one or more of the owners of District Lands, in each case, including owners of land in the 2022 Assessment Area. The District may also reimburse the Master Developer for advances made to it, or on its behalf, in connection with the TIM Project pursuant to one or more written agreements between the District and the Master Developer. See “THE 2022 CI PROJECT” and “BONDHOLDERS’ RISKS—Item No. 11.”

Bankruptcy or Insolvency of a Landowner

For purposes of this section, the 2022 Bonds are the “Affected Bonds” and the 2022 CI Assessments are the “Affected Special Assessments.” The following summarizes the pertinent provisions of the Supplemental Indenture.

Pursuant to the Supplemental Indenture, the provisions of this section shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to the Affected Special Assessments (an “Insolvent Taxpayer”) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a “Proceeding”). For as long as any Affected Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments, the District shall be obligated to act in accordance with any direction from the Trustee, and the Trustee shall be obligated to act in accordance with directions from the Beneficial Owners of at least 25% of the aggregate principal of the Affected Bonds, with regard to all matters directly or indirectly affecting at least three percent (3%) of the Outstanding aggregate principal amount of the Affected Bonds or for as long as any Affected Bonds remain

Outstanding, in any proceeding involving the District, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments or the Trustee, provided that the Trustee has first been provided with indemnity satisfactory to it and such direction is in accordance with applicable law. The District agrees that it shall not be a defense to a breach of the foregoing covenant that it has acted upon advice of counsel in not complying with this covenant.

The District acknowledges and agrees that, although the Affected Bonds were issued by the District, the Owners of the Affected Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the District agrees that it shall follow the direction of the Trustee in making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture; (b) 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 Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) vote in any such Proceeding any and all claims of the District, or (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, including without limitation, motions seeking relief from the automatic stay, dismissal the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing; and if the Trustee chooses to exercise any such rights, the District shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code; and (d) the District shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District claim and rights with respect to the Affected Special Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Affected Special Assessments, (ii) to deliver to the 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. See “BONDHOLDERS’ RISKS—Item Nos. 1 and 4.”

Damage and Destruction of 2022 CI Project

The Master Indenture provides that the net proceeds of any casualty, whether from insurance or self-insurance, with respect to the 2022 CI Project may be deposited to the 2022 Acquisition and Construction Account to be used to repair, restore, rebuild or replace the 2022 CI

Project. If the District determines not to so deposit such new proceeds, or if such net proceeds are insufficient to accomplish the repair, restoration, rebuilding or replacement of the 2022 CI Project, such net proceeds shall be deposited to the 2022 Revenue Account and applied in accordance with the Indenture. The foregoing is subject to the requirements and provisions of the District Development Interlocal Agreement pertaining to insurance of Public Infrastructure, which shall control in the event of any inconsistencies between the foregoing and the District Development Interlocal Agreement. See “APPENDIX F—District Development Interlocal Agreement.”

ENFORCEMENT OF ASSESSMENT COLLECTIONS

Tax Collection Procedures

The primary sources of payment for the 2022 Bonds are the 2022 CI Assessments imposed on Benefitted Parcels in the 2022 Assessment Area pursuant to the Assessment Proceedings. See “SPECIAL ASSESSMENT METHODOLOGY” and “THE 2022 ASSESSMENT AREA.” The determination, order, levy, and collection of 2022 CI Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District and/or Administration District to comply with such requirements could result in delay in the collection of, or the complete inability to collect 2022 CI Assessments, during any year. Such delays in the collection of 2022 CI Assessments, or complete inability to collect 2022 CI Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of debt service requirements on the 2022 Bonds. To the extent that landowners fail to pay the 2022 CI Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District and/or the Administration District is essential to continued payment of principal of and interest on the 2022 Bonds. The Act provides for various methods of collection of delinquent 2022 CI Assessments by reference to other provisions of the Florida Statutes. The information later herein under “Uniform Method Tax Collection Procedure” and “Foreclosure” sets forth a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes, but is qualified in its entirety by reference to such statutes.

Enforcement of the obligation to pay 2022 CI Assessments and the ability to foreclose the lien created by the failure to pay 2022 CI Assessments, or the ability of the Tax Collector to sell tax certificates and ultimately tax deeds, may not be readily available or may be limited as such enforcement is dependent upon judicial action which is often subject to discretion and delay.

Uniform Method Tax Collection Procedure

The Florida Statutes provide that, subject to certain conditions, special assessments may be collected by using the Uniform Method. Under the Uniform Method for collecting non-ad valorem assessments, the Tax Collector will list on the assessment roll for each of the relevant tax years any 2022 CI Assessments, will include in the notice of proposed property taxes the dollar amount of such 2022 CI Assessments, and will include on the tax notice issued pursuant to Section 197.322, Florida Statutes, the dollar amount of such 2022 CI Assessments. Under the Uniform Method, the 2022 CI Assessments will be collected together with County, City and other taxes. The 2022 CI Assessments will appear on a single tax bill issued to each landowner in the 2022 Assessment Area. The statutes relating to enforcement of County taxes provide that County taxes

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 (together with any assessments, including the 2022 CI Assessments, being collected by the Uniform Method) are to be billed, and landowners in the 2022 Assessment Area are required, subject to the next succeeding paragraph, to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the 2022 CI Assessments.

All city, county, school and special district ad valorem taxes, non-ad valorem special assessments and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the 2022 CI Assessments, that are collected by the Uniform Method are payable at one time. 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 and such partial payment is not to be accepted and is to be returned to the taxpayer, provided, however that a taxpayer may contest a tax assessment under Section 194, Part II, Florida Statutes and other applicable law. Section 194.171(3), Florida Statutes provides that before an action contesting a tax assessment may be brought, a taxpayer must pay to the Tax Collector the amount of the tax the taxpayer admits in good faith to be owing. Such payment by the taxpayer and the taxpayer's timely filing of an action contesting the tax suspends all proceedings for the collection of such contested tax prior to the final disposition of the action. Accordingly, a landowner that contests the levy or the amount of a particular tax assessment, which may possibly include non-ad valorem special assessments such as the 2022 CI Assessments collected by the Uniform Method, under the aforescribed circumstances may be permitted to pay only that amount that the landowner, in good faith, admits to be owing. In addition, Section 197.374, Florida Statutes provides that taxpayers appealing the assessed value or assigned classification of their property may make a partial payment of taxes before the delinquency date (typically April 1). See "BONDHOLDERS' RISKS—Item No. 9" for a discussion of the impact of such a contest on the District's ability to pay debt service on the 2022 Bonds.

Under the Uniform Method, if the 2022 CI Assessments are paid during November when due or at any time within thirty (30) days after the mailing of the original tax notice or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. March payments are without discount. Pursuant to Section 197.222, Florida Statutes, taxpayers may elect to pay estimated taxes, which may include non-ad valorem special assessments such as the 2022 CI Assessments in quarterly installments with a variable discount equal to 6% on June 30 decreasing to 3% on December 31, with no discount on March 31. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment, and the Tax Collector is required to collect taxes prior to April 1 and after that date to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Certain taxpayers that are entitled to claim homestead tax exemption under Section 196.031(1), Florida Statutes may defer payment of a portion of the taxes and non-ad valorem assessments and interest accumulated on a tax certificate, which may include non-ad valorem special assessments such as the 2022 CI Assessments. Deferred taxes and assessments bear interest at a variable rate not to exceed 7%. The amount that may be deferred varies based on whether the

applicant is younger than age 65 or is 65 years old or older; provided that applicants with a household income for the previous calendar year of less than \$10,000 or applicants with less than the designated amount for the additional homestead exemption under Section 196.075, Florida Statutes that are 65 years old or older may defer taxes and assessments in their entirety (although the lien for such taxes remains in place).

Collection of delinquent 2022 CI 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 2022 CI Assessments due. In the event of a delinquency in the payment of taxes and assessments on real property, the landowner may, prior to the sale of tax certificates, pay delinquent taxes and assessments plus an interest charge of 18% per annum on the amount of delinquent taxes. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and assessments owing and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%). Generally, tax certificates are sold by public bid. If there are no bidders, the tax certificate is issued to the County (being the county in which the assessed lands are located). During the pendency of any litigation arising from the contest of a landowner’s tax assessment collected through the Uniform Method, which may possibly include non-ad valorem special assessments such as the 2022 CI Assessments, it is possible that the tax collector will not sell tax certificates with respect to such property. See “BONDHOLDERS’ RISKS—Item No. 9” for a discussion of the impact of such a contest on the District’s ability to pay debt service on the 2022 Bonds. 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 (currently 18%). The Tax Collector does not collect any money if tax certificates are issued to the County. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than 18% per annum and a fee. Proceeds from the sale of tax certificates are required to be used to pay taxes and assessments (including the 2022 CI Assessments), interest, costs and charges on the real property described in the certificate. The demand for such 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 2022 Assessment Area may affect the demand for certificates and the successful collection of the 2022 CI Assessments, which are the primary source of payment of the 2022 Bonds.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part, by the person owning or claiming an interest in the underlying land, or a creditor thereof, at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, charges and omitted taxes due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described in the preceding paragraph.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven 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 years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due. If the County holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance. 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, 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, redemption of other tax certificates on the land, and the amount paid by such holder in applying 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. 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, and all other amounts paid by such person in applying for a tax deed, 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 lienholder 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.

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 county may at any time within ninety (90) days from the date of offering for public sale, purchase the land without further notice or advertising for a statutorily prescribed opening bid. After ninety (90) days have passed, any person or governmental unit may purchase the land by paying the amount of the opening bid. Taxes accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date of offering for public sale, unsold lands escheat to the county in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the County commission.

Foreclosure

If for any reason the District and/or Administration District is legally unable to use the Uniform Method of collecting the 2022 CI Assessments, or if it is directed to do so by the Majority Owners following an Event of Default, the District and/or Administration District will, itself, directly collect the 2022 CI Assessments. Any 2022 CI Assessments that are billed and collected directly and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date; provided, however, that such 2022 CI Assessments shall not be deemed to be Delinquent Assessments unless and until same are not paid by the applicable Interest Payment Date with respect to which they have been billed. By joinder in the Supplemental Indenture, each of the Other Districts with jurisdiction over the District Lands in the 2022 Assessment Area is deemed to have agreed to the foregoing.

When collecting 2022 CI Assessments directly, Chapter 170.10, Florida Statutes provides that upon the failure of any property owner to pay all or any part of the principal of a special assessment or the interest thereon, when due, the governing body of the District and/or the Administration District is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes, relating to foreclosure of municipal tax and special assessment liens.

In general, after the suit is commenced, there is a period of notice to, and an opportunity for response by, affected persons. Ultimately a hearing will be held and, if the court decides in favor of the Districts, a judgment will be rendered in the amount of the delinquent 2022 CI Assessments and costs of the proceeding. The judgment would also direct sale of the land subject to the delinquent Assessments by public bid to the highest bidder, with proceeds of the sale being applied to payment of the delinquent 2022 CI Assessments. If no bidder bids at least the amount of the delinquent 2022 CI Assessments and applicable costs, the Districts may obtain title to the land.

The Supplemental Indenture provides that notwithstanding anything to the contrary therein, the Districts shall be entitled to first recover from any foreclosure before such proceeds are applied to the payment of principal or interest or other amounts on the 2022 Bonds, all fees and costs expended in connection with such foreclosure, regardless whether such fees and costs are included as part of the 2022 CI Assessments.

Pursuant to the Master Indenture, if any District Lands in the 2022 Assessment Area shall be offered for sale for the nonpayment of any 2022 CI Assessments, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the 2022 CI Assessments (principal, interest, penalties and costs, plus attorney's fees, if any), the District and/or the Other Districts may then purchase such District Lands within their respective boundaries, and the proceeds of such purchase shall be paid to the District to be used to pay Delinquent Assessments. If the proceeds from such purchase are not sufficient to pay the applicable Delinquent Assessments, the applicable District shall take title to the property in its corporate name but for the benefit of the Registered Owners of the 2022 Bonds and pursuant to the authority of the District Development Interlocal Agreement, the District, on behalf of the itself and/or the applicable District or Districts, either through its own actions or actions caused to be done through the

Administration District and/or Trustee, shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the 2022 Revenue Account. Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed, the District shall cause written notice thereof to be mailed to the registered Owners of the 2022 Bonds. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such registered Owners. The District, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for the sale of property acquired by it within thirty (30) days after the receipt of the request therefor signed by the registered Owners of twenty-five percent (25%) of the aggregate principal amount of all Outstanding 2022 Bonds. The net proceeds from such sale or foreclosure shall be used to redeem all or a portion of the 2022 Bonds. By joinder in the Supplemental Indenture, each of the Other Districts is deemed to have agreed to the foregoing.

THE DISTRICT

Legal Powers and Authority

General

The District is an independent local unit of special-purpose government and political subdivision of the State of Florida created in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the “CDD Act”), as amended, and by ordinance of the City, as amended (the “Ordinance”).

The CDD Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida. The CDD 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 CDD Act provides that community development districts have the power to issue general obligation, revenue and special assessment bonds in any combination to pay all or part of the cost of infrastructure improvements authorized under the CDD Act. The CDD Act further provides that community development districts have the power to levy and assess taxes on all taxable real and tangible personal property, and to levy special assessments on specially benefitted lands, within their boundaries to pay the principal of and interest on bonds issued and to provide for any sinking or other funds established in connection with any such bond issues.

Among other provisions, the CDD Act gives the District’s Board of Supervisors (the “Board”) the right: (i) to hold, control, and acquire by donation, purchase, condemnation, or dispose of, any public easements, dedications to public use, platted reservations for public purposes, or any reservations for those purposes authorized by the CDD Act and to make use of such easements, dedications, or reservations for any of the purposes authorized by the CDD Act; (ii) to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for various basic infrastructures, including district

roads equal to or exceeding the specifications of the county in which such district roads are located, facilities for indoor and outdoor recreational, cultural and educational uses (if such powers are specifically granted), and any other project within or without the boundaries of the district when a local government has issued a development order approving or expressly requiring the construction or funding of the project by the District, or when the project is the subject of an agreement between the district and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located or pursuant to a development order condition which applies to a district project; (iii) to borrow money and issue bonds of the District; and (iv) to exercise all other powers necessary, convenient, incidental, or proper in connection with any of the powers or duties of the District stated in the CDD Act.

The CDD Act does not empower the District to adopt and enforce land use plans or zoning ordinances and the CDD Act does not empower the District to grant building permits; with respect to the Development, these functions are performed by the City acting through its governing body and its departments of government.

The CDD 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 2022 Bonds.

Interlocal Agreements and Assignment and Assumption Agreements

Pursuant to the Florida Interlocal Cooperation Act of 1969, Section 163.01, Florida Statutes: (i) the District and the initial Southern Grove Community Development Districts have entered into, and prior to the issuance of the 2022 Bonds, the New Districts will join in, the District Development Interlocal Agreement; (ii) the District, the Other Districts and certain other community development districts have entered into the TIM Project Interlocal Agreement and, prior to the issuance of the 2022 Bonds, the New Districts will join in the TIM Project Interlocal Agreement; (iii) the City, the District and the initial Southern Grove Community Development Districts have entered into the City Interlocal Agreement and the New Districts are deemed parties thereto pursuant to the terms of the City Interlocal Agreement; (iv) the City, the Agency and District No. 1 have entered into the CRA Interlocal Agreement; and (v) the City and District No. 1 have entered into the Stormwater Interlocal Agreement.

Prior to the issuance of the 2022 Bonds, the Assignment and Assumption Agreements relating to the 2022 CI Assessments will be executed and delivered by the District and the applicable Other Districts. See “INTRODUCTION—Developments Since the Date of the Preliminary Limited Offering Memorandum; Certain Matters Relating to New Districts” and “THE INTERLOCAL AGREEMENTS—District Development Interlocal Agreement—Matters Relating to Public Infrastructure Assessments.”

Governor’s Executive Order

On November 4, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community

development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State, with a "special focus on increasing efficiency, fiscal accountability and transparency of operations to the public" and to submit reports to the Governor setting forth its findings and recommendations, including any recommendations for legislative action. The Executive Order states that the OPB's review is necessary to determine whether special districts are serving a legitimate public purpose, governed efficiently, levying taxes, fees and assessments appropriately, being held accountable to the public whose lives they directly impact, operating in a transparent manner and prudently spending taxpayers' dollars. It is not possible to determine at this time what recommendations, if any, the OPB will make pursuant to the Executive Order that will impact the District and whether the Florida Legislature will implement any recommendations of the OPB through legislation that will impact the District. See "BONDHOLDERS' RISKS—Item No. 19," which also notes that Section 190.16(14) of the CDD Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the CDD Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders."

Other Indebtedness

As noted under "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—No Parity Bonds; Issuance of Other Obligations," the District (while it is serving as the "Issuer" for purposes of the District Development Interlocal Agreement) is expected to issue Bonds in addition to the 2022 Bonds to finance Community Infrastructure in addition to the 2022 CI Project, subject to the terms and conditions of the Indenture, the District Development Interlocal Agreement and the Assessment Proceedings, as same may be amended from time to time. The District has previously issued the 2019 Bonds, the 2020 Bonds and the 2021 Bonds, which are Outstanding under the Master Indenture. See "THE INTERLOCAL AGREEMENTS—District Development Interlocal Agreement—General."

In addition, as noted under "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—No Parity Bonds; Issuance of Other Obligations," the District (while it is serving as the "Issuer" for purposes of the District Development Interlocal Agreement) may also issue District Infrastructure Indebtedness to finance District Infrastructure for itself or any of the Other Districts subject to the terms and conditions of the Indenture, the District Development Interlocal Agreement and the Assessment Proceedings, as same may be amended from time to time.

Board of Supervisors

The CDD Act provides for a five-member Board of Supervisors (the "Board") to serve as the governing body of the District. Members of the Board ("Supervisors") must be residents of the State of Florida and citizens of the United States. Initially, the Supervisors are elected on an at-large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number). A Supervisor serves until expiration of his or her term and until his or her successor is chosen and qualified. If, during a term of office, a vacancy occurs, the remaining

Supervisors shall fill the vacancy by an appointment of an interim Supervisor for the remainder of the unexpired term.

At the initial election of Supervisors, the two Supervisors with the highest number of votes are elected to serve four-year terms and the remaining three Supervisors serve for two-year terms. Elections of Supervisors occur in November every two years. Until the later of six years after formation of the District or the year that the District attains at least 250 qualified electors, the CDD Act provides that Supervisors whose terms are expiring will begin to be elected (as their terms expire) by qualified electors of the District. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, each to a four-year term. The other Supervisor will be elected by landowners for a four-year term. Thereafter, as terms expire, all supervisors must be qualified electors and be elected by qualified electors to serve four-year terms. Notwithstanding the foregoing, if at any time the Board proposes to exercise its ad valorem taxing power, prior to the exercise of such power, it shall call an election at which all Supervisors shall be elected by qualified electors in the District. Elections subsequent to such decision shall be held in a manner such that the Supervisors will serve four-year terms with staggered expiration dates in the manner set forth in the CDD Act.

As noted under “TRADITION—Interim Landowner’s Exit from Tradition,” the City formed a wholly owned entity, the Port St. Lucie Governmental Finance Corporation (“GFC”), to own certain land within the boundaries of the District and other portions of the Southern Grove DRI. Accordingly, GFC is a landowner and currently eligible to vote for members of the Board. In addition, the Master Developer (hereinafter defined) is a landowner within the District and currently eligible to vote for members of the Board. See “TRADITION—Master Developer’s Land Acquisition” and “SOUTHERN GROVE.”

There are currently multiple landowners in the District and in certain of the Other Districts. Based on the number of qualified electors currently residing within the boundaries of the District, the District has commenced electing members of the Board by qualified electors. As provided in the CDD Act, one seat on the Board up for election by landowners in November, 2022 was filled at a landowners’ meeting held on November 2, 2022. Although, as provided in the CDD Act, two seats on the Board are eligible to be elected by qualified electors residing within the boundaries of the District and voting in the November 8, 2022 general election, no candidate sought to qualify for either of these two seats. Accordingly, pursuant to the CDD Act, the Board is required to declare a vacancy in each of these seats effective on the second Tuesday following the election date and to appoint a qualified elector residing within the boundaries of the District to fill each of the vacancies by February 20, 2023. Until such appointment, the incumbent Board members in these seats remain in office.

The CDD Act provides that it shall not be an impermissible conflict of interest under Florida law governing public officials for a Supervisor to be a stockholder, officer or employee of a landowner. The current members of the Board and the term of each member are set forth below:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Frank Covelli*	Chair	11/24
Tyler Gaffney*	Vice Chair	11/26
Steven Dassa*	Supervisor	11/24
David Graham** (1)	Supervisor	11/22
Jennifer Davis** (1)	Supervisor	11/22

*Employee of the Master Developer or its affiliates.

**Employee of the City or its affiliates.

(1) Until the Board appoints a qualified elector to fill this seat or February 20, 2023, whichever first occurs, the incumbent Board member remains in office.

A majority of the Supervisors constitutes a quorum for the purposes of conducting the business of the District and exercising its powers and for all other purposes. Action taken by the District shall be upon a vote of the majority of the Supervisors present unless general law or a rule of the District requires a greater number. All meetings of the Board are open to the public under Florida's "sunshine" or open meetings law.

The District Manager and Other Consultants

The CDD Act authorizes the Board to hire a District Manager as the chief administrative official of the District. The CDD Act provides that the District Manager shall have charge and supervision of the works of the District and shall be responsible for: (i) preserving and maintaining any improvement or facility constructed or erected pursuant to the provision of the CDD Act; (ii) maintaining and operating the equipment owned by the District; and (iii) performing such other duties as may be prescribed by the Board. Special District Service, Inc., Port St. Lucie, Florida, serves as the District Manager with responsibility for day-to-day operations of the District and as assessment consultant to the District.

The CDD Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, Gonano & Harrell, Fort Pierce, Florida, is serving as Counsel to the District; Culpepper & Terpening, Inc., Fort Pierce, Florida is serving as the District's Consulting Engineers; and Greenspoon Marder LLP, Fort Lauderdale, Florida, is serving as Bond Counsel and Disclosure Counsel in connection with the 2022 Bonds.

Additional Matters Relating to Special Districts

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations require that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its fund or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not

controlled by an unreasonably small number of unrelated electors. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." Notice of withdrawal of the proposed regulations was published in the Federal Register on October 20, 2017.

It has been reported that the IRS has closed audits of other community development districts in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have qualified electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the CDD Act, general elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. However, see the discussion above under "Board of Supervisors."

There is no assurance that an audit by the Service will not be commenced with respect to the 2022 Bonds. See "TAX MATTERS" and "BONDHOLDERS' RISKS—Item No. 16."

The 2022 Bonds are part of an issue of Bonds which have been validated by a final, non-appealable order of the Circuit Court of the State of Florida in and for St. Lucie County, Florida, in which it was determined, *inter alia*, that the District has the authority under Florida law to issue such Bonds, that the purpose for which such Bonds were issued is legal under Florida law, and that the proceedings for issuance of such Bonds complies with the requirements of applicable Florida law. See "VALIDATION."

THE 2022 CI PROJECT

The following summarizes certain matters set forth in the Consulting Engineer's Report attached hereto (the "2022 Supplemental Engineer's Report"). Reference is made to "APPENDIX A—Consulting Engineer's Report" for a complete description of the matters summarized under this caption.

Portions of the Community Infrastructure have been, and are anticipated in the future to be, funded with Community Infrastructure Indebtedness. The cost of any Community Infrastructure described in the 2022 Supplemental Engineer's Report and in any other supplemental engineer's reports previously or hereafter approved by the District and any of the Other Districts in connection with Community Infrastructure Indebtedness is eligible to be financed and refinanced by proceeds of Community Infrastructure Indebtedness (including, without limitation, the 2022 Bonds), provided, however (i) only a portion of the proceeds of the District's 2021 Bonds and the proceeds of the 2022-2 Bonds may be used to pay for a portion of the costs of the TIM Project and (ii) proceeds of Community Infrastructure Indebtedness issued on a tax-exempt basis, including the 2022-1 Bonds, may only be expended on Community Infrastructure costs eligible to be financed on a tax-exempt basis (which currently excludes the TIM Project). The issuance of additional Community Infrastructure Indebtedness is subject to the

limitations of the Indenture, as described under “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—No Parity Bonds; Issuance of Other Obligations.”

The 2022 Supplemental Engineer’s Report describes Community Infrastructure projects that are on-going or planned to be undertaken in the next two years and states that, taking into account certain prepaid Community Infrastructure Assessments available to fund costs of Community Infrastructure, it is reasonable to expect that proceeds of (i) the 2020 Bonds available to be expended on Community Infrastructure will be fully expended for that purpose approximately 3 years from the date of issuance of the 2020 Bonds (June 17, 2020), (ii) the 2021 Bonds available to be expended on Community Infrastructure will be fully expended for that purpose approximately 3 years from the date of issuance of the 2021 Bonds (June 30, 2021), and (iii) the proposed 2022 Bonds available to be expended on Community Infrastructure will be fully expended for that purpose within 3 years from the date of issuance of the 2022 Bonds.

Portions of the Community Infrastructure may be constructed by or on behalf of the Districts and/or acquired from one or more of the owners of District Lands, including owners of land in the 2022 Assessment Area, with proceeds of Community Infrastructure Indebtedness, including the 2022 Bonds, subject to the limitations described above. The District may also reimburse the Master Developer for advances made to it, or on its behalf, in connection with the TIM Project pursuant to one or more written agreements between the District and the Master Developer, including with proceeds of the 2022-2 Bonds.

See “ESTIMATED SOURCES AND USES OF PROCEEDS” and “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—Acquisition Agreement.” See also “BONDHOLDERS’ RISKS—Item No. 11.”

SPECIAL ASSESSMENT METHODOLOGY

Reference is made to “APPENDIX E—Special Assessment Methodology Report” for the 2022 Supplemental Assessment Report and a description of matters relating to the 2022 CI Assessments and the allocation of the 2022 CI Assessments to Benefitted Parcels in the 2022 Assessment Area.

As a result of the application of the Methodology for allocating the Community Infrastructure Assessments as set forth in the “Third Supplemental Assessment Methodology Report for Public Infrastructure” dated August 1, 2019, approved as part of the Assessment Proceedings, and after taking into account certain prepayments, contributions and credits relating to Public Infrastructure Assessments as contemplated by the Assessment Proceedings, the 2022 CI Assessments will be collected with respect to Benefitted Parcels within the 2022 Assessment Area as described below under “THE 2022 ASSESSMENT AREA” and in the 2022 Supplemental Assessment Report attached hereto as APPENDIX E.

The 2022 Assessment Area consists of 637 platted single-family lots, together with platted non-residential properties totaling approximately 107.7 acres of additional assessable District Lands, as more fully described in the 2022 Supplemental Assessment Report.

The 2022 Assessment Area is comprised of the assessable District Lands located in (i) a portion of the boundaries of the District and (ii) a portion of the boundaries of Southern Grove Community Development District No. 2, Southern Grove Community Development District No. 3, Southern Grove Community Development District No. 4, District No. 8, District No. 9 and District No. 10, respectively. Moreover, it is a condition to the issuance of the 2022 Bonds that the Assignment and Assumption Agreements described under “INTRODUCTION—Developments Since the Date of the Preliminary Limited Offering Memorandum; Certain Matters Relating to New Districts” are executed and delivered.

See “THE 2022 ASSESSMENT AREA” and “APPENDIX H—Maps of Prior and Current Boundaries.”

The Benefitted Parcels in the 2022 Assessment Area are also subject to the SAD Assessments and certain other non-ad valorem special assessments levied in connection with the SAD Project and the SG Stormwater Fees. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—Additional Assessments,” “SOUTHERN GROVE—Overview,” “2022 ASSESSMENT AREA—Other Taxes and Special Assessments” and “BONDHOLDERS’ RISKS—Item No. 9.”

TRADITION

The information presented under this caption “TRADITION” has been compiled by the District solely from public documents, records and other sources, including those of the District Manager.

Overview

“Tradition” is a large-scale, master-planned community encompassing approximately 8,200 acres. Tradition is the subject of three separate developments of regional impact (“DRI”) approvals from the State of Florida, referred to as the “Tradition DRI” (approximately 2,700 gross acres), “Western Grove DRI” (approximately 1,900 gross acres) and “Southern Grove DRI” (approximately 3,600 gross acres), respectively. The Southern Grove DRI is also sometimes referred to as “Southern Grove” hereinafter. Entitlements for the overall Tradition community allow the development of up to approximately 17,664 residential units (inclusive of single-family, multi-family and senior living units), up to 15.18 million square feet of commercial (retail, office, warehouse/industrial, and research and development space), a 300-bed hospital, 1,201 hotel rooms and community and amenities space.

A portion of the Tradition community was initially located within the unincorporated boundaries of St. Lucie County, Florida and was subsequently annexed into the boundaries of the City of Port St. Lucie (the “City”). The entire Tradition community is now located within the boundaries of the City. Tradition is located near major transportation corridors, including Interstate-95 (“I-95”), Tradition Parkway and the Florida Turnpike, with five miles of continuous frontage along I-95, including three interchanges at Crosstown Parkway, Tradition Parkway and Becker Road. Tradition is located near the Martin County line in the portion of the State of Florida commonly referred to as the Treasure Coast, which consists of St. Lucie, Martin and Indian River Counties. Tradition is within close proximity to public beaches, parks and golf courses, and is

situated approximately fifty miles north of West Palm Beach, Florida and approximately 120 miles southeast of Orlando, Florida.

Development activities within Tradition commenced in mid-2002 and since such time, a significant amount of residential and mixed-use development has occurred. Based upon information obtained from the St. Lucie County Property Appraiser such vertical development activities include approximately (i) 5,500 single-family homes spanning multiple master-planned communities and neighborhoods developed or under development by local, regional and national homebuilders including, without limitation, the Master Developer, D.R. Horton, Pulte/Del Webb, Taylor Morrison, Minto and GHO Homes, (ii) 2,000 multi-family units including condominiums, apartments and senior living units (independent, assisted and acute care), (iii) 2.7 million square feet of office, research, warehouse and retail space, (iv) a 180-bed hospital, and (v) 405 hotel rooms.

Prior Master Developer and the Interim Landowner

The previous primary landowner of the lands in Tradition was Tradition Land Company, LLC, an Iowa limited liability company (the “Interim Landowner”). The entities initially responsible for master development activities in Tradition, Horizons St. Lucie Development, LLC and Horizons Acquisition 5, which were wholly owned subsidiaries of Core Communities, LLC (collectively, the “Prior Master Developer”), began development of Tradition in 2002. Affiliates of the Interim Landowner, as lenders to the Prior Master Developer, acquired the land owned by the Prior Master Developer in Tradition as part of a loan workout in 2010. The Interim Landowner was subsequently established for purposes of assuming ownership of the lands owned by the Prior Master Developer.

The Interim Landowner did not serve as a developer of Tradition and did not contemplate constructing vertical uses in Tradition. Instead, the responsibilities of the Interim Landowner included marketing and sale of the real estate within the portions of Tradition owned by the Interim Landowner, maintenance of permits, licenses and property entitlements, maintaining relationships with the City as it related to the ongoing planning, permitting and entitling of the portion of the Tradition project, and establishing and maintaining relationships with home builders, commercial property owners, and other third party stakeholders.

Interim Landowner’s Exit from Tradition

In 2017, the Interim Landowner began a process to divest its interest in Tradition and engaged a broker who specializes in the liquidation of large and complex assets. Late in 2017, the Interim Landowner offered the remaining lands owned by the Interim Landowner in the Southern Grove DRI, the Tradition DRI and the Western Grove DRI (collectively, the “Tradition Lands”) for sale.

The broker successfully marketed all of the Tradition Lands other than the properties in the Southern Grove DRI planned to be developed with non-residential uses (the “Remaining SG Non-Residential Land”) to Mattamy Palm Beach, LLC, a Delaware limited liability company (the “Master Developer”). See “Master Developer’s Land Acquisition” below. The Interim Landowner then offered to convey the Remaining SG Non-Residential Land to the City. The City determined

that it would be in its best interests to acquire the Remaining SG Non-Residential Land and develop a disposition plan to facilitate diversification of ownership of the Remaining SG Non-Residential Land. Accordingly, the City formed the Port St. Lucie Governmental Finance Corporation (“GFC”), which entered into a “Transfer Agreement” with the Interim Landowner for the transfer of approximately 1,223 acres of the Remaining SG Non-Residential Land (the “SG Transferred Property”) to GFC in “AS-IS” condition for no purchase price. The transaction closed in 2018. GFC’s governing board is comprised of the members of the City Council of the City from time to time. See “THE DISTRICT.” The City also owns certain property in Southern Grove, which it leases to third parties. Subsequent to the transfer of the SG Transferred Property, GFC has sold approximately 538 acres to third parties in multiple transactions. See “SOUTHERN GROVE – Status of Development.”

Master Developer’s Land Acquisition

In June 2018, the Master Developer purchased the Tradition Lands, other than the Remaining SG Non-Residential Property, from the Interim Landowner (the “Mattamy Land”). The Mattamy Land consisted of approximately 3,028 acres (of which approximately 1,214 acres were located in Southern Grove). The total cash purchase price paid by the Master Developer was \$26.1 million and included certain impact fee credits and intangible property.

At the time of purchase, the Mattamy Land was entitled as follows: (i) approximately 1,786 acres for development thereon of 4,000 units of available residential density and 220,000 square feet of available retail/office square footage within the Western Grove DRI (the “Western Grove Property”), (ii) approximately 1,214 acres for development thereon of 2,010 units of single family, 808 units of multi-family and 576 apartment units of available residential density, 895,940 retail/office square footage, plus 240 hotel rooms, and commercial property containing approximately 37 acres and 123,449 square feet of available retail/commercial square footage within the Southern Grove DRI (the “Southern Grove Property”), and (iii) approximately 27.75 acres for development thereon of 20 single family units, 130 multi-family units of available residential density and 90,000 square feet of available retail square footage within the Tradition DRI (the “Tradition Property”). The referenced DRIs have subsequently been modified to accommodate changes in the development program.

While the Master Developer controls the remaining entitlements pertaining to the undeveloped portions of the Tradition Property and Western Grove Property, the Interim Landowner’s divestment of its remaining property in the Southern Grove Property resulted in a need to fairly and equitably identify and allocate the responsibilities remaining under the Southern Grove DRI Development Order between the Master Developer and GFC. Accordingly, the Master Developer (by assignment from the Interim Landowner) and GFC have agreed in writing to cooperate with each other on, among other matters, requesting amendments to the Southern Grove DRI and requesting changes impacting Public Infrastructure undertaken by the Districts.

Master Developer

The following information is provided based on information provided by Mattamy (hereinafter defined) on its website. The Master Developer is affiliated with and doing business under the name Mattamy Homes (“Mattamy”), a privately-held corporation and the largest

privately-owned home builder in North America. Originally established in 1978 in Ontario, Canada by Peter Gilgan, Mattamy is now Canada's largest new home construction and development firm, with homes built in communities that stretch across the greater Toronto Area, as well as Ottawa, Calgary and Edmonton. In the United States, Mattamy is represented in eleven (11) metropolitan areas: Raleigh, Charlotte, Phoenix, Tucson, Dallas, Jacksonville, Orlando, Tampa, Sarasota, Naples and Southeast Florida. With operations across Canada and the United States, homes available for sale in ninety (90) communities, and over 100,000 homes built, Mattamy is a leading homebuilding brand in North America. During its fiscal year 2022 (ending May 31, 2021), the most recent fiscal year information publicly available, Mattamy closed on approximately 7,723 homes and had approximately \$4.6 billion in revenue (in Canadian dollars).

The scope of Mattamy's operations encompasses land acquisition, community design and development, and housing and parkland design and construction, with particular emphasis on creating complete communities. Mattamy offers personalized homes in desired locations across a wide variety of demographics, price points, and ages and stages in life. Its core target market includes first-time buyers and move-up families, as well as the empty-nester and second home segments.

Mattamy is currently actively developing a number of large-scale developments in Florida in addition to its involvement in developing the Mattamy Land. Such projects include, without limitation, Rivertown (Jacksonville) planned for approximately 4,500 residential units and mixed-uses, Wellen Park (North Port) planned for approximately 16,000 residential units and mixed-uses and Newfield (Martin County) planned for approximately 4,200 residential units and mixed-uses. In addition, Mattamy has or is also currently actively developing a number of additional residential projects including, without limitation, Boyette Springs (Tampa), Parkview at Long Lake Ranch (Tampa), Tapestry (Orlando), Celebration – Island Village (Orlando) and Meridian Parks (Orlando). One or more community development districts or special tax districts have been established for each of the aforementioned projects.

SOUTHERN GROVE

The information presented under this caption "SOUTHERN GROVE" has been compiled by the District solely from public documents, records and other sources, including those of the District Manager. See Appendix H attached hereto for a map depicting the boundaries of the initial Southern Grove Community Development Districts prior to the establishment of the New Districts and a map depicting the current boundaries of the Districts. See also "INTRODUCTION—Developments Since the Date of the Preliminary Limited Offering Memorandum; Certain Matters Relating to New Districts."

Overview

Southern Grove encompasses approximately 3,600 acres and is generally bordered on the east by I-95; on the west by the "Riverland" community being actively developed by G.L. Homes, the completed Towne Park community developed by The Minto Group and undeveloped property; on the north by Tradition Parkway; and on the south by Becker Road and undeveloped property. As previously discussed under "TRADITION," the acreage constituting Southern Grove is situated

in the Southern Grove DRI which is governed by the Southern Grove DRI Development Order (City Resolution 21-R136) which provides for the development of up to 7,674 residential units (inclusive of single-family, multi-family and senior living units), 4,442,925 square feet of retail, office and research space, 8,745,000 square feet of warehouse space, 1,051 hotel rooms and 300 hospital beds. The Southern Grove DRI Development Order contains several conditions that must be implemented at certain prescribed development thresholds, including obligations for the construction of infrastructure (roads, water, sewer, drainage), dedication of school and park sites, conducting traffic studies, and the provision of other adequate public facilities commensurate with impacts. The Districts have been established with jurisdiction over the land comprising the Southern Grove DRI to facilitate the development of public infrastructure. See “THE INTERLOCAL AGREEMENTS” and “THE DISTRICT.”

In addition to the Districts, the City has established the SAD which encompasses the land in the Southern Grove DRI. The City financed, and subsequently refinanced, a portion of the public infrastructure needed to serve the land in the SAD (comprised of the benefitted land in the Southern Grove DRI) through the SAD Bonds. The improvements funded by the SAD Bonds include the Interstate-95 interchange at Becker Road, a four-lane divided section of Becker Road from the Interstate-95 interchange to Village Parkway and four miles of Village Parkway from Becker Road to Tradition Parkway. The Village Parkway improvements include a four-lane divided roadway, water and sewer trunk lines and signalization. The SAD Bonds also funded Community Boulevard south of Tradition Parkway. The SAD Bonds are payable from the SAD Assessments levied by the City on benefitted land within the SAD. The City has also established a community redevelopment area that includes the land in the Southern Grove DRI. Owners of land in the Southern Grove DRI are eligible to receive a portion of certain tax increment revenues generated annually in the Southern Grove DRI. See “THE INTERLOCAL AGREEMENTS—CRA Interlocal Agreement.” While the SAD funded the completion of the existing backbone infrastructure, the Southern Grove DRI requires additional infrastructure to be constructed to support the overall development of Southern Grove.

As noted above under “TRADITION” a significant portion of the undeveloped land in Southern Grove is owned by the Master Developer and GFC. In addition, as more fully described below under “2022 ASSESSMENT AREA,” the Benefitted Parcels in the 2022 Assessment Area are located within a portion of Southern Grove.

Status of Development

Development of the roadway improvements funded with the SAD Bonds described above commenced in 2007 and were subsequently completed thereby providing for a third interchange on I-95 and the main north-south parkway traversing Southern Grove. Since such time, a significant amount of horizontal and vertical development activities have occurred in Southern Grove, certain of which are discussed in more detail below, which information was obtained from publicly available sources. The below does not purport to address all development activities in Southern Grove.

Single-Family Residential

National homebuilder Pulte Homes Company, LLC (“Pulte Homes”) commenced development of the first single-family residential community in Southern Grove, under its Del Webb active adult brand in early 2017 known as “Del Webb Tradition.” The community is roughly midway on Village Parkway, approximately one and one-half miles south of the intersection of Tradition Parkway and Village Parkway. Del Webb Tradition is planned to include approximately 900 single-family homes and recreational facilities. Multiple phases and sub-phases thereof consisting of 653 lots have been developed and platted and the main recreational facility complex has been completed. Sales within Del Webb Tradition commenced in the fourth quarter of 2018 and approximately 538 homes were sold to end users as of September 20, 2022. Pulte is currently offering homes at base prices generally ranging from \$349,990 to \$565,990. Only a portion of Del Webb Tradition, consisting of 94 platted lots in the third phase, is included in the 2022 Assessment Area. See “THE 2022 ASSESSMENT AREA.”

Pulte Homes is also developing an additional community known as “Heron Preserve” just north of its Del Webb Tradition community and planned for 408 single-family units and recreational facilities. The initial phases consisting of 324 lots has been developed and platted. Sales within Heron Preserve commenced in the third quarter of 2019 and approximately 267 homes were sold to end users as of September 20, 2022. Pulte Homes is currently offering homes in Heron Preserve at prices generally ranging from \$371,990 to \$559,990.

The Master Developer has completed horizontal development and sell-out of the first single-family residential neighborhood developed for the purpose of providing finished lots for its homebuilding operations for which it builds under the name “Mattamy Homes.” See “TRADITION--Master Developer.” This neighborhood, known as “Manderlie” is located in the northwestern portion of Southern Grove and includes 173 single-family units and recreational facilities. Sales within Manderlie commenced in the summer of 2020 with home sell-out having occurred in approximately 12 months.

Mattamy Homes is currently underway with development of a 442-unit 55+ active adult amenitized community known as “Telaro” situated on the west side of Village Parkway just south of Discovery Way. Development activities commenced in the third quarter of 2020, with development of the initial phase planned for 186 lots developed and platted. Mattamy Homes is underway with development activities in the final phases of Telaro consisting of 256 lots with all of such lots having received plat approval in July 2022. Sales activity commenced in the Fall of 2021 and approximately 149 homes were sold as of September 20, 2022. Mattamy Homes is currently offering homes in Telaro at base prices generally ranging from \$352,990 to \$599,990. The final phases of Telaro, consisting of 256 platted lots, are included in 2022 Assessment Area. See “THE 2022 ASSESSMENT AREA.”

Mattamy Homes is currently underway with development of a 214-unit primary home community known as “Kenley” situated on the west side of Village Parkway just south of the Paar Road extension. Development activities commenced in the first quarter of 2022 with all of 214 lots having received plat approval in May 2022. Sales activities are anticipated to commence in

February, 2023. Kenley, consisting of 214 platted lots, is included in 2022 Assessment Area. See “THE 2022 ASSESSMENT AREA.”

An affiliate of GHO Homes, a regional homebuilder, is currently underway with development of a single-family unit neighborhood situated just east of the intersection of Becker Road and Village Parkway. Such neighborhood is known as “Belterra” and is planned to include approximately 300 single-family units and recreational facilities. Development and platting activities with the initial phase of Belterra, planned to include 73 units, is complete. Further, model and inventory home construction is underway. GHO Homes is currently directing prospective customers to their sales office in the Lake Park neighborhood in Tradition until model home completion. GHO Homes is currently advertising homes at base prices generally ranging from \$649,990 to \$807,990. The initial phase of Belterra consisting of 73 platted lots, is included in 2022 Assessment Area. See “THE 2022 ASSESSMENT AREA.”

Multi-Family Residential (apartments and build-to-rent)

Southern Grove currently includes three completed apartment complexes and three under vertical construction as well as a build-to-rent neighborhood that is under vertical construction as detailed below.

Completed

- “Springs at Tradition” includes 304 units and is situated in the northwestern portion of Southern Grove on the west side of Village Parkway.
- “Grande Palms” includes 300 units and is situated north of Discovery Way and west of Village Parkway.
- “Village at Tradition” includes 372 units and is located on the east side of Village Parkway south of Discovery Way.

Under Construction

- “Grande Palms” is under vertical construction and is the second 300-unit phase of the completed Grande Palms apartment complex adjacent to the south. See “THE 2022 ASSESSMENT AREA.”
- “Boardwalk at Tradition” is under vertical construction and planned to include 214 units adjacent to the Manderlie neighborhood and completed Springs at Tradition apartment complex in the northwest portion of Southern Grove.
- “Lucie at Tradition” is under vertical construction and planned to include 264 units adjacent to the under-development Watermark apartment complex and completed Springs at Tradition apartment complex in the northwestern portion of Southern Grove.
- “The Cottages Tradition” is under vertical construction and planned for 286 carriage and cottage homes situated in the southern portion of Southern Grove on the west

side of SW Village Parkway just east of the Kenley neighborhood being developed by Mattamy Homes.

Senior Housing

Horizontal and vertical development activities are underway on “Encore at Tradition,” a 415-unit independent and assisted living community situated at the intersection of Becker Road and Village Parkway. Current development plans include a residential and recreational component, including two four-story apartment buildings with 115 units, as well as 300 villas in 60 buildings surrounding four lakes with walking and biking trails. The recreational space is planned to include a two-story clubhouse encompassing over 26,000 square feet with a restaurant, exercise facilities, sports bar and a salon. Community amenities are planned to include a pool, spas, pickleball and bocce ball courts, fire pits and an outdoor dining facility.

Mixed-Use

Mixed-use development activities initially occurred in the northern portion of Southern Grove situated on both the west and east sides of Village Parkway. However, mixed-use development activities are underway throughout Southern Grove.

On the east side of Village Parkway, there is an approximately 150-acre area at the southwest corner of I-95 and Tradition Parkway designated as the Tradition Center for Innovation (TCI), a research and development park. The information appearing below provides a summary of development in TCI and further south on the east side of Village Parkway to the southern boundary of Southern Grove.

Completed

- Torrey Pines Institute for Molecular Studies (TPIMS) – 85,937 square foot building ground leased to TPIMS by Florida International University via assumption of the City’s position as the lessor.
- Cleveland Clinic Martin Health – 180 bed hospital.
- Tradition HealthPark One – 45,238 square foot medical office building.
- Tradition HealthPark Two – 64,128 square foot medical office building.
- Center for Bio-Sciences – 92,142 square foot building currently owned by the City that was formerly occupied by the Oregon Health and Science University Vaccine and Gene Therapy Institute Florida Corp. as a biomedical and scientific research laboratory and educational facility. In November 2019, the City entered into a 15-year lease with a purchase option with Cleveland Clinic Lerner Research Institute which plans to create a vaccine and immunotherapy institute that will become the focal point for development of therapies across the areas of cancer, neuroscience, infectious disease and allergies.

- South Florida Orthopedics and Ortho Injury Walk-in Clinic – 32,360 square foot medical office and urgent care building.
- Keiser University – a 75,146 square foot building housing an educational campus.
- Hilton Homewood Suites – 111-room hotel.
- Recovery Sports Bar and Grill – 6,518 square foot sports-themed family restaurant.
- Innovation Plaza – 10,478 square foot retail building.
- Pop Stroke – 6,251 square foot restaurant and mini-golf.
- City Electric Supply – 411,852 square foot manufacturing, warehouse and office facility.
- Healthcare Center at Tradition – 34,350 square foot medical office building.
- Courtyard by Marriott – 84-room hotel.
- Premier Medical Plaza – 9,986 square foot medical office.
- Tru by Hilton – 82-room hotel.
- Federal Express – 245,100 square foot distribution facility.
- Multi-tenant retail – 10,476 square foot retail building.
- Multi-tenant retail – 14,040 square foot retail building See “THE 2022 ASSESSMENT AREA.”

Under Construction

- Amazon – 220,000 square foot distribution facility.
- Cheney Brothers – 351,869 square foot food distribution facility. See “THE 2022 ASSESSMENT AREA.”
- Accel – 150,351 square foot wire and cable manufacturing facility. See “THE 2022 ASSESSMENT AREA.”
- Oculus Surgical – 75,246 square foot ophthalmic instrument manufacturing facility. See “THE 2022 ASSESSMENT AREA.”
- Legacy Park at Tradition (Lot 2)– 168,000 square foot spec building just south of Fed Ex facility with leasing underway. See “THE 2022 ASSESSMENT AREA.”

- Legacy Park at Tradition (Lot 4) – 520,000 square foot spec building just south of Amazon distribution facility.

In addition, development activities on the west side of Village Parkway and north of Discovery Way include the following:

Completed

- Wawa – 6,280 square foot gas station/convenience store.
- Panda Express – 2,766 square foot restaurant.
- Verizon – 2,500 square foot retail store.
- Culvers – 4,652 square foot restaurant.
- Heartland Dental – 4,000 square foot dental care facility.
- PDQ – 2,784 square foot restaurant.
- Burger King – 2,967 square foot restaurant.
- Starbucks – 2,500 square foot coffee shop/restaurant. See “THE 2022 ASSESSMENT AREA.”
- Multi-tenant retail – 5,124 square foot retail building.
- Multi-tenant retail – 9,350 square feet. See “THE 2022 ASSESSMENT AREA.”
- Multi-tenant retail – 5,820 square feet. See “THE 2022 ASSESSMENT AREA.”
- Multi-tenant retail – 14,040. See “THE 2022 ASSESSMENT AREA.”
- Paradise Car Wash – 9,969 square foot car wash. See “THE 2022 ASSESSMENT AREA.”

The table below illustrates the status of development described above.

Land Use/Status	Single-Family Residential (units) (2)	Multi-Family Residential (units) (3)	Apartments (units)	Research (square feet)	Office (square feet)	Retail (square feet)	Warehouse (square feet)	Hotel (rooms)	Hospital (beds)
Completed (1)	1,879	0	976	287,445	155,842	102,473	656,963	277	180
Under Construction	327	701	1,064	0	0		1,485,466	0	0
	2,206	701	2,040	287,445	155,842	102,473	2,142,429	277	180

(1) Platted lots in the case of single-family residential.

(2) As of September 20, 2020, approximately 1,127 homes had been sold to end-users.

(3) Includes independent living, assisted living and build-to-rent units.

THE 2022 ASSESSMENT AREA

The information presented under this caption “THE 2022 ASSESSMENT AREA” has been compiled by the District solely from public documents, records and other sources, including those of the District Manager. See “BONDHOLDERS’ RISKS” for a discussion of certain risks associated with the 2022 Bonds and the 2022 Assessment Area.

General

As described under “SPECIAL ASSESSMENT METHODOLOGY,” the 2022 CI Assessments will be allocated to the Benefitted Parcels in the 2022 Assessment Area. The 2022 Assessment Area includes a portion of the completed uses and those under construction in Southern Grove as described above under the heading “SOUTHERN GROVE.” The “2022 Assessment Area” consists of 637 platted single-family lots, together with platted non-residential properties totaling approximately 107.7 acres of additional assessable District Lands, as more fully described in the 2022 Supplemental Assessment Report.

The 2022 Assessment Area is comprised of the assessable District Lands located in (i) a portion of the boundaries of the District and (ii) a portion of the boundaries of Southern Grove Community Development District No. 2, Southern Grove Community Development District No. 3, Southern Grove Community Development District No. 4, District No. 8, District No. 9 and District No. 10, respectively. Moreover, it is a condition to the issuance of the 2022 Bonds that the Assignment and Assumption Agreements described under “INTRODUCTION—Developments Since the Date of the Preliminary Limited Offering Memorandum; Certain Matters Relating to New Districts” are executed and delivered.

See also “SPECIAL ASSESSMENT METHODOLOGY,” “APPENDIX E—Special Assessment Methodology Report” and “APPENDIX H—Maps of Prior and Current Boundaries.”

Allocation Threshold

The Methodology for allocating the Community Infrastructure Assessments as set forth in the “Third Supplemental Assessment Methodology Report for Public Infrastructure” dated August 1, 2019, approved as part of the Assessment Proceedings, provides for the allocation of CI Assessments to Benefitted Parcels that have achieved their applicable “Allocation Threshold,” which, in the case of single-family property, is at the time of final plat recordation and in the case of multi-family or non-residential property, is upon site plan approval and issuance of a building permit. As illustrated and described in more detail herein, certain of the Benefitted Parcels have achieved the applicable Allocation Threshold and are included in the 2022 Assessment Area.

See also “SOUTHERN GROVE—Status of Development” and “BONDHOLDERS’ RISKS—Item No. 1.”

Land Ownership and Development Status

The table below illustrates the current landowners, land uses, densities and property descriptions for the Benefitted Parcels in the 2022 Assessment Area. See “SOUTHERN GROVE—Status of Development” for more information regarding these parcels.

Status/Landowner	Land Use	Description	Units/Square Footage
Vertically Constructed			
Local Strip LLC	Retail	5-Tenant Retail Building	9,350
Baron Shoppes Tradition LLC	Retail	3-Tenant Retail Building	5,820
Amber Hills Properties LLC	Retail	10-Tenant Retail Building(s)	14,040
PCW Holdings LLC	Retail	Car Wash	9,969
Platted Single-Family Residential			
Pulte Home Company LLC	SF 55 or Less	Del Webb Tradition – Plat 5A	70
Pulte Home Company LLC	SF 56 – 66	Del Webb Tradition – Plat 5A	24
Mattamy Palm Beach LLC	SF 55 or Less	Kenley – Plat 1	137
Mattamy Palm Beach LLC	SF 56 – 66	Kenley – Plat 1	77
Mattamy Palm Beach LLC	SF 55 or Less	Telaro – Plat 2	206
Mattamy Palm Beach LLC	SF 56 – 66	Telaro– Plat 2	50
GRBK GH0 Belterra LLC	SF 56 – 66	Belterra – Plat 1 & 2	26
GRBK GH0 Belterra LLC	SF 67 or More	Belterra – Plat 1 & 2	47
Under Vertical Construction			
Grande Palms at Tradition I LLC	Apartments	Apartments	300
Accel Florida LLC	Warehouse	Wire & Cable Manufacturing Facility	150,351
Oculus Surgical, Inc.	Warehouse	Ophthalmic Instrument Manufacturing Facility	75,246
NBPIII Legacy III LLC	Warehouse	Multi-Tenant Industrial Building	168,000
Cheney Bros, Inc.	Warehouse	Food Distribution Facility	351,869

Source: St. Lucie County Property Appraiser’s website and other publicly available sources.

Allocation of 2022 CI Assessments

The principal and annual 2022 CI Assessments to be collected in connection with the 2022 Bonds, by current landowner in the 2022 Assessment Area, are depicted below.

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Status/Landowner	Land Use	Description	Actual and Planned Units/SF	2022 Bonds Principal Allocation	2022 Bonds Principal Allocation Per Unit/SF	Total Gross Annual 2022 CI Assessments(1)	Gross Annual 2022 CI Assessments Per Unit/SF(1)	% of 2022 CI Assessments
Vertically Constructed								
Local Strip LLC	Retail	5-Tenant Retail Building	9,350	\$112,689	\$12.05	\$9,381.13	\$1.00	0.96%
Baron Shoppes Tradition LLC	Retail	3-Tenant Retail Building	5,820	\$70,105	\$12.05	\$5,836.12	\$1.00	0.60%
Amber Hills Properties LLC	Retail	10-Tenant Retail Building(s)	14,040	\$156,223	\$11.13	\$13,005.25	\$0.91	1.34%
PCW Holdings LLC	Retail	Car Wash	9,969	\$119,019	\$11.94	\$9,908.06	\$0.99	1.02%
Vertically Constructed Subtotal				\$458,036		\$38,130.57		3.91%
Platted Single-Family Residential								
Pulte Home Company LLC	SF 55 or Less	Del Webb Tradition – Plat 5A	70	\$521,367	\$7,448.10	\$43,402.72	\$620.04	4.46%
Pulte Home Company LLC	SF 56 - 66	Del Webb Tradition – Plat 5A	24	\$200,480	\$8,353.34	\$16,689.54	\$695.40	1.71%
Mattamy Palm Beach LLC	SF 55 or Less	Kenley – Plat 1	137	\$1,027,011	\$7,496.43	\$85,496.51	\$624.06	8.78%
Mattamy Palm Beach LLC	SF 56 - 66	Kenley – Plat 1	77	\$646,928	\$8,401.67	\$53,855.41	\$699.42	5.53%
Mattamy Palm Beach LLC	SF 55 or Less	Telaro – Plat 2	206	\$1,539,419	\$7,472.91	\$128,153.34	\$622.10	13.16%
Mattamy Palm Beach LLC	SF 56 - 66	Telaro – Plat 2	50	\$419,290	\$8,385.80	\$34,904.98	\$698.10	3.58%
GRBK GHO Belterra LLC	SF 56 - 66	Belterra – Plat 1 & 2	26	\$217,825	\$8,377.90	\$18,133.49	\$697.44	1.86%
GRBK GHO Belterra LLC	SF 67 or More	Belterra – Plat 1 & 2	47	\$425,869	\$9,061.03	\$35,452.65	\$754.31	3.64%
Platted Single-Family Residential Subtotal				\$4,998,189		\$416,088.64		42.72%
Under Vertical Construction								
Grande Palms at Tradition I LLC	Apartments	Apartments	300	\$1,502,075	\$5,006.92	\$125,044.52	\$416.82	12.84%
Accel Florida LLC	Warehouse	Wire & Cable Manufacturing Facility	150,351	\$955,193	\$6.35	\$79,517.79	\$0.53	8.16%
Oculus Surgical, Inc.	Warehouse	Ophthalmic Instrument Manufacturing Facility	75,246	\$477,695	\$6.35	\$39,767.05	\$0.53	4.08%
NBPIII Legacy III LLC	Warehouse	Multi-Tenant Industrial Building	168,000	\$1,069,143	\$6.36	\$89,003.89	\$0.53	9.14%
Cheney Bros, Inc.	Warehouse	Food Distribution Facility	351,869	\$2,239,276	\$6.36	\$186,414.94	\$0.55	19.14%
Under Vertical Construction Subtotal				\$6,362,400		\$519,748.19		53.36%
Total				\$11,695,000		\$973,967.39		100.00%

Source: St. Lucie County Property Appraiser's website, other publicly available sources and the Issuer.

(1) Assumes collection via the Uniform Method and includes a gross up of 8% to reflect statutory early payment discounts and collection costs.

It is expected that, through the final maturity or earlier redemption in whole of the 2022 Bonds, each of the assessable non-single family residential properties and each of the assessable non-residential properties in the table above will be owned by a respective single landowner. See “BONDHOLDERS’ RISKS—Item No. 1.”

It should be noted that the percentage of the 2022 CI Assessments levied on Benefitted Parcels in the 2022 Assessment Area will increase to the extent prepayments of 2022 CI Assessments occur with respect to other Benefitted Parcels in the 2022 Assessment Area, including in connection with the sale to end users of residential lots in the 2022 Assessment Area. See “DESCRIPTION OF THE 2022 BONDS—Redemption Provisions—Extraordinary Mandatory Redemption” and “SOUTHERN GROVE—Status of Development.”

As described under “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 Bonds—Prepayment of 2022 CI Assessments,” owners of land subject to the 2022 CI Assessments are entitled to prepay the 2022 CI Assessments. Accordingly, extraordinary mandatory redemptions of the 2022 Bonds may occur at any time after the issuance of the 2022 Bonds on a regular and accelerated basis. See “DESCRIPTION OF THE 2022 BONDS—Extraordinary Mandatory Redemption.”

Other Taxes and Special Assessments

In addition to 2022 CI Assessments, all District Lands in the 2022 Assessment Area are subject to annual ad valorem taxes and non-ad valorem taxes/special assessments levied/assessed by various taxing authorities, including the SG Stormwater Fees levied by the City. See “THE INTERLOCAL AGREEMENTS—Stormwater Interlocal Agreement.” The fiscal year 2022-2023 certified millage rate (which includes millage levied by various taxing authorities and voted millage) for the area of the County where the 2022 Assessment Area is located is 23.0004 mills.

In addition to millage, as discussed in more detail under the heading “SOUTHERN GROVE,” the City has issued its SAD Bonds which are payable from the SAD Assessments levied on the lands within Southern Grove and the City levies additional non-ad valorem assessments in the SAD. The SAD Assessments are used to pay debt service on the SAD Bonds and the additional non-ad valorem special assessments levied by the City in connection with the SAD Project are used to reimburse the City for other costs associated with the SAD Project. Further, all landowners in the 2022 Assessment Area are subject to non-ad valorem special assessments levied by the related Districts for operation, maintenance, and administrative functions (“O&M Assessments”) which will vary annually based on the adopted budget for the District each year. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 Bonds—Additional Assessments” and “BONDHOLDERS’ RISKS—Item No. 9.” Upon achieving final plat status, landowners in the 2022 Assessment Area qualify for a rebate up to the amount of the SAD Assessments from tax increment revenues generated from a respective parcel up to the amount of the SAD Assessments levied on such parcel. See “THE INTERLOCAL AGREEMENTS—CRA Interlocal Agreement.”

Historical Collection of 2022 CI Assessments

The following table reflects historical levies and collections results with respect to the Community Infrastructure Assessments relating to the 2019 Bonds and the 2020 Bonds for the Fiscal Years shown in the table and excludes information regarding the 2021 Bonds, with respect to which Community Infrastructure Assessments have not yet been collected because interest on the 2021 Bonds was capitalized through November 1, 2022. Historically, during a given Fiscal Year, following April remittances, the Tax Collector continues to remit to the Administration District amounts representing non-delinquent payments of Community Infrastructure

Assessments. In addition, during a given Fiscal Year, the Tax Collector will remit to the Administration District any amounts collected in respect of Community Infrastructure Assessments that became delinquent as of April 1 of such Fiscal Year, to the extent collected through the sale of tax certificates as described under “ENFORCEMENT OF ASSESSMENT COLLECTIONS.” No assurance is made that the past experience with regard to collection of Community Infrastructure Assessments relating to the 2019 Bonds and the 2020 Bonds as shown below is indicative in any way of future collections of delinquencies in payment of the 2022 CI Assessments. The Community Infrastructure Assessments relating to the 2019 Bonds and the 2020 Bonds are currently, and the Community Infrastructure Assessments relating to the 2021 Bonds and the 2022 Bonds are expected to be, collected annually via the Uniform Method by the County Tax Collector.

<u>Fiscal Year Ended 9/30</u>	<u>Gross Amount Levied</u>	<u>Net Amount Levied</u>	<u>Net Amount Collected</u>	<u>Net Percentage Collected*</u>
2022	\$957,082.56	\$899,657.61	\$901,510.15	100%
2021	\$1,002,763.35	\$942,597.55	\$953,018.51	101%
2020 ⁽¹⁾	\$889,139.18	\$835,790.83	\$819,992.87	98%
2019	\$801,464.98	\$753,377.08	\$758,430.57	101%

Source: The District Manager of the District.

⁽¹⁾ Subsequent to the gross levy, a property owner prepaid Community Infrastructure Assessments relating to two parcels, which is reflected in the “Net Amount Levied” Column. Accordingly, the Community Infrastructure Assessments related to the 2020 Bonds were fully collected.

* Rounded. The difference between the gross amount levied and the net amount collected is attributable to most property owners taking advantage of the full 4% discount for early payment by paying in November. In addition, the County Tax Collector deducts 2% from the total amount collected for the services of the Tax Collector and County Property Appraiser deducts 2% from the total amount collected for the services of the Property Appraiser. The Administration District budgets to receive 92% of the amount levied. Collections in excess of 100% are the result of property owners not taking full advantage of discounts.

BONDHOLDERS’ RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the 2022 Bonds offered hereby and are set forth below. Prospective investors in the 2022 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 2022 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the 2022 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the 2022 Bonds.

(1) Extraordinary Mandatory Redemption Risk; Concentration Risk; Remedies May Be Delayed, Not Readily Available Or Limited. As described under “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—Prepayment of 2022 CI Assessments,” owners of land subject to the 2022 CI Assessments are entitled to prepay the 2022 CI Assessments and extraordinary mandatory redemptions of the 2022 Bonds may occur after the issuance of the 2022 Bonds on a regular and accelerated basis. See “DESCRIPTION OF THE 2022 BONDS—Redemption Provisions—Extraordinary Mandatory Redemption” and “THE 2022 ASSESSMENT AREA—Allocation of 2022 CI Assessments.”

As described in “THE 2022 ASSESSMENT AREA—Allocation of 2022 CI Assessments” (including the table under that subcaption) it is expected that, through the final maturity or earlier redemption in whole of the 2022 Bonds, each of the assessable non-single family residential and each of the assessable non-residential properties in the 2022 Assessment Area will be owned by a respective single landowner. As of the date hereof, the assessable properties in the 2022 Assessment Area subject to more than 10% of the 2022 CI Assessments consist of: (i) the land currently owned by Cheney Brothers, Inc. related to a food distribution facility, which represents approximately 19.14% of the 2022 CI Assessments and (ii) the land currently owned by Grande Palms at Tradition I LLC related to apartments, which represents approximately 12.84% of the 2022 CI Assessments.

The percentages of 2022 CI Assessments represented by Benefitted Parcels in the 2022 Assessment Area will fluctuate (increase or decrease) from time to time depending on the principal amount of 2022 Bonds subject to extraordinary mandatory redemption from prepayment of 2022 CI Assessments.

See “DESCRIPTION OF THE 2022 BONDS—Redemption Provisions—Extraordinary Mandatory Redemption,” “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—2022 Acquisition and Construction Account,” “SOUTHERN GROVE—Status of Development” and “THE 2022 ASSESSMENT AREA,” including ‘Allocation Threshold’ and ‘Allocation of 2022 CI Assessments.’

In the event of the institution of bankruptcy or similar proceedings with respect to any significant owner of property within the 2022 Assessment Area, delays will most likely occur in the payment of debt service on the 2022 Bonds as such bankruptcy could negatively impact the ability of: (i) any such landowner within the 2022 Assessment Area being able to pay the 2022 CI Assessments; (ii) the District and/or the Administration District to foreclose the lien on the 2022 CI Assessments if tax certificates are not sold; and (iii) the County to sell tax certificates in relation to such property (in the case of (ii) and (iii) to the extent that any portion of the 2022 CI Assessments are being collected by the Uniform Method). In addition, the remedies available to the Beneficial Owners of the 2022 Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, during a bankruptcy of any significant owner of property within the 2022 Assessment Area, the remedies specified by federal, state and local law and in the Indenture and the 2022 Bonds, including, without limitation, enforcement of the obligation to pay the 2022 CI Assessments may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2022

Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available respecting the 2022 Bonds could have a material adverse impact on the interest of the Beneficial Owners thereof. The failure of a landowner in the 2022 Assessment Area to pay the required 2022 CI Assessments on its property will not result in an increase in the amount of 2022 CI Assessments other landowners in the 2022 Assessment Area (or elsewhere in the Districts) are or would be required to pay.

(2) Lands In The 2022 Assessment Area May Not Be Sufficiently Valuable; Lack Of Market For Tax Certificates. The principal security for the payment of the principal of and interest on the 2022 Bonds is the timely collection of the 2022 CI Assessments. The 2022 CI Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured only by a lien on such land. There is no assurance that owners of this land will be able to pay the 2022 CI Assessments or that they will pay such 2022 CI Assessments even though financially able to do so. Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates (to the extent that any portion of the 2022 CI Assessments are being collected by 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 years. The determination of the benefits to be received by the land within the 2022 Assessment Area as a result of implementation and development of the 2022 CI Project 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 in the 2022 Assessment Area could potentially be ultimately less than the debt secured by the 2022 CI Assessments associated with it. To the extent that the realizable or market value of the land is lower than the assessment of benefits, the ability of the County to sell tax certificates relating to such land may be adversely affected (to the extent that any portion of the 2022 CI Assessments are being collected by the Uniform Method of Collection). Such adverse effect could render the District and/or the Administration District unable to collect delinquent 2022 CI Assessments, if any, and could negatively impact the ability of the District to make the full or punctual payment of the debt service on the 2022 Bonds, in respect of delinquent 2022 CI Assessments. The payment of the annual 2022 CI Assessments and the ability of the Tax Collector to sell tax certificates or the District and/or the Administration District to foreclose the lien of the unpaid taxes, including the 2022 CI Assessments, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to court foreclosure. Bankruptcy of a property owner will most likely also result in a delay by the Tax Collector or the District and/or the Administration District in prosecuting court foreclosure proceedings. Such delay with respect to the 2022 CI Assessments would increase the likelihood of a delay or default in payment of and interest on the 2022 Bonds.

(3) Districts Must Follow Statutory Procedures To Levy And Collect 2022 CI Assessments. The Districts are required to comply with statutory procedures in levying the 2022 CI Assessments. Failure of the Districts to follow these procedures could result in the 2022 CI Assessments not being levied or potential future challenges to such levy. Counsel to the Districts will, however, render a legal opinion as to the levy process and the enforceability of the 2022 CI Assessments. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS" herein.

(4) 2022 CI Assessments Are Non-Recourse. The District has not granted, and may not grant under Florida law, a mortgage or security interest in the 2022 CI Project. Furthermore, the District has not pledged the revenues, if any, from the operation of the 2022 CI Project as security for, or a source of payment of, the 2022 Bonds. Neither has the District covenanted to establish rates, fees and charges for the 2022 CI Project at any specified levels. The 2022 Bonds are payable solely from, and secured solely by, the 2022 CI Assessments. No landowner in the 2022 Assessment Area is a guarantor of payment on any 2022 CI Assessments and the recourse for any landowner's failure to pay the 2022 CI Assessments is limited to its ownership interest in the assessed land in the 2022 Assessment Area.

(5) Delays In Enforcement Of Collection Of Delinquent 2022 CI Assessments May Arise. In addition to legal delays that could result from bankruptcy, the ability of the District and/or the Administration District to enforce collection of delinquent 2022 CI Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the 2022 CI Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. In addition, if the District and/or the Administration District should commence a foreclosure action against a landowner for nonpayment of 2022 CI Assessments, such landowner may raise affirmative defenses which could result in delays or other obstacles to completing the foreclosure action. It is also possible that the Districts will not have sufficient funds to pursue the foreclosure action and/or will be compelled to request Bondholders to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. The use of funds on deposit under the Indenture is subject to the limitations on the use of proceeds of the 2022 Bonds for such purpose imposed by the Code (as hereinafter defined). If the District and/or the Administration District has difficulty in collecting the 2022 CI Assessments or the Districts have insufficient funds to pursue a foreclosure action, the 2022-1 Reserve Account and the 2022-2 Reserve Account could be rapidly depleted and the ability of the District to pay the Debt Service Requirements on the 2022 Bonds could be materially adversely affected.

A Florida bankruptcy court decision held that the board of supervisors of a community development district, as a creditor, may vote to approve a reorganization plan submitted by the majority landowner in the district, as debtor, notwithstanding that a majority of the members of the board of supervisors were affiliated with, or employed by, the landowner. In that instance, the reorganization plan approved by the community development district resulted in a significant delay in payment of debt service on outstanding bonds of the district. Currently, certain members of the Board of the District are employees of the District Manager and all of the members have been elected by landowners. No mechanism exists under the Act or the Indenture to permit Bondholders to replace Supervisors following an Event of Default under the Indenture. See also Item No. 4—“2022 CI Assessments Are Non-Recourse” above.

(6) Challenges To The Superiority Of The Lien Of The 2022 CI Assessments By Mortgage Lenders, If Any, May Arise. Owners should note that several mortgage lenders have, in the past, raised legal challenges to the primacy of the liens similar to those of the 2022 CI Assessments in relation to the liens of mortgages burdening the same real property. The real property in the 2022 Assessment Area may be subject to mortgages.

(7) Amounts On Deposit In The 2022-1 Reserve Account And The 2022-2 Reserve Account May Be Insufficient To Fund Deficiencies Caused By Delinquent 2022 CI Assessments. Some of the risk factors described herein, which, if materialized, would result in a delay in the collection of the 2022 CI Assessments, may not affect the timely payment of the Debt Service Requirements on the 2022-1 Bonds because of the 2022-1 Reserve Account established by the Indenture for the 2022-1 Bonds and may not affect the timely payment of the Debt Service Requirements on the 2022-2 Bonds because of the 2022-2 Reserve Account established by the Indenture for the 2022-2 Bonds. The ability of the 2022-1 Reserve Account and the ability of the 2022-2 Reserve Account to fund deficiencies caused by delinquent 2022 CI Assessments is dependent upon the amount, duration and frequency of such deficiencies. Moneys on deposit in the 2022-1 Reserve Account and the 2022-2 Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the 2022-1 Reserve Account to make up deficiencies with respect to the 2022-1 Bonds and the amount of moneys available in the 2022-2 Reserve Account to make up deficiencies with respect to the 2022-2 Bonds.

(8) District Will Likely Have Insufficient Funds To Replenish Draws On The 2022-1 Reserve Account And The 2022-2 Reserve Account. Owners of the 2022-1 Bonds should note that although the Indenture contains a 2022-1 Reserve Account Requirement for the 2022-1 Bonds, and a corresponding obligation on the part of the District to replenish the 2022-1 Reserve Account to the 2022-1 Reserve Account Requirement, if in fact that account is accessed for any purpose, the District does not have a designated revenue source for replenishing that fund. Moreover, the District will not be permitted to re-assess real property then burdened by the 2022 CI Assessments in order to provide for the replenishment of the 2022-1 Reserve Account. Owners of the 2022-2 Bonds should note that although the Indenture contains a 2022-2 Reserve Account Requirement for the 2022-2 Bonds, and a corresponding obligation on the part of the District to replenish the 2022-2 Reserve Account to the 2022-2 Reserve Account Requirement, if in fact that account is accessed for any purpose, the District does not have a designated revenue source for replenishing that fund. Moreover, the District will not be permitted to re-assess real property then burdened by the 2022 CI Assessments in order to provide for the replenishment of the 2022-2 Reserve Account

(9) Other Entities Levy Taxes And Assessments On The 2022 Assessment Area Lands; Districts May Levy Additional Assessments. The willingness and/or ability of an owner of land within the 2022 Assessment Area to pay the 2022 CI Assessments levied on its land could be affected by the existence of other taxes and assessments imposed upon the land by the Districts, the City or by the County, or by other public entities, which may be affected by the value of the land subjected to such taxation and assessment. Public entities whose boundaries overlap those of the District, such as the County and County school district, and the City, could, without the consent of the owners of the land within the 2022 Assessment Area, impose additional taxes or assessments on the property within 2022 Assessment Area. The District has no control over the amount of taxes or assessments levied by governmental entities other than the District. The lien of the 2022 CI Assessments is, however, of equal dignity with the liens for State and County and certain taxes upon land. As referenced herein, the Districts have imposed or may also impose additional Public Infrastructure Assessments and/or non-ad valorem assessments for operation and maintenance (including administrative) expenses, which could encumber the property burdened by the 2022 CI Assessments and the land in the 2022 Assessment Area is subject to the SAD Assessments and other non ad-valorem special assessments levied by the City in connection with the SAD Project,

as well as the SG Stormwater Fees levied by the City. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—Additional Assessments,” “THE INTERLOCAL AGREEMENTS,” “SOUTHERN GROVE—Overview” and “2022 ASSESSMENT AREA—Other Taxes and Special Assessments.”

City, County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the 2022 CI Assessments, collected pursuant to the Uniform Method are payable at one time. As referenced above, a taxpayer cannot designate specific line items on the tax bill as being paid in full, except pursuant to a contest in compliance with the procedures set forth in Section 194.171(3), Florida Statutes. Therefore, in the absence of such a contest, the failure to pay any one line item would cause the 2022 CI Assessments collected on such tax bill to not be collected. In the event of such a contest, a taxpayer may be permitted to pay only that amount of the contested tax assessment, that the taxpayer, in good faith, admits to be owing or be otherwise permitted to make a partial payment, all as more fully described under “ENFORCEMENT OF ASSESSMENT COLLECTIONS—Uniform Method Tax Collection Procedure” herein. Such partial payment may possibly include non-ad valorem special assessments such as the 2022 CI Assessments, although it is not clear from applicable judicial decisions that non-ad valorem assessments may be contested in the same manner as ad valorem taxes. In either case, there could be a delay in the collection of the 2022 CI Assessments collected pursuant to the applicable tax bill. The election by a significant number of landowners in the 2022 Assessment Area to make partial payment of the amounts collected on a tax bill, or to contest the 2022 CI Assessments collected on the tax bill, 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 2022 Bonds.

(10) Economic Conditions May Adversely Impact Development Of The 2022 Assessment Area; Catastrophic Events May Impact the 2022 Assessment Area. The 2022 Assessment Area may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the District and owners of land in the 2022 Assessment Area. There can be no assurance that construction of planned uses in the 2022 Assessment Area will occur as contemplated. In addition, the 2022 Assessment Area 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 required public improvements, both public and private, and construction of the remaining unconstructed components of the 2022 CI Project and other Community Infrastructure, in accordance with applicable zoning, land use and environmental regulations for Southern Grove. Although no delays are anticipated, failure to obtain any such approvals in a timely manner could delay or adversely affect the 2022 Assessment Area, which may negatively impact a landowner’s desire or ability to develop the 2022 Assessment Area as contemplated.

The value of the lands in the 2022 Assessment Area could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands in the 2022 Assessment Area unable to support development. The occurrence of any such events could materially adversely impact the District’s ability to pay principal and interest on the 2022 Bonds.

The 2022 Bonds are not insured, and the Districts' casualty insurance policies do not insure against losses incurred on private lands within their respective boundaries. See also Item No. 23 below.

(11) District Will Have Insufficient Funds To Complete The 2022 CI Project; No Assurance Other Entities Will Have Sufficient Funds To Complete Infrastructure For The 2022 Assessment Area. Amounts available in the 2022 Acquisition and Construction Account will be insufficient to complete the 2022 CI Project. Upon an insufficiency of funds, it is unlikely that the District would have other funds to complete such components of the 2022 CI Project if it or one of the Other Districts then serving as the "Issuer" under the District Development Interlocal Agreement does not issue future Community Infrastructure Indebtedness for such purpose. There is no assurance that such Community Infrastructure Indebtedness will be issued (and the Indenture imposes certain limits on the ability of the Districts to impose Assessments on the Benefitted Parcels in the 2022 Assessment Area as described under "SECURITY AND SOURCE OF PAYMENT OF THE 2022 BONDS—No Parity Bonds; Issuance of Other Obligations").

In addition, the cost of certain private infrastructure, improvements and facilities needed to serve land in the 2022 Assessment Area that have not yet been constructed are expected to be funded by owners of land in the 2022 Assessment Area. There is no assurance such owners will have funds available to complete such improvements.

(12) District May Have Incomplete Information Regarding Tradition, Southern Grove And The 2022 Assessment Area. The District may have incomplete information concerning Tradition, Southern Grove and the 2022 Assessment Area. For example, the District has limited information concerning the condition of land in the 2022 Assessment Area, its suitability for future development and its value. Furthermore, none of the Master Developer, GFC or any landowner in the 2022 Assessment Area has participated in the preparation of this Limited Offering Memorandum.

(13) Land Development In The 2022 Assessment Area May Be Adversely Impacted. Undeveloped or partially developed land in the 2022 Assessment Area is inherently less valuable than developed land and provides less security to the Owners of the 2022 Bonds should it be necessary to institute proceedings due to the nonpayment of the 2022 CI Assessments. Failure to complete development or substantial delays in the completion of the 2022 Assessment Area due to litigation or other causes may reduce the value of the land subject to the 2022 CI Assessments and increase the length of time during which 2022 CI Assessments will be payable with respect to undeveloped property and may affect the willingness and ability of the owners of such property to pay the 2022 CI Assessments when due. A slowdown of the process of development of the land within the 2022 Assessment Area could adversely impact land values. There can be no assurance that land development operations within the 2022 Assessment Area will not be adversely affected by competition, a deterioration of the real estate market and economic conditions, supply chain delays, or future local, state and federal governmental policies relating to real estate development, the income tax treatment of real property ownership or the national or global economies.

(14) Higher Interest Rates May Adversely Impact A Landowner's Ability Or Willingness To Pay 2022 CI Assessments. The interest rate borne by the 2022 Bonds is, 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 2022 Bonds. These higher interest rates are intended to

compensate investors in the 2022 Bonds for the risk inherent in a purchase of the 2022 Bonds. However, such higher interest rates, in and of themselves, increase the amount of 2022 CI Assessments that the Districts must levy in order to provide for payments of debt service on the 2022 Bonds, and, in turn, may increase the burden upon owners of lands within the 2022 Assessment Area, thereby possibly increasing the likelihood of non-payment or delinquency in payment of such 2022 CI Assessments.

(15) There Is No Assurance Of A Liquid Secondary Market For The 2022 Bonds. There is no assurance that a liquid secondary market exists or will develop for the 2022 Bonds in the event a Beneficial Owner thereof determines to solicit purchasers for the 2022 Bonds it owns. Even if a liquid secondary market exists or develops, as with any marketable securities, there can be no assurance as to the price for which the 2022 Bonds may be sold. Such price may be lower than that paid by the current Beneficial Owner of the 2022 Bonds, depending on the progress of the 2022 Assessment Area, existing real estate and financial market conditions and other factors.

(16) Changes In Federal Tax Law May Adversely Affect Value Of 2022 Bonds; No Adjustment To Interest Rate In The Event Of A Change In The Tax-Exempt Status Of The 2022 Bonds; Matters Related To The Securities Act. There can be no assurance that an audit by the IRS of the 2022 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law. See “THE DISTRICT—Additional Matters Related to Special Districts.”

Owners of the 2022 Bonds are advised that, if the IRS does audit the 2022 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 2022 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 2022 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 2022 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 2022 Bonds would adversely affect the availability of any secondary market for the 2022 Bonds. Should interest on the 2022 Bonds become includable in gross income for federal income tax purposes, not only will Owners of 2022 Bonds be required to pay income taxes on the interest received on such 2022 Bonds and related penalties, but because the interest rate on such 2022 Bonds will not be adequate to compensate Owners of the 2022 Bonds or the income taxes due on such interest, the value of the 2022 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATE ON THE 2022 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE 2022 BONDS. PROSPECTIVE PURCHASERS OF THE 2022 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE 2022 BONDS IN THE EVENT THAT THE INTEREST ON THE 2022 BONDS BECOMES TAXABLE.

If the 2022 Bonds were to be audited, the IRS might examine whether the District is a political subdivision and whether interest on the 2022 Bonds is excludable from gross income. In addition to a possible determination by the IRS that the District is not a political subdivision for purposes of the Code, and regardless of the IRS determination, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of 2022 Bonds may not be able to rely on the exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), relating to securities issued by political subdivisions. In that event the Owners of the 2022 Bonds would need to ensure that subsequent transfers of the 2022 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and state securities laws.

It should also be noted that the 2022 Bonds are part of the Bonds which were validated by the Circuit Court of the State of Florida in and for St. Lucie County, Florida, in which it was determined, *inter alia*, among other things, that the Issuer has the authority under Florida law to issue such Bonds, that the purpose for which such Bonds were issued is legal under Florida law, and that the proceedings for issuance of such Bonds complies with the requirements of applicable Florida law. See "VALIDATION."

Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the 2022 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the 2022 Bonds, cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the 2022 Bonds.

See "TAX MATTERS" herein.

(17) Consultants May Not Perform. While the District has represented to the Underwriter that it has selected its District Manager, District Counsel, Consulting Engineers, Trustee and other professionals with the appropriate due diligence and care, and while the foregoing parties have each represented in their respective areas as having the requisite experience to accurately and timely perform the duties assigned to them in such roles, the District does not guaranty any portion of the performance of these parties.

(18) Environmental Matters May Adversely Impact Land In The 2022 Assessment Area. The value of the land within the 2022 Assessment Area, the success of the 2022 Assessment Area and the likelihood of timely payment of principal and interest on the 2022 Bonds could be affected by environmental factors with respect to the land in the 2022 Assessment Area. Should the land in the 2022 Assessment Area be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the 2022 Assessment Area, which could materially and adversely affect the success of the 2022 Assessment Area and the likelihood of timely payment of

the 2022 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the 2022 Assessment Area.

(19) Impact Of Existing And Potential Future Property Tax Reform Legislation Cannot Be Predicted. On June 21, 2007, Florida Governor Charlie Crist signed into law property tax reform legislation enacted by the Florida Legislature which, among other matters, required counties, cities and special districts to roll back their millage rates. Additional property tax reform legislation was enacted by the Florida Legislature in a special session ended October 29, 2007 and a constitutional amendment was approved by Florida voters on January 29, 2008 which, among other matters, increased the homestead exemption for certain properties. An additional constitutional amendment relating to property tax reform was approved in November, 2010. In its 2011 regular session, the Florida Legislature enacted additional legislation impacting ad valorem taxation. Constitutional amendments implementing a portion of this legislation to grant additional homestead exemptions for certain homeowners and other property tax exemptions were approved by the electors in 2012, 2016, 2018 and 2020 and an additional constitutional amendment relating to property tax is planned for 2022. It is impossible to predict what new proposals may be presented regarding ad valorem tax reform during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. See also the discussion of the Executive Order directing an examination of the role of special districts in Florida under “THE DISTRICT—Legal Powers and Authority.” It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the 2022 Bonds. It should be noted that Section 190.16(14) of the CDD Act provides in pertinent part that “The state pledges to the holders of any bonds issued under the CDD Act that it will not limit or alter the rights of the district to levy and collect the assessments and to fulfill the terms of any agreement made with the holders of such bonds and that it will not impair the rights or remedies of such holders.”

(20) District May Not Have Ability to Obtain Permits. In connection with the foreclosure of the lien of special assessments by a community development district, the Circuit Court in and for Sumter County, Florida concluded that such district had no right, title or interest in any permits and approvals owned by the owner of the parcel(s) so foreclosed upon. In the event the District and/or the Administration District forecloses the lien of the 2022 CI Assessments against a parcel to enforce payment of the 2022 CI Assessments levied by the Districts, including the District and/or the Administration District, may not have any right, title or interest in any permits and approvals owned by the owner of the parcel(s) so foreclosed upon. Failure by the Districts, the Administration District or landowners to obtain permits and/or approvals could adversely affect development within the 2022 Assessment Area, and may impair the price bid for such property at a public sale.

(21) Lender Foreclosure Risk. In the event a bank forecloses on property subject to the 2022 CI Assessments in the 2022 Assessment Area because of a default by a landowner on a mortgage on such property 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 2022 CI

Assessments. In addition, in this event the District and/or the Administration District would require the consent of the FDIC prior to commencing a foreclosure action.

(22) Cybersecurity. The District and the Administration District rely on a technological environment to conduct their respective operations. The District, the Administration District, their agents and other third parties the District and the Administration District do business with or otherwise rely upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that any such attack(s) will not materially impact the operations or finances of the District and/or the Administration District, which could impact the timely payment of debt service on the 2022 Bonds.

(23) COVID-19 And Related Matters. In addition to the general economic conditions discussed above, COVID-19 may alter the future behavior of businesses and people in a manner that could have negative impacts on global and local economies. The timely and successful further horizontal development of assessable land in the 2022 Assessment Area, the construction and sale of residential units therein, and the demand for apartment rentals, retail uses, industrial uses, and/or retail and manufactured products may be adversely impacted by the current spread of COVID-19 or by other highly contagious or epidemic or pandemic diseases. The District cannot predict the duration of the current COVID-19 outbreak and the ultimate impact the COVID-19 outbreak may have on the 2022 Assessment Area is unknown. The United States, the State of Florida and the County have all imposed certain health and public safety restrictions in response to COVID-19. The District cannot predict the duration of these restrictions or whether additional or new actions may be taken by governmental authorities, including the State and/or the County, to contain or otherwise address the impact of the COVID-19 or similar outbreak. It is possible that construction delays, delays in the receipt of permits or other government approvals, delays in construction of residential units and/or sales to end-users, or other delays, and decrease in demand for apartment rentals, retail uses, industrial uses, and/or retail and manufactured products could occur as a result of the COVID-19 outbreak or other highly contagious or epidemic or pandemic diseases that adversely impact the 2022 Assessment Area. See also “–Economic Conditions May Adversely Impact Development Of The 2022 Assessment Area; Catastrophic Events May Impact the 2022 Assessment Area” and “THE 2022 ASSESSMENT AREA” herein.

This section does not purport to summarize all risks that may be associated with purchasing or owning the 2022 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety (inclusive of Appendices) for a more complete description of investment considerations relating to the 2022 Bonds.

TAX MATTERS

Matters Relating to 2022-1 Bonds

General

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the 2022-1 Bonds in order to assure that interest on the 2022-1 Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. The Issuer’s failure to comply with these requirements may cause interest on the 2022-1 Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer has covenanted in the Indenture to take all actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the 2022-1 Bonds. The opinion of Bond Counsel with respect to the 2022-1 Bonds, the form of which is attached hereto as “APPENDIX C,” will be based upon and assume the accuracy of certain representations and certifications and are conditioned on compliance by the Issuer with such requirements, and Bond Counsel has not been retained to monitor compliance with requirements such as described above subsequent to the issuance of the 2022-1 Bonds. The Indenture does not require the Issuer to redeem the 2022-1 Bonds or to pay any additional interest or penalty in the event the interest on the 2022-1 Bonds becomes taxable.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer with the tax covenants referred to above, under existing law, interest on the 2022-1 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, however, for tax years beginning after December 31, 2022, interest on the 2022-1 Bonds is included in the adjusted financial statement income of certain applicable corporations that are subject to the alternative minimum tax under the Code.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the 2022-1 Bonds.

Bond Counsel will render its opinion as of the issue date, and will assume no obligation to update the opinion after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. The opinion of Bond Counsel is based on existing law, which is subject to change. As to questions of fact material to such opinion, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer, certificates of appropriate officers and others (including certifications as to the use of proceeds of the 2022-1 Bonds and of the property financed thereby), without undertaking to verify the same by independent investigation. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, the opinion of Bond Counsel is only an opinion and not a warranty or guaranty of the matters discussed or of a particular result, and are not binding on the Internal Revenue Service or the courts; rather such opinion represents Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Additional Federal Income Tax Consequences

Prospective purchasers of the 2022-1 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the 2022-1 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations and applicable corporations as defined in Section 59(k) of the Code relating to the federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Prospective purchasers of the 2022-1 Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2022-1 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Purchasers of the 2022-1 Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Limited Offering Memorandum should consult their own tax advisors regarding other tax considerations such as the consequences of market discount.

Changes in Tax Law

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the 2022-1 Bonds, gain from the sale or other disposition of the 2022-1 Bonds, the market value of the 2022-1 Bonds, or the marketability of the 2022-1 Bonds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the 2022-1 Bonds may occur. Prospective purchasers of the 2022-1 Bonds should consult their own tax advisors regarding the impact of any change in law on the 2022-1 Bonds.

Matters Relating to the 2022-2 Bonds

General

The following discussion is generally limited to “U.S. owners,” meaning beneficial owners of 2022-2 Bonds that for United States federal income tax purposes are individual citizens or residents of the United States, corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), and certain estates or trusts with specific connections to the United States. ***Partnerships holding 2022-2 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the 2022-2 Bonds (including their status as U.S. owners).***

Interest Income

Interest on the 2022-2 Bonds is included in gross income for United States Federal income tax purposes.

Recognition of Income Generally.

Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017, to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount and market discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the 2022-2 Bonds under the Code.

Defeasance

The legal defeasance of the 2022-2 Bonds may result in a deemed sale or exchange of the 2022-2 Bonds under certain circumstances; owners of the 2022-2 Bonds should consult their tax advisors as to the federal income tax consequences of such an event. Prospective purchasers of the 2022-2 Bonds should consult with their own tax advisors as to the federal, state and local, and foreign tax consequences of their acquisition, ownership and disposition of the 2022-2 Bonds.

Information Reporting and Backup Withholding

General information reporting requirements will apply to payments of principal and interest made on a 2022-2 Bond and the proceeds of the sale of a 2022-2 Bond to non-corporate holders of the 2022-2 Bonds, and “backup withholding,” at a rate equal to the fourth lowest rate of tax under Section 1(c) of the Code will apply to such payments if the owner fails to provide an accurate taxpayer identification number in the manner required or fails to report all interest required to be shown on its federal income tax returns. A beneficial owner of a 2022-2 Bond that is a U.S. owner generally can obtain complete exemption from backup withholding by providing a properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

Unearned Income Tax Affecting U.S. Owners

For taxable years beginning after December 31, 2012, a U.S. owner that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a tax on the lesser of (1) the U.S. owner’s “net investment income” for the taxable year and (2) the excess of the U.S. owner’s modified adjusted gross income for the taxable year over a certain threshold. A U.S. owner’s net investment income will generally include its interest income and its net gains from the disposition of the 2022-2 Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. owner that is an individual, estate, or trust, should consult its own tax advisor regarding the applicability of the tax.

Additional Matters Relating to On-going IRS Audit Program and Special Districts

The Internal Revenue Service (the “IRS”) has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. In addition, reference is made to “BONDHOLDERS’ RISKS—Item No. 19” herein regarding recent developments with respect to certain special district financings.

Bond Counsel cannot predict whether the IRS will commence an audit of the 2022-1 Bonds. Owners of the 2022-1 Bonds are advised that, if the IRS does audit the 2022-1 Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the Issuer as the taxpayer, and the owners of the 2022-1 Bonds may have limited rights to participate in such procedure. The commencement of audit could adversely affect the market value and liquidity of the 2022-1 Bonds until the audit is concluded, regardless of the ultimate outcome. As noted above, the Indenture do not require the Issuer to redeem the 2022-1 Bonds or to pay any additional interest or penalty in the event the interest on the 2022-1 Bonds becomes taxable.

AGREEMENT BY THE STATE

Under the CDD Act, the State pledges to the holders of any obligations issued thereunder, including the 2022 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 CDD Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the CDD Act and to fulfill the terms of any agreement made with the holders of such 2022 Bonds and that it will not in any way impair the rights or remedies of such holders.

LEGALITY FOR INVESTMENT

The CDD Act provides that the 2022 Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitute securities which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required for voluntary statutory deposits.

SUITABILITY FOR INVESTMENT

No application has been made for credit enhancement or a rating on the 2022 Bonds. Investment in the 2022 Bonds poses certain risks. See “BONDHOLDERS’ RISKS.” No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Rule 69W-400.003, Rules of Government Securities under Section 517.051(1), Florida Statutes, promulgated by the Florida Department of Financial Services, Office of Financial

Regulation, Division of Securities and Finance (“Rule 69W-400.003”), requires the District to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the District after December 31, 1975. Rule 69W-400.003 further provides, however, that if the District, in good faith, believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The District is not and has not since December 31, 1975 been in default as to principal and interest on its bonds or other debt obligations.

CONTINUING DISCLOSURE

Disclosure Agreement

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC Rule”), the District and Special District Services, Inc., as initial dissemination agent (the “Dissemination Agent”), will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement”), the form of which is attached hereto as APPENDIX D, at the time of issuance of the 2022 Bonds.

Pursuant to the Disclosure Agreement, the District will covenant for the benefit of Bondholders to provide to the Dissemination Agent certain financial information and operating data relating to the District and the 2022 Bonds in each year and to provide notices of the occurrence of certain enumerated material events. The covenants in the Disclosure Agreement have been made in order to assist the Underwriter in complying with the SEC Rule.

The District’s obligations under the Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2022 Bonds, so long as there is no remaining liability of the District or if the SEC Rule is repealed or no longer in effect.

The District Annual Report will be filed by the Dissemination Agent with the Repository, currently the Municipal Security Rulemaking Board’s Electronic Municipal Markets Access (“EMMA”) repository described in the form of the Disclosure Agreement attached hereto as APPENDIX D. 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 Annual Report and the notices of material events are described in APPENDIX D.

With respect to the 2022 Bonds, no parties other than the District are expected to provide any continuing disclosure information with respect to the SEC Rule.

Prior Undertakings

The District has entered into written undertakings for purposes of the SEC Rule with respect to the 2019 Bonds, the 2020 Bonds and the 2021 Bonds. With respect to the undertaking relating to the 2019 Bonds, the first filing date for the District’s annual report as required thereby was June 26, 2020 and the first filing date for the District’s audited financial statements as required thereby was June 30, 2020. The District filed its annual report 12 days after the filing deadline and its audited financial statements 80 days after the filing deadline. None of the Other Districts has previously entered into a written continuing disclosure undertaking pursuant to the SEC Rule.

FINANCIAL STATEMENTS

The audited financial statements of the District for the Fiscal Year ended September 30, 2021 are attached hereto as APPENDIX G.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the 2022 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the 2022 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2022 Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the 2022 Bonds, or in any way contesting or affecting the validity of the 2022 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 2022 Bonds, or the enforceability of any of the interlocal agreements described under “THE INTERLOCAL AGREEMENTS,” or the existence or powers of the District or any of the Other Districts.

UNDERWRITING

The Underwriter will agree, pursuant to a contract to be entered into with the District, subject to certain conditions, to purchase the 2022-1 Bonds from the District at an aggregate purchase price of \$8,584,800.00 (representing the par amount of the 2022-1 Bonds of \$8,760,000.00 less an underwriter’s discount of \$175,200.00) and to purchase the 2022-2 Bonds from the District at an aggregate purchase price of \$2,876,300.00 (representing the par amount of the 2022-2 Bonds of \$2,935,000.00 less an underwriter’s discount of \$58,700.00). See “ESTIMATED SOURCES AND USES OF PROCEEDS” herein. The Underwriter’s obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all the 2022 Bonds if any are purchased.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the District which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, The Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of

their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

DISCLOSURE OF MULTIPLE ROLES

Bondholders should note that Special District Services, Inc., Port St. Lucie, Florida is acting in dual capacities as both District Manager responsible for the administrative operations of the Districts and assessment consultant. Greenspoon Marder LLP, Fort Lauderdale, Florida, Bond Counsel in connection with the 2022 Bonds, has also represented the Interim Landowner and its affiliates in certain matters related to the Tradition community. Culpepper & Terpening has also served as consulting engineers from time to time to the Master Developer and other landowners in the Districts.

EXPERTS

The references herein to Culpepper & Terpening, Inc. as the consulting engineers to the Districts and the inclusion of “APPENDIX A—Consulting Engineer’s Report” attached hereto will be approved by said firm. The Consulting Engineer’s Report should be read in its entirety for complete information with respect to the subjects discussed therein. Special District Services, Inc., as assessment consultant, has prepared the 2022 Supplemental Assessment Report set forth in Appendix E hereto and such report should be read in its entirety for complete information with respect to the subjects discussed therein.

CONTINGENT FEES

Bond Counsel, Disclosure Counsel, District Counsel, the District’s consulting engineer, assessment consultant, the Underwriter and counsel to the Underwriter will receive fees for services rendered in connection with the issuance of the 2022 Bonds, which fees are contingent upon such issuance.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the 2022 Bonds are subject to the approval of Greenspoon Marder LLP, Fort Lauderdale, Florida, Bond Counsel. Greenspoon Marder LLP, Fort Lauderdale, Florida is also acting as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by its counsel Bryant Miller Olive, P.A., Orlando, Florida. Certain legal matters will be passed upon for the District by its counsel, Gonano & Harrell, Fort Pierce, Florida. Certain legal matters will be passed upon for the Trustee by Holland & Knight LLP, Miami, 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.

VALIDATION

The 2022 Bonds are part of an issue of Bonds validated on September 10, 2013 by the Circuit Court in and for St. Lucie County, Florida. The appeal period from such final judgment has expired with no appeal having been filed.

MISCELLANEOUS

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

The references herein to the 2022 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum has been prepared in connection with the sale of the 2022 Bonds and may not be reproduced or used, as a whole or in part, for any purpose. This Limited Offering Memorandum is not to be construed as a contact with the purchaser or the Owner or Beneficial Owners of any of the 2022 Bonds.

This Limited Offering Memorandum has been duly authorized, executed and delivered by the District.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5

By: /s/ Frank Covelli
Chair, Board of Supervisors

APPENDIX A

CONSULTING ENGINEER'S REPORT

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SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT

PORT ST. LUCIE, FLORIDA



SUPPLEMENTAL ENGINEER'S REPORT SERIES 2022 BONDS

November 2, 2022

C&T Project No. 19-085.TRA.006.2022

Certificate of Authorization No. 4286

PREPARED BY

Culpepper & Terpening, Inc.
2980 S. 25th Street
Fort Pierce, FL 34981
Tel. 772-464-3537
www.ct-eng.com

PREPARED FOR

Board of Supervisors
Southern Grove CDDs
c/o Special District Services, Inc.
2501A Burns Road
Palm Beach Gardens, Florida 33410

SECTION 1.0

1.1 INTRODUCTION

This report (the “2022 Supplemental Engineer’s Report”) supplements and updates the Second Amended and Restated Master Engineer’s Report dated July 9, 2013 (the “Master Engineer’s Report”), as amended and supplemented through the date hereof, including by (i) a supplement dated October 16, 2019 (the “2019 Supplemental Engineer’s Report”), prepared by the prior Consulting Engineers to Southern Grove Community District No. 5 (“District No. 5”) and the Other Districts, collectively the “Districts” or the “Southern Grove Community Development District”, (ii) a supplement dated May 13, 2020 (the “2020 Supplemental Engineer’s Report”) prepared by this firm, and (iii) a supplement dated June 9, 2021 (the “2021 Supplemental Engineer’s Report”) prepared by this firm (collectively, the “Original Engineer’s Report”).

This 2022 Supplemental Engineer’s Report presents information about Community Infrastructure components that are currently under construction or planned to be constructed in the next two years. This 2022 Supplemental Engineer’s Report supersedes any information in the Original Engineer’s Report that is inconsistent with the information presented herein. As of the date hereof: (i) certain Community Infrastructure components described in the Original Engineer’s Report have been completed and (ii) certain Community Infrastructure components described in the Original Engineer’s Report are not expected to be implemented, including projects identified as the South Icon Tower, the Tradition T Sign and 1-95 Fencing South.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Original Engineer’s Report, however, for purposes hereof, the term “Other Districts” means Southern Grove Community Development District Nos. 1-6 and, if established, also means Southern Grove Community Development District Nos. 7-10.

SECTION 2.0

2.1 STATUS OF COMMUNITY INFRASTRUCTURE

As noted above, since the date of the Master Engineer’s Report, the scope, components and related costs of the Community Infrastructure have been modified from time-to-time, including, without limitation, to delete certain components and portions of the Community Infrastructure are complete. The planning, design, permitting, acquisition, construction and equipping, as applicable, of certain other portions of the Community Infrastructure is on-going. The planning, design, permitting, acquisition, construction and equipping of additional components of Community Infrastructure remains to be undertaken.

2.2 COMMUNITY INFRASTRUCTURE INDEBTEDNESS

A portion of the cost of Community Infrastructure projects has been funded to-date with proceeds of bonds and other obligations issued by District No. 5, including its (i) Special Assessment Bonds, Series 2019 (Community Infrastructure) (the “2019 Bonds”), (ii) Special Assessment Bonds, Series 2020 (Community Infrastructure) (the “2020 Bonds”), and (iii) Special Assessment Bonds, Series 2021 (Community Infrastructure) (the “2021 Bonds”).



District No. 5 is now proposing to issue its Special Assessment Bonds, Series 2022-1 (Community Infrastructure) (the “2022-1 Bonds”) and its Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable) (the “2022-2 Bonds” and, together with the 2022-1 Bonds, the “2022 Bonds”) to fund additional portions of the cost of Community Infrastructure projects.

Notwithstanding anything to the contrary in the Original Engineer’s Report, the cost of any Community Infrastructure projects described in the 2019 Supplemental Engineer’s Report, the 2020 Supplemental Engineer’s Report and the 2021 Supplemental Engineer’s Report, as updated by this 2022 Supplemental Engineer’s Report, is eligible to be financed and refinanced by available proceeds of bonds or other obligations of District No. 5 or one of the Other Districts (the “Community Infrastructure Indebtedness”); provided that (i) only a portion of the proceeds of the 2021 Bonds and the proceeds of the 2022-2 Bonds may be used to pay costs of the TIM Project, as such project is described below in Section 2.2 and (ii) proceeds of tax-exempt Community Infrastructure Indebtedness may only fund Community Infrastructure costs eligible to be funded by tax-exempt bonds (which currently excludes the TIM Project).

All of the proceeds of the 2019 Bonds available to pay a portion of the cost of Community Infrastructure have been fully expended for that purpose.

As of October 14, 2022, \$1,365,809 of the proceeds of the 2020 Bonds remain available to fund the cost of Community Infrastructure, however that amount is currently earmarked for use in connection with a Community Infrastructure project identified in the Original Engineer’s Report as “Marshall Parkway - Phase 1” and may not be available for expenditure on other Community Infrastructure projects described in Section 2.2 below.

As of October 14, 2022, \$4,728,359 of the proceeds of the 2021 Bonds remain available to fund the cost of Community Infrastructure, however \$623,194.68 of that amount is currently earmarked for use in connection with future projects related to the “Tradition in Motion” (“TIM”) program.

Additionally, \$1,675,000 of prepaid Community Infrastructure Assessments are available to fund a portion of the cost of Community Infrastructure (the “Prepaid Assessments”).

2.3 DESCRIPTION OF CERTAIN COMMUNITY INFRASTRUCTURE PROJECTS

Taking into account the Prepaid Assessments, it is reasonable to expect proceeds of (i) the 2020 Bonds available to be expended on Community Infrastructure will be fully expended for that purpose approximately 3 years from the date of issuance of the 2020 Bonds (June 17, 2020), (ii) the 2021 Bonds available to be expended on Community Infrastructure will be fully expended for that purpose approximately 3 years from the date of issuance of the 2021 Bonds (June 30, 2021), and (iii) the proposed 2022 Bonds available to be expended on Community Infrastructure will be fully expended for that purpose within 3 years from the date of issuance of the 2022 Bonds.

A map depicting certain of the projects described in this Section 2.2 is attached to this 2022 Supplemental Engineer’s Report as exhibits.



1. ACOE Mitigation

Project Description

This public project is sometimes referred to as the “ACOE Mitigation Project.”

The Districts are required to construct mitigation areas as it relates to the Army Corps of Engineers (ACOE) permit conditions. The remaining mitigation area, also known as the Duda Canal, is an enhancement to the Districts’ existing conveyance canal as well as the completion of the ACOE permit conditions. The enhancement will include the construction of 7.5 acres of littoral area and natural recruitment of wetland vegetation. The construction of the project is approximately seventy-five (75%) percent complete.

Ownership and Operation

Completed components of this project are, and components of this project remaining to be completed will be, owned and operated by and behalf of the Districts and located in publicly owned property or public right of way or easements.

Estimated Cost

The total cost of this project is estimated to be \$3,101,060, of which approximately \$1,880,307 remains to be expended as of the date hereof.

Estimated Completion Date

This project is expected to be completed by February, 2023.

2. Outfall

Project Description

This public project entails the reconstruction of two (2) drainage outfalls into the South Florida Water Management District (SFWMD) Canal C-23. This project provides for the installation of an outfall control weir at the Becker Road structure and replacement of the outfall pipes into the SFWMD Canal C-23. The new outfall structure into the SFWMD C-23 will include the ability to augment the community irrigation water with stormwater runoff from the SFWMD Canal C-23.

Ownership and Operation

This project will be owned and operated by and on behalf of the Districts and located in publicly owned property or public right of way or easements.

Estimated Cost

The total cost of this project is estimated to be \$700,000.

Estimated Completion Date

The outfall control weir at Becker Road has been completed and the project is expected to be fully completed by the Summer, 2023.



3. Tradition Trail

Project Description

This public project involves continued construction of Tradition Trail.

Completed sections of Tradition Trail include approximately 4,600 LF along Community Boulevard from Tradition Parkway to Discovery Way and 1,400 LF along Discovery Way between Community Boulevard and Village Parkway. The “Art in the Park” Icon Trailhead is located at the corner of Village Parkway/Discovery Way.

In addition, 3,200 LF of Tradition Trail from the “Art in the Park” southerly along Village Parkway past the Telaro Entrance has been completed. The remaining 1,400 LF along Village Parkway to the Stars and Stripes Park still has to be completed as part of the first phase of Tradition Trail.

The next segment (or the final phase) of Tradition Trail remaining to be completed will extend from East-West No. 2 southerly approximately 12,500 LF along Village Parkway to Becker Road, consisting of a two-pathway system: (1) existing and to-be constructed 8' wide dedicated TIM Path and (1) proposed 12' wide multi-purpose path, seating areas with shade structures and site furnishings, E-bike charging stations, signage, landscape and irrigation improvements. The dedicated TIM Path is part of the TIM Project.

Ownership and Operation

Completed components of this project are, and components of this project remaining to be completed will be, located on a public easement or a tract of land owned by and on behalf of the Districts.

Completed components of this project are, and components of this project remaining to be completed will be, owned and operated by and on behalf of the Districts.

Estimated Cost

The remaining cost of the first phase of the project is estimated to be \$700,000.

The total cost of the second phase of the project is estimated to be \$4,350,000, which includes approximately \$200,000 for the dedicated TIM paths.

Estimated Completion Date

The first phase of the project is estimated to be completed by Fall, 2023.

The second phase of the project is estimated to be completed by Spring, 2024.



4. Paar Drive (West)

Project Description

The first phase of this project is on-going and involves construction of public roadway improvements from Village Parkway westerly approximately 3,300 linear feet, or 1,100 linear feet west of the Kenley residential community entrance. The proposed roadway section will be a two-lane undivided urban roadway with signalization improvements at Village Parkway, potable water mains, a sidewalk and landscaping and irrigation improvements. In addition, the 12" water main will be extended 3,200 linear feet westerly to the intersection of Community Boulevard. Construction of this phase of the project is nearing completion.

The second phase of this project has not yet commenced and involves construction of public roadway improvements from the westerly end of Phase 1 westerly approximately 3,100 linear feet to Community Boulevard. The proposed roadway section will be a two-lane undivided urban roadway, a sidewalk and landscaping and irrigation improvements.

Ownership and Operation

Completed components of this project are, and components of this project remaining to be completed will be, located on a public right of way and owned and operated by the City of Port St. Lucie.

Estimated Cost

The first phase of this project is estimated to have a total cost of \$3,700,000, of which approximately \$2,900,000 remains to be expended as of the date hereof.

The second phase of this project is estimated to have a total cost of \$4,300,000.

Estimated Completion Date

The first phase of this project is expected to be completed by January, 2023.

The second phase of this project is expected to be completed by January, 2025.

5. Heart Sculpture

Project Description

This project is a Public Art Element, located at the southwest corner of Village Parkway/Discovery Way and will consist of a regional iconic 'Heart' sculpture with elevated pedestrian bridge set atop a stepped pedestal public space/plaza. Design of this project is on-going.

Ownership and Operation

This project will be on land owned by or on behalf of the Districts and owned and operated by and on behalf of the Districts.



Estimated Cost

This project is estimated to have a total cost of at least \$4,325,000, of which approximately \$500,000 has been expended. Community Infrastructure Indebtedness will not fund costs of the Heart Sculpture in excess of the amount required by the City to be expended on “art in public places” within the boundaries of the Southern Grove Community Development Districts. This required amount is currently estimated to be \$2,125,000.

Estimated Completion Date

This project is expected to be completed by February, 2024.

6. Stars and Stripes Park

Project Description

The public Stars and Stripes Park vision is to celebrate both the celestial stars as well as to be a place to recognize the stars and stripes of our armed forces. The park will be comprised of a celestial lawn, interactive 'stars' and 'stripes' public art elements, parking, landscape, irrigation, and signage, seating areas with shade structures and site furnishings, and e-Bike charging stations. District No. 5 will construct and/or acquire from the master developer of the residential land in the boundaries of the Districts improvements related to the Stars and Stripes Park and convey these improvements as a grant to the City of Port St. Lucie.

Ownership and Operation

This project will be located on a twenty-five (25) acre publicly owned property located west of Village Parkway and south of East - West No. 2 and will be owned and operated by the City of Port St. Lucie.

Estimated Cost

This project is estimated to have a total cost of \$5,114,919, of which approximately \$4,224,919 remains to be expended as of the date hereof.

Estimated Completion Date

This project is expected to be completed by the Spring, 2024.

7. Becker Road Phase 2

Project Description

This project, referred to as the “Becker Road Phase 2 Project” is a continuation of public Becker Road and has two phases. The first phase involves the design and permitting of public Becker Road Phase 2 roadway improvements, commencing from its western terminus of the Becker Road Phase 1 project westerly approximately 3,500 linear feet to the intersection with Community Boulevard.



The design of the Becker Road Phase 2 Project is complete and is currently under permitting. The design is for a roadway section which contains a 4-lane divided urban roadway with sidewalk, landscaping with irrigation.

The second phase involves the construction of the public Becker Road Phase 2 roadway improvements, which includes the addition of 2,650 LF of the additional two lanes of the Becker Road Phase 1 project and 3,500 LF of two lanes of the Becker Road Phase 2 project, water mains, force mains, sidewalks and landscaping.

Ownership and Operation

The Becker Road Phase 2 Project will be located on a public right of way and will be owned and operated by the City of Port St. Lucie upon completion and dedication.

Estimated Cost

The first phase of this project has a total estimated cost of \$250,000, of which approximately \$50,000 remains to be expended.

The construction of the second phase of this project has a total estimated cost of \$6,440,000.

Estimated Completion Date

The first phase of this project is substantially complete, with completion expected by December, 2022.

The second phase of this project is expected to be complete by December, 2023.

8. TIM

Project Description

This project is referred to as the “TIM Vehicles Project” and is part of the TIM Project.

The TIM Vehicles Project entails the purchase (or reimbursement of advances made for such purchase by the master developer of the residential land in the Districts) of up to four (4) autonomous vehicles (“TIM Vehicles”) to provide mass transit as a means of transportation within portions of the overall Tradition Community, which includes land in the boundaries of the Districts.

Ownership and Operation

The TIM Vehicles will be owned and operated by or on behalf of the Districts.

Estimated Cost

The cost of each of the TIM Vehicles in this project is approximately \$767,600 or \$3,070,400 in total.



Estimated Completion Date

The latest acquisition of the four TIM Vehicles comprising this project is estimated to occur by Fall, 2023.

9. Marshall Parkway (West)

Project Description

This public project is sometimes referred to as the “Marshall Parkway (West) Project.” The project is for the section lying west of the Marshall Parkway Project.

The project involves the design and construction of public roadway improvements from the existing round about at the Del-Webb Entrance, westerly approximately 2,100 linear feet to Community Boulevard. The proposed roadway section will be a designed as a future 4-lane divided roadway, a sidewalk and landscaping and irrigation improvements.

Construction of the project will include the outer 2-lanes of the divided roadway, a sidewalk and landscaping and irrigation improvements.

This project does not include the Marshall Parkway – Phase I improvements for which proceeds of the 2020 Bonds are earmarked.

Ownership and Operation

Completed components of this project are, and components of this project remaining to be completed will be, located on a public right of way and owned and operated by the City of Port St. Lucie.

Estimated Cost

The project is estimated to have a total cost of approximately \$2,060,000.

Estimated Completion Date

The project is expected to be completed by January, 2024.

SECTION 3.0

3.1 DEVELOPMENT PERMITS

Development permits are required in connection with each of the Community Infrastructure projects described in Section 2.2, and remaining to be completed, from the City of Port St. Lucie, including a Site Plan Review Permit, a City of Port St. Lucie Engineering Department Permit, a City of Port St. Lucie Building Permit and a SFWMD Construction Permit. These permits are standard permits for these types of improvements and have been, or are expected to be, approved by the authority having jurisdiction.



3.2 MISCELLANEOUS

The Community Infrastructure projects described in Section 2.2 of this Engineer's Report may be constructed by or on behalf of the Districts or constructed by others and acquired by or on behalf of the Districts.

Additional funding for the Community Infrastructure projects described in Section 2.2. not available from proceeds of Community Infrastructure Indebtedness heretofore and hereafter issued may be funded from other legally available funds of the Districts and/or funds provided by the master developer of the residential land within the boundaries of the Districts and/or other significant owner of land in the Districts.

SECTION 4.0

4.1 CONCLUSION

The Community Infrastructure projects described in Section 2.2 are part of the Community Infrastructure benefitting all assessable land in the boundaries of the Southern Grove Community Development Districts.

The Community Infrastructure projects remaining to be completed as presented in Section 2.2 can be designed, permitted, and constructed in a timely manner, since they are consistent with the Southern Grove Development of Regional Impact, the City of Port St. Lucie's Development Orders and the SFWMD Conceptual Environmental Resource Permit. The project costs in Section 2.2 that are estimated costs are based on 2022 dollars, and are reasonable and similar to project costs within the area, based on our historical knowledge of the Treasure Coast. A normal inflation factor has not been utilized but is considered to be a part of the improvements budget contingency factor. For the purposes of this report, a 10% contingency factor has been included for projects not yet completed.

The scope of work for these projects is based on information provided by the master developer of the residential land in the boundaries of the Districts and other significant landowners in the Districts.

A summary of the Community Infrastructure projects described in Section 2.2 is shown below in Table No. 1.

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TABLE NO. 1		
SUMMARY OF THE COMMUNITY INFRASTRUCTURE PROJECTS		
PROJECT DESCRIPTION	REMAINING ESTIMATED COST AS OF 11/01/22	ESTIMATED COMPLETION DATE
ACOE Mitigation Project	\$1,880,307	02/2023
Outfall	\$700,000	Summer, 2023
Tradition Trail	\$700,000	Fall, 2023
Tradition Trail – Final Phase	\$6,250,000*	Spring, 2024
Paar Drive West Project - Phase 1	\$2,900,000	01/2023
Paar Drive West Project - Phase 2	\$4,300,000	01/2025
Heart Sculpture	\$2,125,000**	02/2024
Stars and Stripes Park	\$4,224,919	Spring, 2024
Becker Road Phase 2 Project - Phase 1	\$50,000	12/2022
Becker Road Phase 2 Project - Phase 2	\$6,440,000	12/2023
TIM Vehicles Project	\$3,070,400	Fall, 2023
Marshall Parkway (West)	\$2,060,000	01/2024
TOTAL	\$34,700,626	

*Includes approximately \$200,000 for Tim Paths included in the TIM Project.

** Reflects only the portion of the estimated costs currently required by the City to be expended on “art in public places” within the Southern Grove Community Development Districts.

Respectfully Submitted,

CULPEPPER & TERPENING, INC.

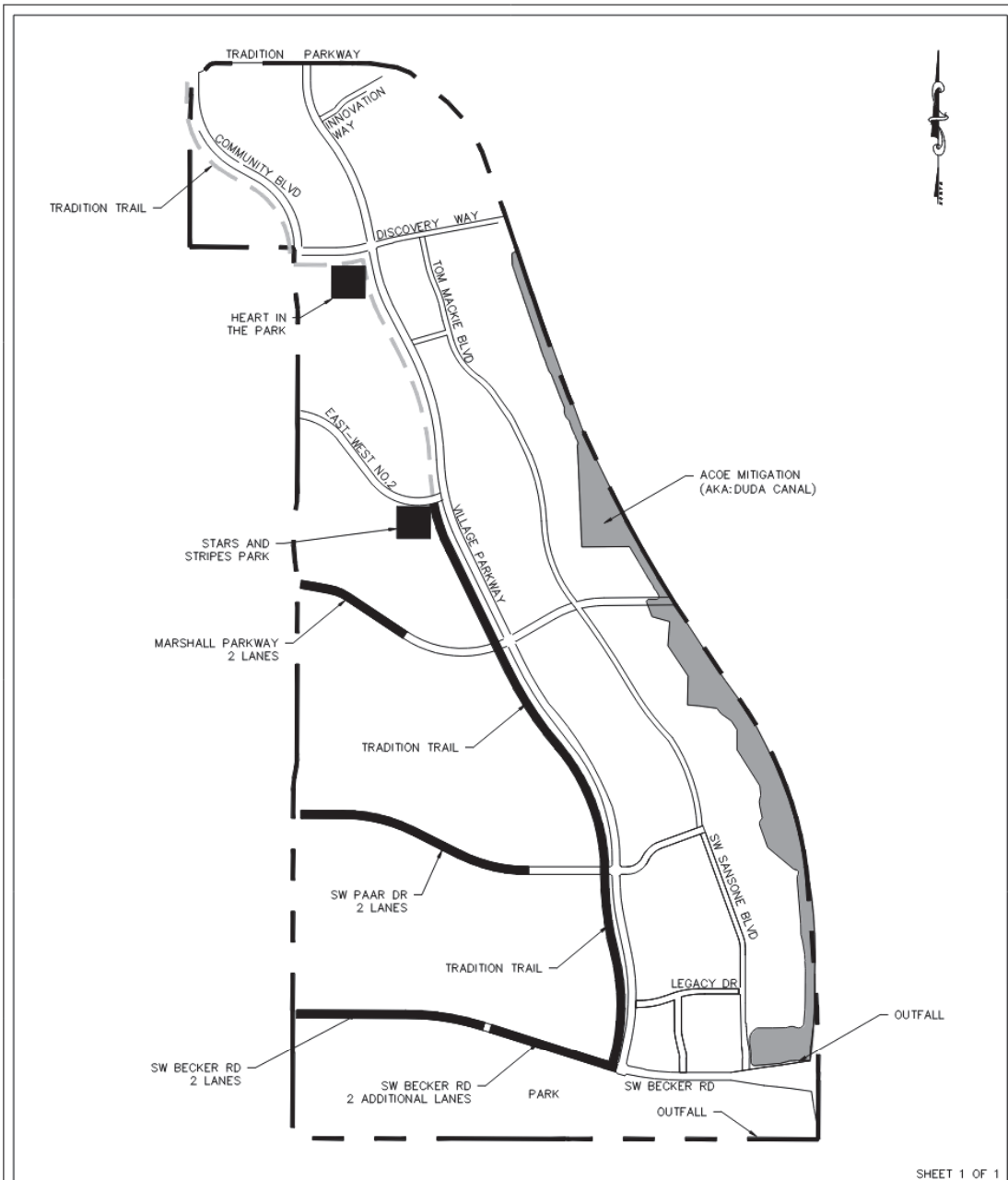
James P Terpening
Digitally signed by James P Terpening
 DN: CN=James P Terpening,
 OU=A01410C000017553647947000000E5,
 O=CULPEPPER AND TERPENING INC.,
 C=US
 Date: 2022.10.27 10:19:35-0400

James P Terpening, P.E.
 District Engineer
 Florida Engineer No. 24276
 EOR Responsibility: 100% (Pages 1-12)

This item has been digitally signed and sealed by James Parker Terpening, PE on 11/02/2022 using a Digital Signature. Printed copies of this document are not considered signed and sealed and the SHA authentication code must be verified on any electronic copies.



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SHEET 1 OF 1



CULPEPPER & TERPENING INC

2980 SOUTH 25th STREET • FORT PIERCE, FLORIDA 34981
 PHONE 772-464-3537 • FAX 772-464-9497 • www.ct-eng.com
 STATE OF FLORIDA BOARD OF PROFESSIONAL
 ENGINEERS AUTHORIZATION NO. 4286

SOUTHERN GROVE CAPITAL PROJECT

2022 CAPITAL PLAN

JOB NO: 19-080.SG1.2022

SCALE: 1" = 2500'

DRAWN BY: TGAO

DATE: 10/25/2022



APPENDIX B

MASTER INDENTURE AND FORM OF SUPPLEMENTAL INDENTURE

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MASTER TRUST INDENTURE	
between	
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5	
and	
U.S. BANK NATIONAL ASSOCIATION, As Trustee	
Dated December 17, 2014	
relating to	
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT AND REVENUE BONDS (PUBLIC INFRASTRUCTURE PROJECTS)	
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THIS MASTER TRUST INDENTURE dated December 17, 2014 (the "Master Indenture") is entered into by and between SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5 (the "Issuer"), a local unit of special purpose government organized and existing under the laws of the State of Florida, and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America and having corporate trust offices in Fort Lauderdale, Florida (said national banking association and any bank or trust company becoming successor trustee under this Master Indenture being hereinafter referred to as the "Trustee"). Except to the extent the context clearly indicates otherwise, capitalized terms used in this Indenture shall have the meaning ascribed thereto herein.

WITNESSETH:

WHEREAS, the Issuer is a local unit of special purpose government duly organized, created, established and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended and Ordinance No. 07-37 enacted by the governing body of the City of Port St. Lucie, Florida (the "City") on April 9, 2007, as amended, for the purpose, among other things, of financing and managing the acquisition, construction, maintenance, and operation of infrastructure improvements authorized by the CDD Act (hereinafter defined); and

WHEREAS, the Issuer is contiguous, or in close proximity, to the Other Districts, which, as of the date of this Master Indenture, consist of five community development districts, which are currently known as Southern Grove Community Development District No. 1, Southern Grove Community Development District No. 2, Southern Grove Community Development District No. 3, Southern Grove Community Development District No. 4 and Southern Grove Community Development District No. 6, and which were established and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, and ordinances enacted by the governing body of the City on April 9, 2007, respectively; and

WHEREAS, the District Lands, consisting of the real property within the jurisdictional boundaries of the Issuer and the Other Districts comprise a single mixed use development of regional impact referred to as "Southern Grove," and

WHEREAS, the Issuer and the current Other Districts have entered into the District Development Interlocal Agreement which provides, among other matters, for the Issuer to finance, subject to the provisions of the District Development Interlocal Agreement, the acquisition and construction of Public Infrastructure projects for the benefit of the District Lands; and

WHEREAS, the Issuer and the current Other Districts have heretofore approved the Community Infrastructure and the estimated Costs thereof and the applicable District Infrastructure and the estimated Costs thereof; and

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WHEREAS, the Issuer and the current Other Districts have heretofore approved the Master Assessment Report, which allocates, on a proportionate basis, the estimated costs of the Public Infrastructure and related financing costs to the District Lands specially benefited thereby, as more fully set forth therein; and

WHEREAS, the Issuer and each of the current Other Districts, in accordance with the District Development Interlocal Agreement, the Master Engineer's Report and the Master Assessment Report, have each legislatively approved, adopted and authorized: (i) the acquisition, construction, financing, operation and maintenance of Public Infrastructure; (ii) the levy of Special Assessments up to a maximum dollar amount to be used to pay the Costs of such Public Infrastructure; (iii) the levy of non-ad valorem maintenance assessments up to the maximum dollar amount per year as to the Issuer and each of the applicable Other Districts to be used to pay the costs of operating and maintaining the Public Infrastructure; (iv) the method by which the capital and operating costs of the Public Infrastructure will be allocated among the Issuer and each of the applicable Other Districts; and (v) the method by which the capital and operating costs allocated to the Issuer and the applicable Other Districts will be further allocated to the applicable District Lands, and, subject to such legislative determination, have delegated to the Issuer the task of acquiring, constructing and financing certain Public Infrastructure; and

WHEREAS, each of the Issuer and the Other Districts has the power and authority under the Act to issue revenue bonds and to use the proceeds thereof to finance the cost of acquiring and constructing assessable improvements (as defined in the CDD Act) and, by virtue of Section 190.022, Florida Statutes, to levy and collect Special Assessments; and

WHEREAS, each of the Issuer and the Other Districts has the power and authority under the Act to issue revenue bonds and to use the proceeds thereof to finance the cost of acquiring and constructing water management and control facilities (as defined in the CDD Act) and, by virtue of Section 190.021, Florida Statutes, to levy and collect Benefit Special Assessments therefor; and

WHEREAS, each of the Issuer and the Other Districts has the power and authority under the Act to issue revenue bonds and to use the proceeds thereof to finance the cost of acquiring and constructing projects (as defined in the CDD Act) in addition to, or in connection with, projects involving assessable improvements and water management and control facilities and, by virtue of Section 190.011, Florida Statutes, to receive and collect user fees and charges and other revenues; and

WHEREAS, the Issuer and the current Other Districts have found and determined that acquisition and construction of each Series Project and Additional Series Project is and will be necessary and desirable in serving the shared goal of the Issuer and the Other Districts of achieving economics of scale and of properly managing the financing, acquisition, construction and equipping of the Public Infrastructure specially benefiting all or certain District Lands; and

WHEREAS, the District Development Interlocal Agreement provides for (i) the Issuer to finance the Cost of Series Projects and Additional Series Projects by the issuance of Bonds (hereinafter defined) pursuant to this Master Indenture from time to time; (ii) the Issuer and the

Other Districts to levy Special Assessments and/or Benefit Special Assessments in connection with related Series Projects and Additional Series Projects; (iii) the collection and enforcement of Special Assessments and/or Benefit Special Assessments levied by the Issuer and the Other Districts to provide amounts sufficient, together with other Pledged Revenues available to the Issuer for such purpose, to enable the Issuer pay the Debt Service Requirements on Bonds issued hereunder; and (iv) the operation and maintenance of the Series Projects and Additional Series Projects and payment of the cost thereof from non-ad valorem assessments levied by the Issuer and/or the Other Districts on District Lands and other amounts that may be available for that purpose, including through Contractual Arrangements, relating to Series Projects and Additional Series Projects, all as shall be determined with greater specificity with respect to a particular Series Project or Additional Series Project and related Series of Bonds; and

WHEREAS, the Issuer and/or the Other Districts may, from time to time, enter into Contractual Arrangements with third parties relating to the use and/or ownership of a Series Project or Additional Series Project; and

WHEREAS, amounts received by the Issuer pursuant to such Contractual Arrangements may be pledged by a Supplemental Indenture to the Series of Bonds issued to finance the related Series Project or Additional Series Project and become part of the Series Pledged Revenues pledged to such Series of Bonds.

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the Issuer, in consideration of the premises and acceptance by the Trustee of the trusts hereby created and the purchase and acceptance of the Bonds by the Owners, and of the sum of ten dollars (\$10.00), lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of this Master Indenture, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in order to secure the payment of the principal of, Redemption Price or purchase price (as the case may be) and interest on the Bonds of a Series issued hereunder according to their tenor and effect and to secure the performance and observance by the Issuer of all of the covenants expressed or implied herein, including any reimbursement due to a Credit Facility Issuer, if any, for any drawing on its Credit Facility, as required under the terms of the applicable Credit Facility Agreement, in the applicable Supplemental Indenture authorizing the issuance of such Series of Bonds and in the Bonds of such Series, does hereby assign and grant a security interest in the following (herein called a "Series Trust Estate" or "Trust Estate for a Series of Bonds") to the Trustee and its successors in trust, and assigns forever, for the securing of the performance of the obligations of the Issuer herein set forth: (i) the Pledged Revenues and Pledged Funds; and (ii) any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with, the Trustee as security for any Series of Bonds issued pursuant to this Master Indenture by the Issuer or anyone on its behalf or with its consent, or which pursuant to any of the provisions hereof or of the applicable Supplemental Indenture securing such Series of Bonds may come into the possession or control of the Trustee or of a lawfully appointed

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receiver, as such additional security, and the Trustee is hereby authorized to receive any and all such property as and for security for the payment of such Series of Bonds and the interest and premium, if any, thereon, and to hold and apply all such property subject to the terms hereof, it being expressly understood and agreed that the Series Trust Estate established and held hereunder for Bonds of a Series shall be held separate and in trust solely for the benefit of the Owners of the Bonds of such Series, Additional Bonds of such Series and other obligations issued expressly on parity therewith and the applicable Credit Facility Issuer, if any, and for no other Series or Credit Facility Issuer, if any;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or held or hereafter acquired, forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth (a) for the equal and proportionate benefit and security of all present and future Owners of the Bonds of a Series, without preference of any Bond of such Series over any other Bond of such Series and the applicable Credit Facility Issuer, if any, (b) for enforcement of the payment of the Bonds of a Series, in accordance with their terms and the terms of this Master Indenture and the Supplemental Indenture authorizing the issuance of such Series of Bonds, and all other sums payable hereunder, under the Supplemental Indenture authorizing such Series of Bonds or on the Bonds of such Series, and (c) for the enforcement of and compliance with the obligations, covenants and conditions of this Master Indenture except as otherwise expressly provided herein, or in the applicable Supplemental Indenture relating to such Series, as if all the Bonds at any time Outstanding had been authenticated, executed and delivered simultaneously with the execution and delivery of this Master Indenture, all as herein set forth.

IT IS HEREBY COVENANTED, DECLARED AND AGREED (a) that this Master Indenture creates a continuing lien equally and ratably to secure the payment in full of the principal of, Redemption Price or purchase price (as the case may be) and interest on all Bonds of a Series which may from time to time be Outstanding hereunder, except as otherwise expressly provided herein or in a Supplemental Indenture, (b) that the Series Trust Estate shall immediately be subject to the lien of this pledge and assignment without any physical delivery thereof or further act, (c) that the lien of this pledge and assignment shall be a first lien and shall be valid and binding against all parties having any claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof, and (d) that the Bonds of a Series are to be issued, authenticated and delivered, and that the Trust Estate for such Series of Bonds is to be held, dealt with, and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Master Indenture and the Issuer covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Owners from time to time of the Bonds of each respective Series and applicable Credit Facility Issuer, if any, as follows:

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determined by dividing (x) the number of days elapsed (determined on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months) from the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance), by (y) one hundred eighty (180). A table of Accreted Values for the Capital Appreciation Bonds shall be incorporated in a Supplemental Indenture executed by the Issuer at or prior to the time of issuance of any Capital Appreciation Bonds.

"Act" or "CDD Act" shall mean Chapter 190, Florida Statutes, as amended and supplemented, Section 163.01, Florida Statutes, as amended and supplemented, any successor statutes thereto, the Florida Constitution and other applicable provisions of law and the Interlocal Agreements.

"Additional Bonds" shall mean Bonds of a Series, including Completion Bonds, authenticated and delivered in accordance with the terms hereof and of any Supplemental Indenture relating to the Series of Bonds with which the Additional Bonds may be issued on a pari passu basis.

"Additional Series Project" shall mean the acquisition, construction, equipping and/or improving of any additions, extensions, improvements and betterments to and reconstructions of a Series Project to be financed, in whole or in part, from the proceeds of any Additional Bonds or Subordinated Debt.

"Administration District" shall have the meaning ascribed thereto in the District Development Interlocal Agreement.

"Amortization Installments" shall mean the moneys required to be deposited in a Series Principal Account within the Debt Service Fund for the purpose of paying or redeeming when due any Term Bonds of a Series, the specific amounts and dates of such deposits to be set forth in a Supplemental Indenture.

"Assessments" shall mean, collectively, Benefit Special Assessments and Special Assessments.

"Authenticating Agent" shall mean the agent so described in, and appointed pursuant to, Section 2.04 hereof.

"Authorized Denomination" shall mean with respect to a Series of Bonds, except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, initially (i.e., at the time of sale by the Participating Underwriters to the initial purchasers of the Bonds of such Series) a denomination of \$100,000 and integral multiples of \$5,000 in excess thereof and, thereafter, a denomination of \$5,000 and integral multiples thereof, provided, however, so long as the Bonds of such Series carry an investment grade rating from Moody's or S&P, "Authorized Denominations" shall mean a denomination of \$5,000 and integral multiples thereof.

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ARTICLE I DEFINITIONS

All terms used herein that are defined herein or in the District Development Interlocal Agreement are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (i) expressly given a different meaning herein or (ii) the context clearly requires otherwise. Such terms will also apply to any Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires. The following terms shall have the meanings specified below:

"Account" shall mean any account established pursuant to this Master Indenture and any Supplemental Indenture.

"Acquisition Agreement" shall mean one or more improvement acquisition agreements and/or assignment and acquisition agreements between the Issuer and a Developer, or among the Issuer, one or more of the Other Districts and the Developer pursuant to which such Developer, agrees with respect to the terms of the applicable improvement acquisition agreement, to provide, design, construct and sell to the Issuer or Other District, as applicable, and the Issuer or Other District, as applicable, agrees to purchase from such Developer, all or a portion of the Public Infrastructure relating to Series Projects and/or Additional Series Projects, any of which may provide for the payment by the Issuer (but only from the applicable Series Trust Estate) to such Developer of Deferred Obligations and with respect to the terms of certain applicable assignment and acquisition agreements, such Developer agrees to provide, design, construct and sell to the Issuer or one of the Other Districts, and the Issuer or one of the Other Districts agrees to acquire from such Developer, certain Public Infrastructure relating to Series Projects and/or Additional Series Projects, including interests in real property relating thereto, or whereby the Issuer agrees to take assignments from such Developer of certain design, engineering and construction agreements relating to Public Infrastructure comprising Series Projects and/or Additional Series Projects.

"Accreted Value" shall mean, except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, as of the date of computation with respect to any Capital Appreciation Bonds, an amount (truncated to three (3) decimal places) equal to the original principal amount of such Capital Appreciation Bonds at the date of issuance plus the interest accrued on such Bonds from the date of original issuance of such Capital Appreciation Bonds to the date of computation, such interest to accrue at the rate of interest per annum of the Capital Appreciation Bonds (or in accordance with a table of compound accreted values set forth in such Capital Appreciation Bonds), compounded semi-annually on each Interest Payment Date; provided, however, that if the date with respect to which any such computation is made is not an Interest Payment Date, the Accreted Value of any Bond as of such date shall be the amount determined by compounding the Accreted Value of such Bond as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) at the rate of interest per annum of the Capital Appreciation Bonds for the partial semi-annual compounding period

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"Authorized Newspaper" shall mean a newspaper printed in English and customarily published at least once a day at least five days a week and generally circulated in New York, New York, or such other cities as the Issuer from time to time may determine by written notice provided to the Trustee. When successive publications in an Authorized Newspaper are required, they may be made in the same or different Authorized Newspapers.

"Beneficial Owners" shall have the meaning given such term by The Depository Trust Company so long as it is the registered Owner through its nominee Code & Co of the Series of Bonds as to which such reference is made to enable such Series of Bonds to be held in book-entry only form, and, shall otherwise mean the registered Owner on the registration books of the Issuer maintained by the Registrar.

"Benefit Special Assessments" shall mean the non-ad valorem assessments levied by or on behalf of the Issuer or the Other CDDs and collected or caused to be collected by the Issuer (or the Other CDDs and remitted to the Issuer) against the District Lands that are subject to assessment as a result of a Series Project or Additional Series Project or any part thereof, as provided for under the Interlocal Agreements, the Act, Section 190.021(2), Florida Statutes, Chapter 197, Florida Statutes and other applicable law, to the extent levied and collected to enable the Issuer to pay the Debt Service Requirements on a Series of Bonds and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds. Benefit Special Assessments shall be deemed to include the interest and penalties on such Benefit Special Assessments, pursuant to all applicable provisions of the Act, Section 190.021(2), Florida Statutes, Chapter 197, Florida Statutes and other applicable law (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser. Benefit Special Assessments shall not include non-ad valorem assessments levied and collected by or on behalf of the Issuer or the Other CDDs under the Act for maintenance purposes or Special Assessments as defined herein and shall also not include non-ad valorem assessments levied and collected by or on behalf of the Issuer or the Other CDDs against the District Lands in respect of a project other than a Series Project or Additional Series Project or bonds other than the Bonds.

"Board" shall mean the Board of Supervisors of the Issuer, as the governing body of the Issuer.

"Bond Counsel" shall mean legal counsel of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and their political subdivisions.

"Bond Year" shall mean unless otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, the period commencing on May 1 in each year and ending on April 30 of the following year; provided that the first Bond Year for a Series will commence on the date of issuance thereof and end on the next April 30.

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"Bondholder," "Holder of Bonds," "Holder" or "Owner" or any similar term shall mean any Person or Persons who shall be the registered owner of any Outstanding Bond or Bonds of a Series, as evidenced on the Bond Register of the Issuer kept by the Registrar for such Series.

"Bond Register" shall have the meaning specified in Section 2.05 of this Master Indenture.

"Bonds" or "Bond" shall mean the Outstanding Bonds of all Series, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof, regardless of variations of maturity, interest rate or other provisions and, except where the context clearly requires otherwise, shall include bond anticipation notes issued in anticipation thereof.

"Business Day" shall mean, except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, any day other than a Saturday or Sunday or legal holiday or a day on which the principal office of the Issuer, the Trustee, any Registrar or any Paying Agent is closed.

"Capital Appreciation Bonds" shall mean Bonds issued under this Master Indenture and any Supplemental Indenture as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then-current Accreted Value only at the maturity or earlier redemption thereof, all as so designated in a Supplemental Indenture of the Issuer providing for the issuance thereof.

"Capitalized Interest" shall mean the amount of proceeds of a Series of Bonds set aside to pay interest costs on that Series of Bonds, in such amount and for such period as is specified in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

"Certified Public Accountant" shall mean a Person, who shall be Independent, appointed by the Board, actively engaged in the business of public accounting and duly certified as a certified public accountant under the laws of the State.

"Certified Resolution" or "Certified Resolution of the Issuer" shall mean a copy of one or more resolutions certified by the Secretary or an Assistant Secretary of the Board of the Issuer, under its seal, to have been duly adopted by the Board and to be in full force and effect as of the date of such certification.

"City" shall mean the City of Port St. Lucie, Florida, a municipal corporation of the State.

"City Interlocal Agreement" shall mean the City/District Development Interlocal Agreement (Southern Grove) dated September 11, 2012 entered into among the City, the Issuer and the Other Districts, to confirm, among other matters, the exercise by the Issuer and the Other Districts outside of their respective boundaries and the boundaries of any of the Districts of the powers granted to each by the Act with respect to their own District Infrastructure, consistent with the Act and the local government comprehensive plan of the City.

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"Cost" or "Costs" in connection with a Series Project or any portion thereof or an Additional Series Project or any portion thereof shall mean all expenses which are properly chargeable thereto under Generally Accepted Accounting Principles or which are incidental to the planning, financing, funding, acquisition, construction, reconstruction, equipping and installation thereof, including, without limiting the generality of the foregoing:

- (a) expenses of determining the feasibility or practicality of acquisition, construction or reconstruction;
- (b) cost of surveys, estimates, plans and specifications;
- (c) cost of improvements;
- (d) engineering, architectural, fiscal, legal, accounting and other professional and advisory expenses and charges;
- (e) cost of all labor, materials, machinery and equipment (including, without limitation, (i) amounts payable to contractors, builders and materialmen and costs incident to the award of contracts and (ii) the cost of labor, facilities and services furnished by the Issuer and its employees, materials and supplies purchased by the Issuer);
- (f) cost of all lands and properties, rights, easements and franchises acquired including, without limitation, any and all costs associated with acquiring the lands, properties, rights, easements or franchises through eminent domain proceedings;
- (g) financing charges;
- (h) creation of initial reserves and debt service funds;
- (i) working capital;
- (j) interest charges incurred or estimated to be incurred on money borrowed prior to and during construction and acquisition and for such reasonable period of time after completion of construction or acquisition as the Board may determine;
- (k) the cost of issuance of the Bonds issued to finance the Series Project or Additional Series Project, including, without limitation, advertisements and printing;
- (l) the cost of any election held pursuant to the Act and all other expenses of issuance of the Bonds issued to finance the Series Project or Additional Series Project;
- (m) the discount, if any, on the sale or exchange of Bonds issued to finance the Series Project or Additional Series Project;

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"Code" shall mean the Internal Revenue Code of 1986, as amended, and the applicable United States Treasury Department regulations promulgated thereunder.

"Community Infrastructure" shall mean the infrastructure improvements authorized by the Act and described in the Master Engineer's Report, which infrastructure improvements have been determined by the Issuer and the Other Districts to benefit all of the District Lands other than the Existing Development. Community Infrastructure projects do not include (a) a water or wastewater utility plant (as opposed to facilities connected, related or ancillary thereto) undertaken by the Issuer or any of the Other CDDs for the benefit of all or a portion of the Districts Lands or any persons or entities residing within the boundaries of the Issuer and the Other Districts without the express written consent of the City and (b) District Infrastructure.

"Completion Bonds" shall mean Bonds issued pursuant to a Supplemental Indenture, which, unless provided otherwise by such Supplemental Indenture, shall rank on a parity with the initial Series of Bonds issued under such Supplemental Indenture, the proceeds of which are to be used to complete a Series Project or Additional Series Project.

"Consultant" shall mean a Person, who shall be Independent, appointed by the Board, qualified to pass upon questions relating to local government entities and having a favorable reputation for skill and experience in the financial affairs of local government entities.

"Consultant's Certificate" shall mean a certificate or a report prepared in accordance with then applicable professional standards duly executed by a Consultant.

"Consulting Engineer" shall mean the Independent engineer or engineering firm or corporation at the time employed by the Issuer under the provisions of Section 8.16 of this Master Indenture to perform and carry out duties imposed on the Consulting Engineer by this Master Indenture. The Independent engineer or engineering firm or corporation at the time serving as the engineer to the Issuer may serve as Consulting Engineer under this Master Indenture.

"Continuing Disclosure Agreement" shall mean a Continuing Disclosure Agreement entered into among the Issuer, any obligated party under the Rule, including but not limited to any Other District, and the dissemination agent thereunder (and which may also obligate additional parties) pursuant to the requirements of the Rule in connection with the issuance of a Series of Bonds hereunder.

"Contractual Arrangements" shall mean one or more binding agreements (which may be a lease, lease-purchase agreement, joint use agreement, license, user agreement, other contractual arrangement or combination thereof) between or among the Issuer and/or the Administration District and one or more third parties, including, without limitation, the Other Districts, the City, the County and The School District of St. Lucie County, Florida, relating to the use and ownership of a Series Project or Additional Series Project, pursuant to which such third parties agree to pay all or a portion of the cost of financing, acquiring, constructing, equipping, operating or maintaining such Series Project or Additional Series Project.

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- (n) amounts required to repay temporary or bond anticipation loans made to finance any costs permitted under the Act;
- (o) costs of prior improvements made or acquired by the Issuer in anticipation of the Series Project or Additional Series Project;
- (p) taxes, assessments and similar governmental charges during construction or reconstruction of a Series Project or Additional Series Project;
- (q) costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services, or any other Person, for a default or breach under the corresponding contract, or in connection with any other dispute;
- (r) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (s) payments, contributions, dedications and any other exactions required as a condition to receive any government approval or permit;
- (t) cost of permits and licenses obtained by the Issuer;
- (u) mitigation costs;
- (v) administrative expenses;
- (w) such other expenses as may be necessary or incidental to the acquisition, construction, or to the repair, restoration, replacement or reconstruction of the Series Project or Additional Series Project or to the financing thereof, or to the development of any District Lands;
- (x) Deferred Obligations; and
- (y) any other "cost" or expense as provided by the Act.

In connection with the refunding or redeeming of any Bonds, "Cost" includes, without limiting the generality of the foregoing, the items listed in (d), (k), (l), (m) and (n) above, and other expenses related to the redemption of the Bonds to be redeemed and the Redemption Price of such Bonds (and the accrued interest payable on redemption to the extent not otherwise provided for). Whenever Costs are required to be itemized, such itemization shall, to the extent practicable, correspond with the items listed above. Whenever Costs are to be paid hereunder, such payment may be made by way of reimbursement to the Issuer or any other Person who has paid the same.

"Costs of Issuance Fund" shall mean the fund so designated in and created pursuant to Section 4.03 hereof.

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"Counsel" shall mean an attorney-at-law or law firm (who may be counsel for the Issuer) not unsatisfactory to the Trustee.

"County" shall mean St. Lucie County, Florida, a political subdivision of the State.

"Credit Facility" shall mean any credit enhancement mechanism such as an irrevocable letter of credit, a surety bond, a policy of municipal bond insurance, a corporate or other guaranty, a repurchase agreement, a liquidity agreement, a credit agreement or deficiency agreement or other similar facility applicable to a Series of Bonds, pursuant to which the entity providing such facility agrees to provide funds to make payment of the principal of and interest on such Series of Bonds. Notwithstanding anything to the contrary contained in this Master Indenture, any Series of Bonds may be issued without a Credit Facility; the decision to provide a Credit Facility in respect of any Series of Bonds shall be within the absolute discretion of the Issuer.

"Credit Facility Agreement" shall mean any agreement pursuant to which a Credit Facility Issuer issues a Credit Facility.

"Credit Facility Issuer" shall mean the issuer or guarantor of any Credit Facility.

"Current Interest Bonds" shall mean all Bonds issued pursuant to this Master Indenture other than Capital Appreciation Bonds.

"Date of Completion" shall mean, with respect to a Series Project or Additional Series Project, (i) the date on which such Series Project or Additional Series Project, and all components thereof, have been acquired or constructed and are capable of performing the functions for which they were intended, as evidenced by a certificate of the Consulting Engineer filed with the Trustee, the Issuer and the Other Districts; or (ii) the date on which the Issuer determines, upon the recommendation of, or in consultation with, the Consulting Engineer, that it cannot complete the Series Project or Additional Series Project, in a sound and economical manner within a reasonable period of time as evidenced by a certificate of the Consulting Engineer filed with the Trustee and the Issuer; provided that in each case such certificate of the Consulting Engineer shall set forth the amount of all Costs of such Series Project or Additional Series Project, which has theretofore been incurred, but which on the Date of Completion are or will be unpaid or unreimbursed.

"Debt Service Fund" shall mean the Fund so designated which is established pursuant to Section 5.02 hereof.

"Debt Service Requirements," shall mean with respect to a Series of Bonds and with reference to a specified period:

- (a) interest payable on all Outstanding Bonds of such Series during such period, subject to reduction for amounts held as Capitalized Interest for such Series of Bonds in the Funds and Accounts established under this Master Indenture; and

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Agreement, the amount by which the Cost of any Series Project and/or Additional Series Project or portion thereof to be conveyed by such Developer to the Issuer, or in the case of District Infrastructure, to the applicable District, pursuant to such Acquisition Agreement exceeds the amount actually paid by the Issuer for any Series Project and/or Additional Series Project or portion thereof from proceeds of a Series of Bonds, which obligations shall be subordinate to any Bonds issued under this Master Indenture; and payable, if ever, solely as provided herein and the applicable Supplemental Indenture. The Trustee may conclusively rely on specific written instructions set forth in certifications set forth in a Supplemental Indenture or in a requisition delivered to it with respect to the existence of any Deferred Obligations to be paid and the amount to be paid. In all other respects, the Trustee, absent specific written notice from the Issuer or the District Manager, is authorized to assume that no Deferred Obligations exist.

"Delinquent Assessments" shall mean, collectively, any and all installments of any Assessments which are not paid within thirty (30) days of the date on which such installments are due and payable, subject to the provisions of a Supplemental Indenture related to a Series of Bonds further modifying the definition of "Delinquent Assessments" with respect to the Assessments securing such Series of Bonds.

"Developer" shall mean each person or entity owning or responsible for developing all or a portion of the District Lands that enters into an Acquisition Agreement and/or Developer Funding Agreement, together with their permitted successors and assigns.

"Developer Funding Agreement" shall mean, if applicable, one or more developer capital funding agreements between the Issuer and the Developer, pursuant to which the Developer agrees to advance moneys, from time to time, to the Issuer for deposit into the appropriate Series Acquisition and Construction Account of the Project Fund, so that there are sufficient moneys on deposit therein (taking into account proceeds from the applicable Series of Bonds) to complete the Series Projects and/or Additional Series Projects. Any obligation on the part of the Issuer to repay such advances made by the Developer shall be subordinate to the payment of the Bonds and will constitute Deferred Obligations.

"District" shall mean, as the context requires, either the Issuer or any one of the Other Districts.

"Districts" shall mean, collectively, the Issuer and the Other Districts.

"District Infrastructure" shall mean the infrastructure improvements authorized by the Act and described in the Master Engineer's Report, which infrastructure improvements have been determined to benefit only the District Lands within a specific District. District Infrastructure may include off-site public infrastructure projects but does not include any Community Infrastructure.

"District Development Interlocal Agreement" shall mean the Second Amended and Restated District Development Interlocal Agreement dated as of July 9, 2013 entered into among the Issuer and the Other CDDs relating to, among other things, the financing, acquisition, construction and equipping of Community Infrastructure and District Infrastructure Projects by

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- (b) Amortization Installments required to be paid into any mandatory sinking fund account with respect to all Term Bonds during such period; and

- (c) amounts required to pay the principal or Maturity Amount of all Outstanding Series of Serial Bonds maturing during such period and not to be redeemed prior to or at maturity through any sinking fund account.

"Debt Service Reserve Fund" shall mean the Fund so designated which is established pursuant to Section 5.02 hereof.

"Debt Service Reserve Insurance Policy" shall mean the insurance policy, surety bond or other evidence of insurance, if any, deposited to the credit of a Series Reserve Account in lieu of or in partial substitution for cash or securities on deposit therein, which policy, bond or the evidence of insurance constitutes an unconditional senior obligation of the issuer thereof. The issuer thereof shall be a municipal bond insurer whose obligations ranking pari passu with its obligations under such policy, bond or other evidence of insurance are rated at the time of deposit of such policy, bond or other evidence of insurance to the credit of a Series Reserve Account in the highest rating category of both Moody's and S&P, unless otherwise approved by the Credit Facility Issuer who has issued a municipal bond insurance policy with respect to the Series of Bonds secured by the Series Reserve Account.

"Debt Service Reserve Letter of Credit" shall mean the irrevocable, transferable letter or line of credit, if any, deposited for the credit of a Series Reserve Account in lieu of or in partial substitution for cash or securities on deposit therein, which letter or line of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter or line of credit shall be a banking association, bank or trust company or branch thereof whose senior debt obligations ranking pari passu with its obligations under such letter or line of credit are rated at the time of deposit of the letter or line of credit to the credit of a Series Reserve Account in the highest rating category of both Moody's and S&P, unless otherwise approved by the Credit Facility Issuer who has issued a municipal bond insurance policy with respect to the Series of Bonds secured by the Series Reserve Account.

"Debt Service Reserve Account Facility" shall mean any Debt Service Reserve Insurance Policy or Debt Service Reserve, Letter of Credit, or any combination thereof.

"Defeasance Securities" shall mean, to the extent permitted by law, (a) cash, (b) non-callable Government Obligations or (c) other Investment Securities provided for in a Supplemental Indenture with respect to a Series of Bonds.

"Deferred Obligations" shall mean the obligations of the Issuer evidenced in a Developer Funding Agreement or an Acquisition Agreement, as applicable, to pay to a Developer that is a party to such agreement, without interest, with respect to the Developer Funding Agreement, the amount advanced by such Developer and deposited into the applicable Series Acquisition and Construction Account of the Acquisition and Construction Fund to pay the costs of a Series Project and/or Additional Series Project or portion thereof, and with respect to an Acquisition

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the Issuer and the operation and maintenance of Community Infrastructure and District Infrastructure Projects by the Administration District, as same may be amended from time to time. With respect to the financing, acquisition, construction and equipping of District Infrastructure, such agreement shall constitute a separate interlocal agreement by and between the Issuer and the particular District to which such District Infrastructure relates.

"District Lands" shall mean, collectively, the premises governed by the Issuer and the Other Districts from time to time. In the context of District Infrastructure, District Lands means only the geographical lands within a District that specially benefit from the District Infrastructure being financed.

"District Manager" shall mean, as the context requires, the person or entity then serving as District Manager or the acting District Manager of the Issuer or any of the Other Districts.

"Event of Default" shall mean, with respect to a Series of Bonds, any of the events described in Section 9.01 hereof and any additional events of default specified with respect to such Series of Bonds in the related Supplemental Indenture.

"Existing Development" shall mean those specific District Lands (currently within the boundaries of the Issuer) that are defined and described as the "Existing Development" in the Master Engineer's Report.

"Fiscal Year" shall mean the period of twelve (12) months beginning October 1 of each calendar year and ending on September 30 of the following calendar year, and also shall mean the period from actual execution hereof to and including the next succeeding September 30; or such other consecutive twelve-month period as may hereafter be established pursuant to a Certified Resolution as the fiscal year of the Issuer for budgeting and accounting purposes as authorized by law.

"Fitch" shall mean FitchRatings, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

"Fund" shall mean any fund established pursuant to this Master Indenture.

"Generally Accepted Accounting Principles" shall mean those accounting principles applicable in the preparation of financial statements of governmental entities.

"Government Obligations" shall mean direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Indenture" shall mean this Master Indenture, as amended and supplemented from time to time by a Supplemental Indenture or indentures, and, shall mean when used with respect to a

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Series of Bonds issued hereunder, this Master Indenture, as amended and supplemented by the Supplemental Indenture relating to such Series of Bonds.

"Independent" shall mean a Person who is not a member of the Issuer's Board or the respective Board of Supervisors of the Other CDDs, an officer or employee of the Issuer or the majority landowner(s) within the jurisdictional boundaries of the Issuer or any of the Other CDDs, or which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the Issuer's Board or the respective Board of Supervisors of the Other CDDs, or an officer or employee of the Issuer or any of the Other CDDs; provided, however, that the fact that such Person is retained regularly by or regularly transacts business with the Issuer or any of the Other CDDs or the majority landowner(s) or the Developer within the jurisdictional boundaries of the Issuer or any of the Other CDDs shall not make such Person an employee within the meaning of this definition.

"Interest Payment Date" shall mean, with respect to a Series of Bonds, the dates specified in a Supplemental Indenture with respect to a Series of Bonds upon which the principal of and/or interest on Bonds of such Series shall be due and payable in each Bond Year.

"Interlocal Agreements" shall mean, collectively, the District Development Interlocal Agreement and the City Interlocal Agreement.

"Investment Securities" shall mean, except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, any of the following securities, if and to the extent that such securities are legal investments for funds of the Issuer:

- (i) Government Obligations;
- (ii) obligations of the Government National Mortgage Association (including participation certificates issued by such Association);
- (iii) obligations of the Federal National Mortgage Association (including participation certificates issued by such Association);
- (iv) obligations of Federal Home Loan Banks;
- (v) deposits, Federal funds or bankers' acceptances (with term to maturity of 270 days or less) of any bank which has an unsecured, uninsured and unguaranteed obligation rated in one of the top two rating categories by both Moody's and S&P;
- (vi) commercial paper rated in the top two rating category by both Moody's and S&P;
- (vii) obligations of any state of the United States or political subdivision thereof or constituted authority thereof the interest on which is exempt from federal income taxation under Section 103 of the Code and rated in one of the top two rating categories by both Moody's and S&P;

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- (4) The repurchase agreement shall be a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a domestic bank, a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and such bank is subject to FIRREA;
- (5) The repurchase transaction shall be in the form of a written agreement, and such agreement shall require the provider to give written notice to the Trustee of any change in its long-term debt rating;
- (6) The Issuer or its designee shall represent that it has no knowledge of any fraud involved in the repurchase transaction;
- (7) The Issuer and the Trustee shall receive the opinion of Counsel (which opinion shall be addressed to the Issuer and the Trustee and shall be in form and substance satisfactory to the Trustee) that such repurchase agreement complies with the terms of this section and is legal, valid, binding and enforceable upon the provider in accordance with its terms;
- (8) The term of the repurchase agreement shall be no longer than one year, or, if payable upon demand, five years;
- (9) The interest with respect to the repurchase transaction shall be payable no less frequently than semi-annually;
- (10) The repurchase agreement shall provide that the Trustee may withdraw funds without penalty at any time, or from time to time, for any purpose permitted or required under this Indenture;
- (11) Any repurchase agreement shall provide that a perfected security interest in such investments is created for the benefit of the Beneficial Owners under the Uniform Commercial Code of Florida, or book-entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. are created for the benefit of the Beneficial Owners; and
- (12) The Collateral delivered or transferred to the Issuer, the Trustee, or a third-party acceptable to, and acting solely as agent for, the Trustee (the "Holder of the Collateral") shall be delivered and transferred in compliance with applicable state and federal laws (other than by means of entries on provider's books) free and clear of any third-party liens or claims pursuant to a custodial agreement subject to the prior written approval of the majority of the Holders and the Trustee. The custodial agreement shall provide that the Trustee must have disposition or control over the Collateral of the repurchase agreement, irrespective of an event of default by the provider of such repurchase agreement.

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(viii) both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by both Moody's and S&P, and (B) shares of money market mutual funds that invest only in Government Obligations and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P;

(ix) repurchase agreements, which will be collateralized at the onset of the repurchase agreement of at least 103% marked to market daily by the Holder of the Collateral (as hereinafter defined) with Collateral with a domestic or foreign bank or corporation (other than life or property casualty insurance company), claims paying ability, of the guarantor is rated at least "AA-" by S&P and "Aa" by Moody's provided that the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall immediately notify the Trustee and the provider shall at its option, within ten days of receipt of publication of such downgrade, either (A) maintain Collateral at levels, sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (B) repurchase all Collateral and terminate the repurchase agreement. Further, if the provider's rating by either S&P or Moody's falls below "A" or "A3," respectively, the provider must at the direction of the Issuer to the Trustee, within ten (10) calendar days, either (1) maintain Collateral at levels sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (2) repurchase all Collateral and terminate the repurchase agreement without penalty. In the event the repurchase agreement provider has not satisfied the above conditions within ten (10) days of the date such conditions apply, then the repurchase agreement shall provide that the Trustee shall be entitled to, and in such event, the Trustee shall withdraw the entire amount invested plus accrued interest within two (2) Business Days. Any repurchase agreement entered into pursuant to this Indenture shall contain the following additional provisions:

- (1) Failure to maintain the requisite Collateral percentage will require the Issuer or the Trustee to liquidate the Collateral as provided above;
- (2) The Holder of the Collateral shall have possession of the Collateral or the Collateral shall have been transferred to the Holder of the Collateral, in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);
- (3) The repurchase agreement shall state and an opinion of Counsel in form and in substance satisfactory to the Trustee shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted Collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

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If such investments are held by a third-party, they shall be held as agent for the benefit of the Trustee as fiduciary for the Beneficial Owners and not as agent for the bank serving as Trustee in its commercial capacity or any other party and shall be segregated from securities owned generally by such third party or bank;

(x) any other investment approved in writing by the Owners of at least a majority of the Outstanding principal amount of the Series of Bonds secured thereby;

(xi) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are rated in one of the three highest ratings by both Moody's and S&P or in one of the two highest categories by either S&P or Moody's; and

(xii) investment agreements with a bank, insurance company or other financial institution, or the subsidiary of a bank, insurance company or other financial institution if the parent guarantees the investment agreement, which bank, insurance company, financial institution or parent has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in the highest short-term rating category by Moody's or S&P (if the term of such agreement does not exceed 365 days), or has an unsecured, uninsured and unguaranteed obligation (or claims paying ability) rated by at least 2 national rating agencies with a minimum rating of A2, AA or AA by Moody's, S&P or Fitch, respectively (if the term of such agreement is more than 365 days) or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

- (A) interest is paid at least semiannually at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement, consistent with the Interest Payment Dates;
- (B) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two days' notice unless otherwise specified in a Supplemental Indenture;
- (C) the same guaranteed interest rate will be paid on any future deposits made to restore the account to its required amount; and
- (D) the Trustee receives an opinion of counsel that such agreement is an enforceable obligation of such insurance company, bank, financial institution or parent;
- (E) in the event of a suspension, withdrawal, or downgrade below the minimum rating specified above, within 10 days, the investment agreement provider will either (a) deliver to the Trustee collateral (level and type of collateral to meet published ratings agencies guidelines for an investment grade) or (b) repay the principal of and accrued but unpaid interest on the investment;

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(xiii) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are rated in one of the three highest ratings by both Moody's and S&P or in one of the two highest categories by either S&P or Moody's;

(xiv) the Local Government Surplus Funds Trust Fund as described in Florida Statutes, Section 218.405 or the corresponding provisions of subsequent laws provided that such fund is rated at least "AA" by S&P (without regard to gradation) or at least "Aa" by Moody's (without regard to gradation); and

(xv) other investments permitted by Florida law.

Under all circumstances, the Trustee shall be entitled to request and to receive from the Issuer a certificate of a Responsible Officer setting forth that any investment directed by the Issuer is permitted under the Indenture relating to a Series of Bonds, upon which certification the Trustee may conclusively rely as to the accuracy of the matters described therein.

"Issuer" shall mean Southern Grove Community Development District No. 5 and its permitted successors and assigns as contemplated by the District Development Interlocal Agreement.

"Master Assessment Report" shall mean the Amended, Restated and Updated Master Assessment Report for Public Infrastructure dated as of July 9, 2013, as supplemented by a Supplemental Methodology Report for Public Infrastructure dated July 8, 2014, prepared by Fishkind & Associates, Inc., Methodology Consultants to the Issuer and the Other Districts and approved by the Issuer and the Other Districts, as same may be amended or supplemented from time to time, subject to compliance with the applicable provisions of any Supplemental Indenture regarding such amendments or supplements.

"Master Engineer's Report" shall mean the Second Amended and Restated Master Engineer's Report for Public Infrastructure dated as of July 9, 2013, as amended and supplemented by a Supplemental Master Engineer's Report dated July 8, 2014, prepared by Arcadis US, Inc., Consulting Engineers to the Issuer and the Other Districts, and approved by the Issuer and the Other Districts, as same may be amended or supplemented from time to time, subject to compliance with the applicable provisions of any Supplemental Indenture regarding such amendments or supplements.

"Master Indenture" shall mean this Master Trust Indenture, as amended and supplemented from time to time in accordance with the provisions hereof.

"Maturity Amount" shall mean the amount due at maturity with respect to a Capital Appreciation Bond.

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(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II hereof.

In determining whether the Holders of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Master Indenture, Bonds which are known by the Trustee to be held on behalf of the Issuer shall be disregarded for the purpose of any such determination; provided, however, this provision does not affect the right of the Trustee to deal in Bonds as set forth in Section 10.09 hereof.

"Participating Underwriter" shall mean any of the original underwriters of a Series of Bonds required to comply with the Rule in connection with the offering of the Bonds of such Series.

"Paying Agent" shall mean the bank or trust company designated by Supplemental Indenture with respect to a Series of Bonds as the place where Debt Service Requirements shall be payable with respect to such Series of Bonds and which accepts the duties of Paying Agent under this Master Indenture and under such Supplemental Indenture.

"Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, governmental body, political subdivision, municipality, municipal authority or any other group or organization of individuals.

"Pledged Funds" shall mean all of the Series Pledged Funds.

"Pledged Revenues" shall mean all of the Series Pledged Revenues.

"Prepayments" shall mean any Assessments, or portions thereof, which shall be paid to the Issuer and any of the Other CDDs prior to the time such amounts become due with respect to the Series of Bonds for which said Assessments are levied, and which are in excess of the Debt Service Requirements on such Series of Bonds coming due prior to the date on which such Series of Bonds may next be redeemed as a result of such prepayment of Assessments.

"Project Fund" shall mean the Fund of that name created and designated by Section 4.01 of this Master Indenture.

"Property Appraiser" shall mean the property appraiser of the County.

"Property Appraiser and Tax Collector Agreement" shall mean the Property Appraiser and Tax Collector Agreement described in Section 8.04 hereof.

"Public Infrastructure" shall mean, as the case may be, Community Infrastructure and/or District Infrastructure.

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"Maximum Annual Debt Service Requirement" shall mean, at any given time of determination, the greatest amount of principal, interest and Amortization Installments coming due in any current or future Bond Year with regard to the Series of Bonds for which such calculation is made; provided, the amount of interest coming due in any Bond Year shall be reduced to the extent moneys derived from the proceeds of Bonds of such Series are used to pay interest on such Series of Bonds in such Bond Year.

"Methodology Consultant" shall mean the firm or firms retained by the Districts to prepare the Master Assessment Report.

"Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

"Officers' Certificate" or "Officer's Certificate" shall mean a certificate, duly executed by a Responsible Officer and delivered to the Trustee.

"Option Bonds" shall mean Current Interest Bonds, which may be either Serial or Term Bonds, which by their terms may be tendered by and at the option of the Owner for purchase prior to the stated maturity thereof.

"Other CDDs" or "Other Districts" shall mean, collectively, Southern Grove Community Development District No. 1, Southern Grove Community Development District No. 2, Southern Grove Community Development District No. 3, Southern Grove Community Development District No. 4 and Southern Grove Community Development District No. 6, each established pursuant to the Act and ordinances of the City and any other community development districts that may hereafter be established and become a party to the District Development Interlocal Agreement, subject to compliance with the applicable provisions of any Supplemental Indenture regarding such amendments or supplements.

"Outstanding" shall mean, as of the time in question, all Bonds authenticated and delivered under this Master Indenture, except:

(a) Bonds theretofore canceled or required to be canceled under Section 2.08 hereof;

(b) Bonds for the payment, Redemption Price or purchase of which moneys and/or Defeasance Securities, the principal of and interest on which, when due, will provide sufficient moneys to fully pay such Bonds in accordance with Article XIII hereof and the applicable provisions of any Supplemental Indenture relating to a Series of Bonds, shall have been or shall concurrently be deposited with the Trustee; provided that, if such Bonds are being redeemed, the required notice of redemption shall have been given or provision shall have been made therefor, and that if such Bonds are being purchased, there shall be a firm commitment for the purchase and sale thereof, and

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"Rebate Fund" shall mean the Fund of that name created and designated by Section 5.02 of this Master Indenture.

"Record Date" shall mean, as the case may be, the applicable Regular or Special Record Date.

"Redemption Price" shall mean the principal amount of any Bond plus the applicable premium, if any, payable upon redemption thereof pursuant to this Master Indenture and the related Supplemental Indenture.

"Refunding Bonds" shall mean Bonds issued pursuant to this Master Indenture and as more specifically described in a Supplemental Indenture authorizing the current refunding or advance refunding of all or any portion of one or more Series (or any portion thereof) of Bonds Outstanding.

"Registrar" shall mean the bank or trust company designated as such by Supplemental Indenture with respect to a Series of Bonds for the purpose of maintaining the registry of the Issuer reflecting the names, addresses, and other identifying information of Owners of Bonds of such Series and which accepts the duties of Registrar under this Master Indenture and under such Supplemental Indenture.

"Regular Record Date" shall mean, except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date applicable to a Series of Bonds.

"Regulatory Body" shall mean and include (a) the United States of America and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America, (b) the State, any political subdivision thereof and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the State, (c) the City, and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the City, and (d) any other public body, whether federal, state or local or otherwise having regulatory jurisdiction and authority over the Issuer.

"Responsible Officer" shall mean any member of the Board or any other officer of the Issuer, the District Manager of the Issuer or any other person designated by Certified Resolution of the Issuer, a copy of which shall be on file with the Trustee, to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter.

"Revenue Fund" shall mean the Fund of that name created and designated by Section 5.02 hereof.

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

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"S&P" shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

"Serial Bonds" shall mean Bonds (other than Term Bonds) that mature in annual or semi-annual installments.

"Series" shall mean all of the Bonds authenticated and delivered on original issuance of a stipulated aggregate principal amount in a simultaneous transaction under and pursuant to the same Supplemental Indenture and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to this Master Indenture and such Supplemental Indenture regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the Issuer upon original issuance. Two or more Series of Bonds may be issued under this Master Indenture simultaneously under separate Supplemental Indentures. As may be indicated by Supplemental Indenture, any Additional Bonds may, for certain enumerated purposes, be treated as part of a Series of other Bonds previously issued if the Supplemental Indenture relating to such previously issued Series of Bonds so permits.

"Series Accounts" shall mean, with respect to a Series of Bonds, the Accounts established in this Master Indenture and any Supplemental Indenture authorizing such Series of Bonds which are pledged thereto by this Master Indenture and such Supplemental Indenture.

"Series Acquisition and Construction Account" shall mean the Account within the Acquisition and Construction Fund with respect to each Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture relating to such Series of Bonds.

"Series Capitalized Interest Account" shall mean any Series Capitalized Interest Account to be established within a Series Debt Service Fund by Supplemental Indenture with respect to any Series of Bonds issued under this Master Indenture, as authorized pursuant to this Master Indenture.

"Series Cost of Issuance Account" shall mean the Account with respect to a Series of Bonds established in the Cost of Issuance Fund so designated in, and created pursuant to, Section 4.04 hereof.

"Series Interest Account" shall mean the Account with respect to a Series of Bonds established within the Debt Service Fund so designated in, and created pursuant to, Section 5.02 hereof.

"Series Pledged Funds" shall mean all amounts on deposit from time to time in the Funds and Accounts and designated in the Supplemental Indenture relating to such Series of Bonds as

pledged to the payment of such Series of Bonds; provided, however, such term shall not include any amounts on deposit in a Series Rebate Account in the Rebate Fund.

"Series Pledged Revenues" shall mean the revenues designated as such by Supplemental Indenture and which shall constitute the security for and source of payment of a Series of Bonds and may consist of Assessments or other user fees or revenues or combinations thereof derived or to be derived by the Issuer in accordance with the Act, and which may include amounts received by the Issuer with respect to a Series Project or Additional Series Project pursuant to Contractual Arrangements pertaining to such Series Project or Additional Series Project.

"Series Principal Account" shall mean the Account with respect to a Series of Bonds established within the Debt Service Fund so designated in, and created pursuant to, Section 5.02 hereof.

"Series Project" shall mean the financing, acquisition, construction, equipping and/or improvement of capital projects comprising either Community Infrastructure or District Infrastructure, to be located within or without the applicable Districts, for the benefit of all District Lands if such Series Project relates to Community Infrastructure or certain District Lands, if such Series Project relates to certain District Infrastructure, and to be financed with all or a part of the proceeds of a Series of Bonds as shall be described in the Supplemental Indenture authorizing such Series of Bonds. The term "Series Project" shall not include any project financed by the Issuer or any of the Other CDDs under the provisions of any financing documents or instruments other than this Master Indenture.

"Series Rebate Account" shall mean the Account in the Rebate Fund with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture relating to such Series of Bonds.

"Series Redemption Account" shall mean the Account with respect to a Series of Bonds established within the Debt Service Fund so designated in, and created pursuant to, Section 5.02 hereof.

"Series Reserve Account" shall mean the Account, if any, within the Debt Service Reserve Fund with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture relating to such Series of Bonds and funded in an amount equal to the Series Reserve Account Requirement for such Series of Bonds.

"Series Reserve Account Requirement" shall mean the amount of money or other security which may be in the form of a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit or other security as may be required by the terms of a Supplemental Indenture to be deposited in or credited to a Series Reserve Account for each Series of Bonds; provided, however, that unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, as of any date of calculation for a particular Series Reserve Account, the "Series Reserve Account Requirement" shall be an amount equal to the least of: (A) Maximum Annual Debt Service Requirement for all Outstanding Bonds of such Series, (B) 125% of the average annual debt service for all Outstanding Bonds of such Series, or (C) the aggregate of 10% of the original

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proceeds of the Bonds of such Series (within the meaning of the Code) calculated as of the date of original issuance thereof; provided, that a Supplemental Indenture may instead provide that the Series Reserve Account Requirement shall be \$0.00. In computing the Series Reserve Account Requirement in respect of any Series of Bonds that constitute Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be the greater of: (1) 110% of the daily average interest rate on such Variable Rate Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period of time that such Series of Bonds shall have been Outstanding, or (2) the actual rate of interest borne by the such Variable Rate Bonds on such date of calculation; provided, in no event shall the Series Reserve Account Requirement as adjusted on such date of calculation exceed the least of the amounts specified in the immediately preceding sentence determined by assuming that the interest rate is equal to the interest rate that the Bonds would bear if the Bonds bore interest at a fixed rate to maturity. In computing the Series Reserve Account Requirement in accordance with clause (C) of this definition in respect of any Capital Appreciation Bonds, the principal amount of such Bonds shall be the original principal amount thereof, not the Accreted Value.

"Series Revenue Account" shall mean the Revenue Account for a Series of Bonds established in the Revenue Fund by Supplemental Indenture for such Series of Bonds.

"Special Assessments" shall mean the net proceeds derived from the levy of non-ad valorem assessments by or on behalf of the Issuer or the Other CDDs and collected or caused to be collected by the Issuer, or by the Other CDDs against the District Lands that are subject to assessment as a result of a Series Project or Additional Series Project or any part thereof, as provided for under the Interlocal Agreements, the Act, Chapter 170, Florida Statutes, Chapter 197, Florida Statutes and other applicable law, to the extent levied and collected to enable the Issuer to pay the Debt Service Requirements on the Bonds and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds. Special Assessments shall be deemed to include the interest and penalties on such Special Assessments, pursuant to all applicable provisions of the Act, Chapter 170, Florida Statutes and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. Special Assessments shall not include non-ad valorem assessments levied and collected by or on behalf of the Issuer or the Other CDDs under the Act for maintenance purposes or Benefit Special Assessments and shall also not include non-ad valorem assessments levied and collected by or on behalf of the Issuer or the Other CDDs against the District Lands in respect of a project other than a Series Project or Additional Series Project or bonds other than the Bonds.

"Special Record Date" shall mean, except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, such date as shall be fixed for the payment of defaulted interest on any Series of Bonds in accordance with Section 2.02 hereof.

"State" shall mean the State of Florida.

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"Subordinated Debt" shall mean indebtedness secured hereby or by any Supplemental Indenture which is by its terms expressly subordinate and inferior hereto both in lien and right of payment.

"Supplemental Indenture" shall mean an indenture supplemental hereto authorizing the issuance of a Series of Bonds hereunder and establishing the terms thereof and the security therefor and shall also mean any indenture supplemental hereto entered into for the purpose of amending the terms and provisions hereof with respect to all Bonds in accordance with Article XII hereof.

"Taxable Bonds" shall mean Bonds of a Series which are not Tax Exempt Bonds.

"Tax Collector" shall mean the tax collector of the County.

"Tax Exempt Bonds" shall mean Bonds of a Series the interest on which, in the opinion of Bond Counsel on the date of original issuance thereof, is excludable from gross income for federal income tax purposes.

"Term Bonds" shall mean Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments or Bonds designated by the Issuer as Term Bonds upon original issuance thereof.

"Trust Estate" shall have the meaning ascribed to such term in the granting clauses hereof, including, but not limited to, the Pledged Revenues and Pledged Funds.

"Trustee" shall mean U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America and duly authorized to exercise corporate trust powers in the State, having its designated corporate trust office in Fort Lauderdale, Florida, together with its successor or successors as Trustee under this Master Indenture.

"Variable Rate Bonds" shall mean Current Interest Bonds, which may be either Serial Bonds or Term Bonds, issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue, which Bonds may also be Option Bonds.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the form of Bond), 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.

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All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[END OF ARTICLE I]

ARTICLE II THE BONDS

SECTION 2.01. Issue of Bonds. For the purpose of refunding Bonds of a Series or providing funds for paying all or part of the Cost of a Series Project or Additional Series Project, Bonds of a Series, without limitation as to aggregate principal amount, may be issued under this Master Indenture, subject to the conditions hereinafter provided in Article III of this Master Indenture. Such Bonds of a Series may be issued to finance Community Infrastructure on behalf of all of the Districts or to finance District Infrastructure on behalf of a District for which such District Infrastructure relates. The Debt Service Requirements on each Series of Bonds shall be payable solely from the Series Pledged Revenues and Series Pledged Funds pledged to such Series of Bonds in the Supplemental Indenture authorizing the issuance of such Series of Bonds and, except as may otherwise be provided in such Supplemental Indenture, all of the provisions of this Master Indenture shall be for the benefit and security of the present and future Owners of such Series of Bonds so issued and, if applicable, for the benefit and security of the Credit Facility Issuer providing a Credit Facility with respect to such Series of Bonds pursuant to the applicable Credit Facility Agreement, without preference, priority or distinction, as to lien or otherwise, of any one Bond of such Series over any other Bond of such Series. By purchasing Bonds of a Series, the Holders thereof are deemed to acknowledge the terms and conditions of the District Development Interlocal Agreement.

SECTION 2.02. Details of Bonds. The provisions of this Section 2.02 may be altered with respect to a Series of Bonds pursuant to the Supplemental Indenture relating to such Series. Bonds of a Series shall be in such Authorized Denominations, shall be numbered consecutively, shall bear interest from their date until their payment at rates not exceeding the maximum rate permitted by law, shall be dated, shall be stated to mature in such year or years in accordance with the Act, and shall be subject to redemption prior to their respective maturities, subject to the limitations hereinafter provided, as provided for in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series may be issued as Current Interest Bonds, Variable Rate Bonds, Capital Appreciation Bonds, Option Bonds or any combination thereof and may be secured by a Credit Facility, all as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Bonds of a Series shall bear interest from the applicable Interest Payment Date next preceding the date on which they are authenticated unless authenticated on an applicable Interest Payment Date in which event they shall bear interest from such Interest Payment Date, or unless authenticated before the first Interest Payment Date in which event they shall bear interest from their date; provided, however, that if a Bond of such Series is authenticated between a Record Date and the next succeeding applicable Interest Payment Date, such Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Bond of a Series interest thereon is in default, such Bond shall bear interest from the date to which interest has been paid. Any interest on any Bond of a Series which is payable, but is not punctually paid or provided for on any applicable Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date

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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 the Bonds of such Series of record as of the fifth (5th) day prior to such mailing, at his or her 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 Bonds of a Series in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and the applicable Paying Agent, upon requesting the same in a writing received by the Trustee and such Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and applicable Paying Agent (if not the Trustee), and any such rescission or change of wire transfer instructions must be received by the Trustee and such Paying Agent at least fifteen (15) days prior to the relevant Record Date. Interest on the Bonds will be computed on the basis of a 360-day year of twelve (12) 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 such Bonds on the day before the default occurred.

SECTION 2.03. Execution and Form of Bonds. Bonds shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Board of the Issuer, and the corporate seal of the Issuer shall appear thereon (which may be in facsimile) and shall be attested by the manual or facsimile signature of its Secretary or any Assistant Secretary of the Board of the Issuer. Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee, notwithstanding that one or both of the officers of the Issuer whose signatures appear on such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds. Unless otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, the Bonds of each Series, and the provisions for registration to be endorsed on such Bonds, shall be substantially in the form set forth as Exhibit A hereto.

SECTION 2.04. Authentication. No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created. The Trustee may appoint one or more Authenticating Agents. The Trustee shall be entitled to be reimbursed for payments made to any Authenticating Agent as reasonable compensation for its services.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee, the Issuer and any related Paying Agent. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent, the Issuer and any related Paying Agent.

SECTION 2.05. Registration and Registrar. The Registrar for each Series of Bonds shall act as registrar and transfer agent for the Bonds of such Series. The Issuer shall cause to be kept at an office of each Registrar for a Series of Bonds a register (herein sometimes referred to

as the "Bond Register" or "Register") in which, subject to the provisions set forth in Section 2.09 below and such other regulations as the Issuer and such Registrar may prescribe, the Issuer shall provide for the registration of the Bonds of such Series and for the registration of transfers and exchanges of such Bonds. The Issuer shall cause each Registrar to designate, by a written notification to the Trustee, a specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register for the related Series of Bonds is kept.

Each Registrar (when it is not also the Trustee), forthwith following each Record Date for a Series of Bonds and at any other time as reasonably requested by the Trustee, shall certify and furnish to the Trustee, and to any Paying Agent as such Trustee shall specify, the names, addresses, and holdings of Bondholders of such Series and any other relevant information reflected in the applicable Bond Register, and the Trustee and any such Paying Agent shall for all purposes be entitled to rely upon the information so furnished to it and shall have no liability or responsibility in connection with the preparation thereof.

SECTION 2.06. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond of a Series shall become mutilated, the Issuer shall execute and the Trustee or Authenticating Agent, as the case may be, shall thereupon authenticate and deliver a new Bond of such Series of like tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee or Authenticating Agent, as the case may be, of such mutilated Bond for cancellation, and the Issuer and the Trustee or Authenticating Agent, as the case may be, may require reasonable indemnity therefor. If any Bond of a Series shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee or Authenticating Agent, as the case may be; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee or Authenticating Agent, as the case may be, shall authenticate and deliver a new Bond of such Series of like tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee or Authenticating Agent, as the case may be, pay to the Owner the principal amount of and accrued interest on such Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.06 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Master Indenture and related Supplemental Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

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SECTION 2.07. **Temporary Bonds.** Unless the provisions of Section 2.12 hereof are applicable, pending preparation of definitive Bonds of a Series, or by agreement with the original purchasers of all Bonds of such Series, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds of a Series one or more temporary printed or typewritten Bonds of such Series of substantially the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds of such Series in exchange for and upon surrender of an equal principal amount of temporary Bonds of such Series. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

SECTION 2.08. **Cancellation and Destruction of Surrendered Bonds.** All Bonds surrendered for payment or redemption and all Bonds surrendered for exchange shall, at the time of such payment, redemption or exchange, be promptly transferred by the applicable Registrar, Paying Agent or Authenticating Agent and cancelled and destroyed by, the Trustee. Upon request, the Trustee shall deliver to the Issuer a certificate of destruction in respect of all Bonds destroyed in accordance with this Section.

SECTION 2.09. **Registration, Transfer and Exchange.** As provided in Section 2.05 hereof, the Issuer shall cause a Bond Register in respect of the Bonds of each Series to be kept at the designated office of the Registrar for such Series.

Upon surrender for registration or transfer of any Bond of a Series at the designated office of the applicable Registrar, and upon compliance with the conditions for the transfer of Bonds set forth in this Section 2.09, the Issuer shall execute and the Trustee (or applicable Registrar or Authenticating Agent as described in Section 2.04 hereof) shall authenticate and deliver, in the name of the designated transferee, one or more new Bonds of such Series of a like aggregate principal amount and of the same maturity.

At the option of the Bondholder, Bonds may be exchanged for other Bonds of a like aggregate principal amount and of the same maturity, upon surrender of the Bonds to be exchanged at any such office or agency. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Trustee (or applicable Registrar or Authenticating Agent as described in Section 2.04 hereof) shall authenticate and deliver the Bonds of such Series which the Bondholder making the exchange is entitled to receive.

All Bonds issued upon any transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Master Indenture and related Supplemental Indenture as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, applicable Paying Agent or Registrar, duly executed by the Bondholder or his attorney-in-fact duly authorized in writing.

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The Bonds shall initially be registered in the name of Cede & Co. as nominee for DTC, which will act initially as securities depository for the Bonds and so long as the Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered Owner for all purposes hereof. On original issue, the Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds ("Beneficial Owners").

Principal and interest on the Bonds prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

The Bonds shall initially be issued in the form of one fully registered Bond for each maturity and shall be held in such form until maturity. Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE BONDS, ANY NOTICES TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICES TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO BENEFICIAL OWNERS.

The Issuer shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer elects to discontinue the book-entry-only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Bonds may be exchanged for an equal aggregate principal amount of Bonds in other Authorized Denominations and of the same maturity upon surrender thereof at the designated corporate trust office of the Trustee.

Neither the Issuer, the Trustee, the Paying Agent nor the Registrar shall have any responsibility to any DTC Participant or Indirect Participant for any action specified in this Section 2.12 as the obligation of DTC.

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Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Issuer nor the applicable Registrar on behalf of the Issuer shall be required (i) to issue, transfer or exchange any Bond of a Series during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds of such Series selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond of a Series so selected for redemption in whole or in part.

SECTION 2.10. **Persons Deemed Owners.** The Issuer, the Trustee, any Paying Agent, any Registrar, or any Authenticating Agent shall deem and treat the person in whose name any Bond is registered as the absolute Owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, any Paying Agent, the Registrar or the Authenticating Agent) for the purpose of receiving payment of or on account of the principal or Redemption Price of and interest on such Bond, and for all other purposes, and the Issuer, the Trustee, any Paying Agent, Registrar and Authenticating Agent shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

SECTION 2.11. **Pari passu Obligations Under Credit Agreements.** As may be provided for or required in any Supplemental Indenture, the Issuer and/or one or more of the Other Districts may incur financial obligations under a Credit Facility Agreement payable pari passu with respect to the lien on the Trust Estate pledged to a Series of Bonds issued under this Master Indenture and a Supplemental Indenture, without meeting any financial test or requirement set forth in this Master Indenture or the corresponding Supplemental Indenture, but only if the Credit Facility supports a related Series of Bonds then being issued which does meet such tests or requirements.

SECTION 2.12. **Qualification for The Depository Trust Company ("DTC").** To the extent authorized and directed by a Certified Resolution or Supplemental Indenture of the Issuer, the Trustee shall be authorized to enter into agreements with DTC and other depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to any Series of Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Bonds of a Series and provision of notices with respect to Bonds of a Series registered by DTC and other depository trust companies (or any of their designees identified to the Trustee) by overnight delivery, courier service, telegram, teletype or other similar means of communication.

So long as there shall be maintained a book-entry-only system through DTC with respect to a Series of Bonds (or portion thereof), as shall be provided in the Supplemental Indenture authorizing the Series of Bonds, the following provisions shall apply with respect to the Bonds of such Series, except as otherwise provided in the related Supplemental Indenture:

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SECTION 2.13. **Credit Enhancement.** By adoption of a Supplemental Indenture either prior to or subsequent to the issuance of a Series of Bonds, the Issuer may provide for a Credit Facility for such Series of Bonds and any requirements of the applicable Credit Facility Indenture.

SECTION 2.14. **Special Obligations.** Each Series of Bonds shall be a special and direct obligation of the Issuer. Neither the Bonds nor the interest thereon, if any, payable thereon shall constitute a general obligation or general indebtedness of the Issuer or any of the Other Districts for which such Series of Bonds relates within the meaning of the Constitution and laws of Florida. The Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the Issuer or any of the Other Districts for which such Series of Bonds relates or a lien upon any property of the Issuer or any of the Other Districts for which such Series of Bonds relates other than as provided herein or in the Supplemental Indenture authorizing the issuance of such Series of Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the Issuer or any other public authority or governmental body to pay Debt Service Requirements or to pay any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds. Rather, Debt Service Requirements and any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds, shall be payable solely from, and shall be secured solely by, the Series Pledged Revenues and the Series Pledged Funds pledged to such Series of Bonds, all as provided herein and in such Supplemental Indenture.

SECTION 2.15. **Tax Status of Bonds.** Any Series of Bonds issued under this Master Indenture either: (i) may be issued as Tax Exempt Bonds or (ii) may be issued as Taxable Bonds. The intended tax status of any Series of Bonds to be issued may be referenced in any Supplemental Indenture authorizing the issuance of such Series of Bonds.

SECTION 2.16. **Bond Anticipation Notes.** Whenever the Issuer shall authorize the issuance of a Series of Bonds, the Issuer may by resolution or Supplemental Indenture authorize the issuance of bond anticipation notes in anticipation of the sale of such authorized Series of Bonds in a principal amount not exceeding the principal amount of such Series and with a maturity date or dates not later than the date or dates permitted by the CDD Act and any applicable law. The aggregate principal amount of Bonds of such Series and all other Bonds previously authenticated and delivered to pay the Cost of the Series Project or Additional Series Project for which the proceeds of the bond anticipation notes will be applied shall not exceed such Cost. The interest on such bond anticipation notes may be payable out of the related Series Interest Account established for the bond anticipation notes to the extent provided in the resolution of the Issuer or Supplemental Indenture authorizing such bond anticipation notes. The principal of and interest on such bond anticipation notes and renewals thereof shall be payable from any moneys of the Issuer available therefor or from the proceeds of the sale of the Series of Bonds in anticipation of which such bond anticipation notes are issued. The proceeds of sale of bond anticipation notes shall be applied to the purposes for which the Bonds anticipated by such bond anticipation notes are authorized and shall be deposited in the appropriate Fund or Account established by the Supplemental Indenture or resolution relating to such bond anticipation notes for such purposes; provided, however, that the resolution or resolutions or Supplemental

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Indenture authorizing such bond anticipation notes may provide for the payment of interest on such bond anticipation notes from the proceeds of sale of such bond anticipation notes and for the deposit of such proceeds in the related Series Interest Account. In the event that the Issuer adopts a resolution rather than a Supplemental Indenture to authorize the issuance of bond anticipation notes, the Issuer will promptly furnish to the Trustee a copy of such resolution, certified by a Responsible Officer, together with such information with respect to such bond anticipation notes as the Trustee may reasonably request, including, without limitation, information as to the paying agent or agents for such bond anticipation notes. If authorized by resolution in lieu of a Supplemental Indenture, the Trustee shall have no duties or obligations to the holders of such bond anticipation notes unless specifically so authorized by the resolution of the Issuer authorizing the issuance of such bond anticipation notes and accepted in writing by the Trustee. The provisions of this Master Indenture shall apply to bond anticipation notes issued pursuant hereto, except where the context clearly requires otherwise or as otherwise provided in a related Supplemental Indenture and such bond anticipation notes shall constitute "Bonds" hereunder, except as otherwise provided in the Supplemental Indenture relating to such bond anticipation notes.

[END OF ARTICLE II]

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issue, (x) the Issuer has or can acquire good and marketable title thereto free from all liens and encumbrances except such as will not materially interfere with the proposed use thereof or (y) the Issuer has or can acquire a valid, subsisting and enforceable leasehold, easement, right-of-way or other interest in real property sufficient to effectuate the purpose of the issue (which opinion may be stated in reliance on the opinion of other Counsel satisfactory to the signer or on a title insurance policy issued by a reputable title company); (vi) the proceedings relating to the Assessments, if any, applicable to the Series Project and/or Additional Series Project financed by such Series of Bonds have been taken in accordance with State law and that the Issuer has taken all action necessary to levy and impose such Special Assessments; and (vii) the Assessments, if any, related to the Series Project and/or Additional Series Project financed by such Series of Bonds are legal, valid, and binding liens upon the property against which such Assessments are made, coequal with the lien of all state, county, Issuer and municipal ad valorem taxes and superior in priority to all other liens, titles and claims against said property then existing or thereafter created, until paid; (clauses (iii), (iv) and (v) shall not apply in the case of the issuance of a Series of Bonds issued solely for refunding purposes);

(c) a Consulting Engineer's certificate addressed to the Issuer, the Trustee and, if applicable with respect to a Series Project and/or Additional Series Project relating to District Infrastructure, addressed to the applicable District, setting forth the estimated cost of the Series Project and/or Additional Series Project, and in the case of an acquisition by the Issuer or by a District, with respect to District Infrastructure of all or a portion of the Series Project and/or Additional Series Project that has been completed, stating, in the signer's opinion, (i) that the portion of the Series Project and/or Additional Series Project to be acquired from the proceeds of such Bonds have been completed in accordance with the plans and specifications therefor; (ii) the Community Infrastructure or District Infrastructure has been constructed in a sound workmanlike manner and in accordance with industry standards; (iii) the purchase price to be paid by the Issuer, or by a District with respect to District Infrastructure, for the Series Project and/or Additional Series Project improvements is no more than the lesser of (x) the fair market value of such improvements and (y) the actual Cost of construction of such improvements; and (iv) the plans and specifications for the Series Project and/or Additional Series Project improvements have been approved by all Regulatory Bodies required to approve them (specifying such Regulatory Bodies) or such approval can reasonably be expected to be obtained (the foregoing shall not be applicable in the case of the issuance of a Series of Bonds issued solely for refunding purposes). The requirements of such certificate may be satisfied, in whole or in part, by compliance with the terms and conditions of the applicable Acquisition Agreement;

(d) a copy of this Master Indenture and the Supplemental Indenture for such Series of Bonds, certified by the Secretary or Assistant Secretary of the Issuer as being a true and correct copy thereof;

(e) the proceeds of the sale of such Series of Bonds;

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ARTICLE III ISSUE OF BONDS

SECTION 3.01. Issue of Bonds. Subject to the provisions of Section 2.01 hereof, and except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, the Issuer may issue Bonds hereunder from time to time without limitation as to aggregate principal amount for the purposes of: (i) financing all or part of the Cost of one or more Series Project or Additional Series Project or refunding (including advance refunding) an Outstanding Series of Bonds or any portion thereof; (ii) paying Capitalized Interest on a Series of Bonds; (iii) depositing the Series Reserve Account Requirement to the Series Reserve Account for such Series of Bonds; and (iv) paying the costs and expenses of issuing such Series of Bonds. In any such event the Trustee or Authentication Agent, if any, shall, at the request of the Issuer, authenticate the Bonds of each Series and deliver or cause them to be authenticated and delivered, as specified in the request, but only upon receipt of the following (except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds):

(a) a Certified Resolution of the Issuer (i) approving this Master Indenture and a Supplemental Indenture under which the Series of Bonds are to be issued; (ii) providing the terms of the Series of Bonds and directing the payments to be made into the Funds and Accounts in respect thereof as provided in Article VI hereof; (iii) authorizing the execution and delivery of the Series of Bonds to be issued; and (iv) if the purpose is to effectuate a refunding, authorizing the redemption, if any, of the Bonds to be refunded and the defeasance thereof, and the execution and delivery of an escrow agreement, if applicable, and other matters contained in Section 3.03 and Article XIII hereof;

(b) a written opinion or opinions of Counsel to the Issuer, addressed to the Trustee that (i) all conditions prescribed herein as precedent to the issuance of the Series of Bonds have been fulfilled; (ii) this Master Indenture and the related Supplemental Indenture has been duly and validly authorized, approved, and executed by the Issuer and the Series of Bonds have been validly authorized and executed, and when authenticated and delivered pursuant to the request of the Issuer, the Series of Bonds, together with this Master Indenture and the related Supplemental Indenture will be valid obligations of the Issuer entitled to the benefit of the trust created hereby and will be enforceable in accordance with their terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity; (iii) the Issuer has good right and lawful authority under the Act to undertake the Series Project and/or Additional Series Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body; (iv) any consents of any Regulatory Bodies required in connection with the issuance of the Bonds or in connection with the acquisition of the improvements included in a Series Project and/or Additional Series Project have been obtained or can be reasonably expected to be obtained; (v) if the acquisition of any real property or interest therein is included in the purpose of such

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(f) any Credit Facility authorized by the Issuer in respect to such Series of Bonds;

(g) one or more Certified Resolutions of the Issuer and/or the applicable Other Districts relating to the levy of Assessments, if any, in respect of the Series Project and/or Additional Series Project and evidencing that the Issuer and/or the applicable Other District has undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect such Assessments upon the District Lands in an amount sufficient to pay the Debt Service Requirement on the Bonds to be issued (the foregoing shall not be applicable in the case of the issuance of a Series of Bonds for which revenues derived from Special Assessments are not included in the related Series Pledged Revenues);

(h) an executed opinion of Bond Counsel;

(i) a written direction of the Issuer to the Trustee to authenticate and deliver such Bonds;

(j) in the case of a Series of Bonds to be issued for the purpose of completing a Series Project, a certificate of the Consulting Engineer stating the original estimated Cost of the Series Project to be completed at the time of issuance of the Bonds originally issued to finance such Series Project, that such estimated Cost will be exceeded, the Cost of completing such Project, and that other funds available or reasonably expected to become available for such Cost of completion, together with the proceeds of such Series of Bonds, will be sufficient to pay such Cost of completion;

(k) a copy of a Final Judgment of validation and a Certificate of No Appeal with respect to the Bonds that are subject to validation; and

(l) such other documents, certifications and opinions as shall be required by the Supplemental Indenture or by the Issuer or the Trustee upon advice of counsel.

At the option of the Issuer, any or all of the matters required to be stated in the Certified Resolution described in (a)(ii)-(iv) above may instead be stated in a Supplemental Indenture, duly approved by a Certified Resolution of the Issuer.

The delivery to the Trustee by the Issuer of the Issuer's order to authenticate and deliver the Series of Bonds and the delivery to the Trustee by Bond Counsel of Bond Counsel's opinion shall evidence that the foregoing requirements have been fulfilled to the satisfaction of the Issuer, Bond Counsel and the purchaser of the Series of Bonds.

SECTION 3.02. Disposition of Proceeds and Other Funds. The proceeds (including accrued interest and any premium) of each Series of Bonds shall be applied as soon as

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practicable upon delivery thereof to the Trustee as set forth in the Supplemental Indenture relating to such Series of Bonds.

SECTION 3.03. Additional Requirements for Refunding Bonds. The Trustee shall, at the request of the Issuer, authenticate Refunding Bonds and provide for delivery of such Refunding Bonds as specified in the request, but only upon receipt of the following, in addition to the items listed in Section 3.01 hereof:

- (a) an Officer's Certificate of the Issuer stating (i) the intended use of the proceeds of the issue of Refunding Bonds; (ii) any other amounts available for the purpose; (iii) that the proceeds of the issue of the Refunding Bonds plus the other amounts, if any, stated to be available for the purpose will be sufficient to refund the Bonds to be refunded in accordance with the refunding plan and in compliance with Article XIII of this Master Indenture, including, without limitation, to pay the Costs of Issuance of such Refunding Bonds; and (iv) that notice of redemption, if applicable, of the Bonds to be refunded has been duly given or that provision has been made therefor, as applicable; and
- (b) to the extent that the proceeds of the Refunding Bonds are to be applied to defease all or a portion of the Bonds Outstanding, a verification report of a firm of certified public accountants selected by the Issuer and having a favorable reputation in the preparation of such reports, to the effect that the moneys and/or Defeasance Securities deposited with the escrow agent to effect such defeasance are sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds, or portion thereof, to be defeased.

[END OF ARTICLE III]

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in such requisition the amount designated in such requisition. The Trustee shall have no duty to investigate the accuracy or validity of the items delivered pursuant to the requisition. Moneys in the Acquisition and Construction Fund shall be disbursed by wire transfer, check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in this Section 4.02. All requisitions and engineer's certificates received by the Trustee pursuant to this Section shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the Issuer, the Consulting Engineer, the Owner of any Bonds of the related Series, and the agents and representatives thereof. Unless otherwise provided by Supplemental Indenture, on the Date of Completion of a Series Project or Additional Series Project, the balance in the related Series Acquisition and Construction Account not reserved for the payment of any remaining part of the Cost of the Series Project or Additional Series Project shall be transferred by the Trustee first, to the credit of the related Series Rebate Account in the amount, and to the extent necessary, at the written direction of the Issuer, so that the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code and thereafter, except as otherwise provided in the Supplemental Indenture pursuant to which the applicable Series Acquisition and Construction Account is established, to the credit of the Prepayment Subaccount of the Series Redemption Account relating to the Series of Bonds issued to finance such Series Project or Additional Series Project and used for the purposes set forth for such Account in the Supplemental Indenture relating to such Series of Bonds. Notwithstanding anything herein to the contrary, any payment of any Deferred Obligations pursuant to the provisions hereof and of the applicable Supplemental Indenture shall be disbursed using the same requisition procedures described above.

SECTION 4.03. Costs of Issuance Fund. There is created and established a fund designated as the "Costs of Issuance Fund" which shall be held by the Trustee. Pursuant to a Supplemental Indenture authorizing a Series of Bonds, the Issuer shall create a Series Cost of Issuance Account relating to that Series of Bonds into which shall be deposited a portion of the proceeds of the Series of Bonds upon delivery thereof and from which Costs of Issuance of the applicable Series of Bonds shall be paid. The amounts in the Series Costs of Issuance Account, until applied, shall constitute a part of the Trust Estate held for the security of the related Series of Bonds. Monies held for the credit of the Series Costs of Issuance Account shall be used, as and when the Issuer determines it to be appropriate as evidenced in a certificate delivered by the Issuer to the Trustee, for the purpose of paying any unpaid Costs of Issuance of the related Series of Bonds. Requisitions from each Series Costs of Issuance Account shall be made pursuant to the requisition form attached hereto to the Supplemental Indenture authorizing the related Series of Bonds, and the Trustee shall make disbursements from the Series Costs of Issuance Account as directed in the applicable Requisition. Amounts in the Series Costs of Issuance Account not needed to pay Costs of Issuance of the related Series of Bonds shall, upon notification from the Issuer to the Trustee that such funds are not needed, except as otherwise provided in the Supplemental Indenture pursuant to which the applicable Series Costs of Issuance Account is established, be transferred to the related Series Acquisition and Construction Account through and including the Date of Completion and thereafter applied in accordance with the provisions of Section 4.02 hereof.

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ARTICLE IV

ACQUISITION AND CONSTRUCTION FUND; COSTS OF ISSUANCE FUND

SECTION 4.01. Acquisition and Construction Fund. There is created and established a fund designated as the "Acquisition and Construction Fund" which shall be held by the Trustee. Pursuant to a Supplemental Indenture authorizing a Series of Bonds (other than Refunding Bonds), the Issuer shall create a Series Acquisition and Construction Account relating to that Series of Bonds. The Issuer shall pay to the Trustee, for deposit into the related Series Acquisition and Construction Account of the Acquisition and Construction Fund, as promptly as practicable, the following amounts received by it:

- (a) the amount set forth in the Supplemental Indenture relating to such Series of Bonds;
- (b) subject to the provisions of Section 8.19 hereof, payments made to the Issuer from the sale, lease or other disposition of the Series Project or Additional Series Project or any portion thereof which are not part of the Series Pledged Funds and Series Pledged Revenues pledged to a Series of Bonds (which shall be segregated in a subaccount to be established in the Series Acquisition and Construction Account to hold such amounts);
- (c) subject to the provisions of Section 8.19 hereof, insurance proceeds with respect to the loss or destruction of the Series Project or Additional Series Project or any portion thereof if a determination is made to restore, rebuild or replace such Series Project or Additional Series Project pursuant to Section 8.29 hereof (which shall be segregated in a subaccount in the Series Acquisition and Construction Account to be established to hold such amounts); and
- (d) such other amounts as may be provided in a Supplemental Indenture.

Amounts in such Account shall be applied to the Cost of the Series Project or Additional Series Project until the Date of Completion, at which time such amounts shall be applied in the manner set forth in Section 4.02 below.

SECTION 4.02. Payments From Acquisition and Construction Fund. Payment of the Cost of any Series Project or Additional Series Project shall be made from the applicable Series Acquisition and Construction Account of the Acquisition and Construction Fund as herein provided. All such payments shall be subject to the provisions and restrictions set forth in this Master Indenture, and the Issuer covenants that it will not request any sums to be paid from the Acquisition and Construction Fund except in accordance with such provisions and restrictions. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, before any payment from the related Series Acquisition and Construction Account shall be made, the Issuer shall file with the Trustee a requisition in the form attached to the corresponding Supplemental Indenture, signed by a Responsible Officer and by the Consulting Engineer. Upon receipt of each such requisition the Trustee shall promptly withdraw from the Series Acquisition and Construction Account and pay to the person, firm or corporation named

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[END OF ARTICLE IV]

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ARTICLE V
LIEN OF INDENTURE; ESTABLISHMENT AND APPLICATION OF
FUNDS AND ACCOUNTS

SECTION 5.01. Lien of Indenture. The applicable Trust Estate is hereby irrevocably pledged for the payment of the Bonds of the related Series issued hereunder and all reimbursements due to any Credit Facility Issuer for any drawing with respect to such Series of Bonds on its Credit Facility, including, without limitation, interest thereon, as required under the terms of the applicable Credit Facility Agreement, subject only to the provisions of this Master Indenture and any Supplemental Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Master Indenture and any such Supplemental Indenture with respect to each Series of Bonds, provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Trust Estate securing such Series of Bonds, the Series Pledged Funds and Series Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and Bonds issued on a parity therewith and shall not secure any other Bonds or Series of Bonds. Notwithstanding anything to the contrary herein, the lien and pledge of this Master Indenture shall not apply to any moneys transferred by the Trustee to the Rebate Fund.

The foregoing pledge shall be valid and binding from and after the date of initial delivery of the Bonds and the proceeds of sale of the Bonds and all the moneys, securities and funds set forth in this Section 5.01 shall immediately be subject to the lien of the foregoing pledge, which lien is hereby created, without any physical delivery thereof or further act. Such lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer or the Trustee, irrespective of whether such parties have notice thereof. Such lien shall be prior and superior to all other liens now existing or hereafter created.

SECTION 5.02. Funds and Accounts Relating to the Bonds. In addition to the Project Fund and Costs of Issuance Fund and the Accounts therein, the following Funds and Accounts are hereby established and shall be held by the Trustee:

(a) A Revenue Fund, and, within such Fund there shall be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Revenue Account for each Series of Bonds issued hereunder.

(b) A Debt Service Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a Series Debt Service Fund and within such Series Debt Service Fund the following Accounts shall be established for each Series of Bonds issued hereunder:

(i) a Series Interest Account,

(ii) a Series Principal Account, and

(iii) a Series Redemption Account, and therein a Prepayment Subaccount, General Subaccount and an Optional Redemption Subaccount.

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principal amount, if any, payable with respect to Serial Bonds of such Series on such Interest Payment Date;

(iii) in each Bond Year in which Term Bonds of such Series are subject to mandatory redemption from Amortization Installments, to the credit of the Series Principal Account, an amount which, together with other amounts, if any, then on deposit therein, will equal the Amortization Installment payable on the Term Bonds of such Series on such Interest Payment Date; and

(iv) in each Bond Year in which Capital Appreciation Bonds of such Series mature, to the credit of the Series Principal Account, an amount which, together with other amounts, if any, then on deposit therein, will equal the Maturity Amount payable with respect to the Capital Appreciation Bonds of such Series maturing on such Interest Payment Date;

(v) to the credit of the Series Reserve Account, an amount, if any, which, together with the amount then on deposit therein, will equal the Series Reserve Account Requirement; and

(vi) to the credit of the Series Rebate Account the Rebate Amount, if any, required to be deposited therein.

Notwithstanding the foregoing, so long as there are moneys on deposit in the related Series Capitalized Interest Account on the date required for any transfer into the Series Interest Account as set forth above, the Trustee shall, prior to making any transfer into the related Series Interest Account from the related Series Revenue Account, transfer to the related Series Interest Account from the related Series Capitalized Interest Account, the lesser of the interest on such Series of Bonds coming due on the next succeeding Interest Payment Date or the amount remaining on deposit in the related Series Capitalized Interest Account. In addition, moneys may be transferred to the appropriate Series Rebate Account from the Project Fund or Revenue Fund at the times and in the amounts necessary to pay any Rebate Amount then due.

If any amounts described in sub-paragraphs (i)-(iv) above have been paid by a Credit Facility Issuer or the issuer of a Debt Service Reserve Account Facility Policy with respect to clause (v), the Trustee shall instead of such deposits, reimburse the applicable Credit Facility Issuer or issuer of a Debt Service Reserve Account Facility of the amount so paid by such entity.

If so provided by Supplemental Indenture, excess moneys in a Series Revenue Account may be applied to pay Deferred Obligations relating to the Series Project financed with the Series of Bonds such Series Revenue Account was established.

(b) Disposition of Remaining Amounts on Deposit in Series Revenue Account. The Issuer shall authorize the withdrawal, from time to time, from the Series Revenue Account of an amount sufficient to pay the fees and charges of the Trustee, Bond Registrar, and Paying Agent relating to that Series of Bonds, when due. If following such payment, money remains in the Series Revenue Account, then, if (x) the amount on

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In addition, a Series Capitalized Interest Subaccount may be created in the Series Interest Account within the Series Debt Service Fund with respect to a Series of Bonds pursuant to a Supplemental Indenture.

(c) A Debt Service Reserve Fund, and, within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Reserve Account for each such Series of Bonds issued hereunder and any Bonds issued on a parity with any such Series of Bonds hereunder.

(d) A Rebate Fund, and, within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Rebate Account for each such Series of Tax Exempt Bonds issued hereunder.

In addition to the foregoing, whenever the Issuer issues Refunding Bonds hereunder, the Issuer may, by the Certified Resolution of the Issuer or Supplemental Indenture authorizing the Refunding Bonds, direct the Trustee to establish a separate fund and to deposit therein the proceeds of the Refunding Bonds. The Certified Resolution or Supplemental Indenture shall specify the investment and application of amounts so deposited including, without limitation, the transfer thereof to any other agent or trustee of the Issuer and the time and conditions for such transfer.

SECTION 5.03. Revenue Fund and Series Revenue Accounts. The Issuer hereby covenants and agrees to (or to cause the Administration District to) promptly deposit upon receipt all Series Pledged Revenues (except Prepayments of related Assessments) when received, into the related Series Revenue Account and to promptly deposit all Prepayments of related Assessments, when received, into the Prepayment Subaccount of the related Series Redemption Account, unless otherwise provided for in the Supplemental Indenture relating to a Series of Bonds. The Issuer may deposit proceeds of any casualty relating to a Series Project or Additional Series Project, whether from insurance or self-insurance, to the related Series Revenue Account as provided in Section 8.29 hereof.

SECTION 5.04. Debt Service Fund and Series Debt Service Funds and Accounts.

(a) Principal Maturity Amount, Interest and Amortization Installments. Except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, on the Business Day preceding each Interest Payment Date on the Bonds of a Series, the Trustee shall withdraw amounts on deposit in the related Series Revenue Account and, from the amount so withdrawn, shall make the following deposits in the following order of priority to the related Series Accounts:

(i) to the credit of the Series Interest Account, an amount which, together with other amounts, if any, then on deposit therein will equal the amount of interest payable on the Bonds of such Series on such Interest Payment Date;

(ii) to the credit of the Series Principal Account, an amount which, together with other amounts, if any, then on deposit therein will equal the

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deposit in the related Series Interest Account, Series Principal Account, and Series Redemption Account equals the Debt Service Requirements on the Bonds of such Series in such Bond Year (taking into account any Bonds of such Series which are to be purchased by the Trustee pursuant to written directions from the Issuer in accordance with Section 7.04 hereof), and (y) the related Series Reserve Account in the Debt Service Reserve Fund is fully funded, and (z) there is no Event of Default known to the Trustee that has not been cured or waived, then the amounts remaining in the Series Revenue Account shall, first be deposited to the credit of the related Series Rebate Account in the amount, and to the extent necessary, so that the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code and shall thereafter, at the written direction of the Issuer (which shall include a certification that no amounts need to be deposited to the existing Series Revenue Accounts), be used to pay Deferred Obligations, if any, if so specified in a Supplemental Indenture with respect to the applicable Series of Bonds in accordance with said Supplemental Indenture and thereafter, any remaining amounts shall, if a Responsible Officer of the Issuer has requested the Trustee to make such payments, be (i) used to pay the commissions, fees, costs and any other charges of the Tax Collector and the Property Appraiser, or, if such commissions, fees, costs, or other charges have been paid by the Issuer, to reimburse the Issuer for such payment upon written request of a Responsible Officer; (ii) transferred to the related Series Optional Redemption Subaccount in the related Series Redemption Account and applied as provided herein; (iii) disbursed to the Issuer and applied to pay the operating and administrative costs and expenses of the Issuer or otherwise transferred to a Series Account or applied as set forth in a Supplemental Indenture; or (iv) applied in any combination of the foregoing.

(c) Series Reserve Account. Moneys held for the credit of a Series Reserve Account shall be used for the purpose of paying any Debt Service Requirements on the Bonds of the related Series whenever amounts on deposit in the Series Debt Service Fund shall be insufficient for such purpose. At the time of any withdrawal from a Series Reserve Account that results in a deficiency therein, the Trustee shall promptly notify the Issuer of the amount of any such deficiency and the Trustee shall withdraw the amount of such deficiency from the related Series Revenue Account, and, if amounts on deposit therein are insufficient therefor, the Issuer shall pay the amount of such deficiency to the Trustee, for deposit in such Series Reserve Account, from the first legally available sources of the Issuer. The Trustee, as of the close of business on the last Business Day in each Bond Year, and on any other date requested in writing by the Owner of the entire Outstanding principal amount of a Series of Bonds, after taking into account all payments and transfers made as of such date, shall compute, in the manner set forth in Section 6.03, the value of the Series Reserve Account and shall promptly notify the Issuer of the amount of any "deficiency" or "surplus" (as such terms are hereinafter defined) as of such date in such Series Reserve Account. The Issuer shall promptly pay the amount of any deficiency to the Trustee, for deposit in the Series Reserve Account, from any legally available sources of the Issuer. The Trustee, as soon as practicable after such computation, shall deposit any surplus, at the direction of a Responsible Officer, to the credit of the Series Redemption Account or the Series Principal Account or as provided

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in the Supplemental Indenture relating to a Series of Bonds, including, but not limited to, the payment of any Deferred Obligations.

For purposes of this Section: (i) a "deficiency" shall mean, in the case of a Series Reserve Account, that the amount on deposit therein is less than the Series Reserve Account Requirement (but only after the Bond Year in which the amount on deposit therein first equals the Series Reserve Account Requirement), and (ii) a "surplus" shall mean, in the case of a Series Reserve Account, that the amount on deposit therein is in excess of the Series Reserve Account Requirement.

(d) Series Debt Service Fund. Moneys held for the credit of a Series Principal Account in a Series Debt Service Fund shall be withdrawn therefrom by the Trustee and transferred by the Trustee to the Paying Agent in amounts and at times sufficient to pay, when due, the principal of Serial Bonds of such Series, the Maturity Amount of Capital Appreciation Bonds of such Series and to redeem Term Bonds of such Series that are subject to mandatory payment or redemption from Amortization Installments. Moneys held for the credit of a Series Interest Account in a Series Debt Service Fund shall be withdrawn therefrom by the Trustee and transferred by the Trustee to the Paying Agent in amounts and at times sufficient to pay, when due, the interest on the Bonds of such Series.

(e) Series Redemption Account. Moneys representing Prepayments and sums transferred from a Series Project Account in accordance herewith on deposit in a Prepayment Subaccount of a Series Redemption Account to the full extent of a multiple of an Authorized Denomination shall, unless otherwise provided in the Supplemental Indenture relating to such Series of Bonds, be used by the Trustee to redeem Bonds of such Series on the earliest date on which such Bonds are permitted to be called without payment of premium by the terms thereof (including extraordinary or extraordinary mandatory redemption) and the terms of the Supplemental Indenture relating to such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article VII. Except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds moneys deposited in a Series Redemption Account other than from Prepayments or sums transferred from a Series Acquisition and Construction Account may be deposited into the Series Optional Redemption Subaccount in the corresponding Series Redemption Account and shall be applied by the Trustee, at the written direction of a Responsible Officer, (i) to redeem the related Series of Bonds by calling, on or prior to the forty-fifth (45th) day preceding the date of redemption, such amount of Bonds of such Series then subject to optional redemption as, with the redemption premium, if any, will exhaust, as nearly as may be practicable, moneys on deposit in the related Optional Redemption Subaccount in a Series Redemption Account, and/or (ii) to purchase Outstanding Bonds of the related Series in accordance herewith. Such Redemption Price or purchase shall be made pursuant to the provisions of Article VII. The Issuer shall pay all expenses incurred by the Trustee and Paying Agent in connection with any Redemption Price or purchase.

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SECTION 5.07. Trust Funds. All amounts on deposit in Series Funds and Series Accounts for the benefit of a Series of Bonds shall:

(a) be used only for the purposes and in the manner provided herein and in the Supplemental Indenture relating to such Series of Bonds, and pending such application, be held by the Trustee in trust for the benefit of the Owners of such Series of Bonds;

(b) be irrevocably pledged to the payment of such Series of Bonds, except for amounts on deposit in the Series Rebate Accounts in the Rebate Fund;

(c) be held and accounted for separate and apart from all other Funds and Accounts, including Series Funds and Series Accounts of other Series of Bonds, and other funds and accounts of the Trustee and the Issuer;

(d) except for amounts on deposit in the Series Rebate Accounts in the Rebate Fund until applied for the purposes provided herein, be subject to a first lien in favor of the Owners of such Series of Bonds and any pari passu obligations to Credit Facility Issuers with respect to such Series of Bonds, which lien is hereby created, prior and superior to all other liens now existing or hereafter created, and, to a second lien in favor of the Trustee, as security for the reasonable compensation for the services of the Trustee hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, subordinate and inferior to the security interest granted to the Owners of such Series of Bonds and any pari passu obligations to Credit Facility Issuers with respect to such Series of Bonds, but nevertheless payable in the order of priority as set forth in Section 9.10 hereof upon the occurrence of an Event of Default; and

(e) shall not be subject to lien or attachment by any creditor of the Trustee or any creditor of the Issuer or any other Series of Bonds other than the Owners of such Series of Bonds and the Credit Facility Issuer with respect to such Series of Bonds.

Notwithstanding anything to the contrary herein, the Trustee is authorized and directed to transfer moneys from the Series Accounts in the Acquisition and Construction Fund and Reserve Fund to the credit of the related Series Rebate Account at the written direction of the Issuer in the amount, and to the extent necessary, so that the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code with respect to the applicable Series of Tax-Exempt Bonds.

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(f) Payment to Issuer and Other CDDs. When no Bonds of a Series remain Outstanding, and after all expenses and charges (including any reimbursement to the applicable Credit Facility Issuer and the issuer of a Debt Service Reserve Account Facility herein and in the related Supplemental Indenture and any rebate obligation under Section 148(f) of the Code required to be paid have been paid as certified to the Trustee in writing by a Responsible Officer, the Trustee shall, upon the written direction of a Responsible Officer, pay any balance in the Series Funds and Series Accounts for such Series of Bonds to the Issuer, to disburse to itself and the Other CDDs, in proportion to their share or proportionate share of the Debt Service Requirements on such Series of Bonds as set forth in the Master Assessment Report, free and clear of any lien and pledge created by this Master Indenture. Notwithstanding the foregoing, however, if at the time such payment of excess funds is to be made, an Event of Default has occurred and is continuing in the payment of the principal or Maturity Amount of, or interest or premium on the Bonds of any other Series, the Issuer shall first deliver to the Trustee written notice indicating which of the Issuer and any of the Other CDDs, as applicable, have fully contributed their respective proportionate share, in accordance with the Master Assessment Report, of the Debt Service Requirements on the Series of Bonds with respect to which the Event of Default occurred and directing the Trustee to first, pay to the parties specified in the notice that portion of the excess funds they are entitled to receive in accordance with the Master Assessment Report, as specified in the notice, and next, to pay over and apply any remaining balance of such excess funds pro rata (based upon the ratio of the aggregate principal amount of such Series to the aggregate principal amount of all Series Outstanding and for which such an Event of Default has occurred and is continuing) to each other Series of Bonds for which such an Event of Default has occurred and is continuing. The Trustee may rely solely upon the certificate of the Issuer and shall not be responsible for verifying the disposition or allocation of such excess funds as provided for in such certificate.

SECTION 5.05. Drawings on Credit Facility. In the event that there has been issued a Credit Facility with respect to the Bonds, the Trustee shall draw on the Credit Facility, in accordance with the provisions for drawing under such Credit Facility, and within the requisite time period, all as set forth in the Credit Facility.

SECTION 5.06. Procedure When Funds Are Sufficient to Pay All Bonds. If at any time the moneys held by the Trustee in the Funds and Accounts (excluding the Rebate Fund and the Acquisition and Construction Fund) hereunder and available therefor are sufficient to pay the principal or Redemption Price of, or, as the case may be, interest on all Bonds of a Series then Outstanding to maturity or prior redemption, together with any amounts due the Trustee, Paying Agent, Registrar, Credit Facility Issuer, the issuer of any Debt Service Reserve Account Facility and the Issuer, and any rebate obligation under Section 148(f) of the Code, the Issuer shall direct the Trustee to, and the Trustee shall, upon such direction, apply the amounts in the Funds and Accounts related to such Series to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further Pledged Revenues with respect to such Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

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ARTICLE VI

SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

SECTION 6.01. Deposit and Security. All moneys received by the Trustee for deposit in any Fund or Account established under this Master Indenture shall be considered trust funds, shall not be subject to lien or attachment, except for the lien created by this Master Indenture, and shall, except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, be deposited in the commercial department of the Trustee, until or unless invested or deposited as provided in Section 6.02 hereof. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, all deposits of moneys received by the Trustee under this Master Indenture in the commercial department of the Trustee (whether original deposits under this Section 6.01 or deposits or redemptions in time accounts under Section 6.02) shall, to the extent not insured, and to the extent permitted by law, be fully secured as to both principal and interest earned, by Investment Securities. If at any time the commercial department of the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC'S Savings Association Insurance Fund). All deposits in any other depository in excess of the amount covered by insurance (whether under this Section 6.01 or Section 6.02 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest earned, in the same manner as required herein for deposits with the Trustee. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

SECTION 6.02. Investment or Deposit of Funds. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in the Project Fund, the Cost of Issuance Fund, the Revenue Fund, the Debt Service Fund, the Rebate Fund and the Debt Service Reserve Fund, and all accounts therein, only in Investment Securities. All investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth herein. All securities securing investments under this Section shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made and retained therein except as otherwise provided in the Supplemental Indenture relating to a Series of Bonds. Upon request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, unless it has failed to make investments in accordance with written directions of the Issuer. If net proceeds from the sale of securities held in any Fund

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or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the Revenue Fund.

The Trustee shall make investments in accordance with the direction of the Issuer, and if the Issuer has failed to give instructions, in accordance with the standing instructions of the Issuer. Absent specific or standing instructions from the Issuer, all moneys in the Funds and Accounts established under this Master Indenture shall be invested in Investment Securities described in item (viii) of the definition of Investment Securities. The Trustee shall not be liable or responsible for any loss or entitled to any gain resulting from any investment or sale upon the investment instructions of the Issuer or otherwise, including that set forth in the preceding sentence.

SECTION 6.03. Valuation of Funds. The Trustee shall value the assets in each of the Funds and Accounts established hereunder as of September 30 of each Fiscal Year, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the Issuer a report of the status of each Fund and Account as of the valuation date. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof, subject to Section 6.02 hereof. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder (other than the Debt Service Reserve Fund), obligations in which money in such Fund or Account shall have been invested shall be valued at the market value thereof. For the purpose of determining the amount on deposit to the credit of the Debt Service Reserve Fund, obligations in which money in such Fund shall have been invested shall be valued at the market value thereof or the amortized cost thereof, whichever is lower.

[END OF ARTICLE VI]

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be dated, shall set forth the Bonds Outstanding which shall be called for redemption and shall include, without limitation, the following additional information:

- (a) the redemption date;
- (b) the Redemption Price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) if less than all Outstanding Bonds of a Series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (e) that on the redemption date the Redemption Price will become due and payable upon surrender of each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- (f) the place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be a corporate trust office of the Trustee.

If at the time of mailing of notice of an optional redemption, the Issuer shall not have deposited with the Trustee or Paying Agent for the Bonds to be redeemed, moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited. Notwithstanding any other provision of this Master Indenture, notice of optional redemption may also be conditioned upon the occurrence or non-occurrence of such other event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the Issuer if expressly set forth in such notice.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Bonds of a Series so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

The notices required to be given by this Section 7.02 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Bonds.

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ARTICLE VII

REDEMPTION AND PURCHASE OF BONDS

SECTION 7.01. Redemption Generally. The Bonds of any Series shall be subject to redemption, either in whole or in part on any date, and at such times, in the manner and at such prices, as may be provided by the Supplemental Indenture authorizing the issuance of such Series of Bonds. The Issuer shall provide written notice to the Trustee of any optional redemption on or before the forty-fifth (45th) day next preceding the date to be fixed for such optional redemption unless a shorter period of time is specified in a Supplemental Indenture relating to a Series of Bonds.

Unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, if less than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular Bonds of a Series to be redeemed shall be selected by lot in such reasonable manner as the Bond Registrar for such Series in its discretion may determine. The portion of any Series of Bonds to be redeemed shall be in an Authorized Denomination and, in selecting the Bonds of such Series to be redeemed, the Registrar for such Series shall treat each such Bond as representing that number of Bonds of such Series which is obtained by dividing the principal amount of such Bond by an Authorized Denomination (such amount being hereafter referred to as the "unit of principal amount"). If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then upon notice of intention to redeem such unit or units of principal amount as provided below, the registered Owner of such Bond, upon surrender of such Bond to the Paying Agent for such Bond for payment to such registered Owner of the redemption price of the unit or units of principal amount called for redemption, shall be entitled to receive a new Bond or Bonds of such Series in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond; provided, however, when Bonds are maintained under a book-entry-only system, no presentation of Bonds is required. New Bonds of such Series representing the unredeemed balance of the principal amount shall be issued to the Owner thereof without any charge therefor. If the Owner of any Bond of a denomination greater than the unit of principal amount to be redeemed shall fail to present such Bond to the Paying Agent for such Bond for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption.

SECTION 7.02. Notice of Redemption. Unless otherwise provided in a Supplemental Indenture relating to a Series of Bonds, when required to redeem Bonds under any provision of this Master Indenture, or Supplemental Indenture or directed to do so by the Issuer, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption date to all Owners of Bonds to be redeemed (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses and also to any Credit Facility Issuer providing a Credit Facility securing such Bonds, 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 of the Bonds for which notice was duly mailed in accordance with this Section 7.02. Unless otherwise provided in a Supplemental Indenture relating to a Series of Bonds, such notice shall be given in the name of the Issuer, shall

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SECTION 7.03. Payment of Redemption Price. If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all Bonds of a Series called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent for such Bonds, then in either case, the Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Bonds so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by this Master Indenture and related Supplemental Indenture and shall not be deemed to be Outstanding under the provisions of this Master Indenture and related Supplemental Indenture.

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or applicable Paying Agent to or upon the order of the Owners of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price of the Bonds to be redeemed, the expenses of giving notice and any other expenses of redemption, shall be paid out of the Fund or Account from which redemption is to be made unless otherwise provided by Supplemental Indenture or by the Issuer.

SECTION 7.04. Purchase of Bonds of a Series. Pursuant to the provisions of the District Development Interlocal Agreement and the applicable Supplemental Indenture, the Issuer may purchase Bonds of a Series then Outstanding at any time, whether or not such Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having regard to maturity, option to redeem, rate and price, such price not to exceed the principal of such Bonds plus the amount of the premium, if any, which would be payable on the next redemption date to the Owners of such Bonds under the provisions of this Master Indenture and the Supplemental Indenture pursuant to which such Series of Bonds were issued if such Bonds were called for redemption on such date. Before making each such purchase, the Issuer shall file with the Trustee a statement in writing directing the Trustee to pay the purchase price of the Bonds of such Series so purchased upon their delivery and cancellation, which statement shall set forth a description of such Bonds, the purchase price to be paid therefor, the name of the seller and the place of delivery of the Bonds. At the written direction of the Issuer, the Trustee shall either: (i) pay the interest accrued on such Bonds to the date of delivery thereof from the related Series Interest Account and the principal portion of the purchase price of Serial Bonds which would have been payable during the Bond Year in which the purchase occurs from the related Series Principal Account or (ii) pay the interest accrued on such Bonds to the date of delivery thereof and the principal portion of the purchase price of Serial Bonds which would have been payable during the Bond Year in which the purchase occurs from the Optional Redemption Subaccount in the related Series Redemption Account, but no such purchase shall be made after the Record Date in any Bond Year in which the Bonds to be purchased have been called for redemption. To the extent that such purchase is not to be made from the related Optional Redemption Subaccount and insufficient moneys are on deposit in a related Series Interest Account to pay the accrued interest portion of the purchase price of any Series of Bonds or in a related Series Principal Account to pay the aforescribed principal amount of the purchase price of any Series of Bonds, the Trustee shall transfer into such Account from the related Series Revenue Account sufficient moneys to pay such respective amounts. To the extent that such purchase is not to be made from the related Optional Redemption Subaccount and there

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are insufficient moneys on deposit in the related Series Principal Account with which to pay the principal portion of the purchase price of any Term Bonds, the Trustee may, at the written direction of the Issuer, transfer moneys into such related Series Principal Account from the related Series Revenue Account to pay the principal amount of such purchase price, but only in an amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year calculated after giving effect to any other purchases of Term Bonds during such Bond Year. The Trustee may pay the principal portion of the purchase price of Term Bonds having maturities different from or in amounts greater than set forth in the next preceding sentence from amounts on deposit in the related Series Principal Account and the Trustee may transfer moneys from the related Series Revenue Account to the related Series Principal Account for such purpose, but only upon delivery of written instructions from a Responsible Officer to the Trustee accompanied by a certificate of a Responsible Officer: (i) stating that sufficient moneys are on deposit in the Series Principal Account, after giving effect to any transfers from the related Series Revenue Account, to pay the principal portion of the purchase price of such Term Bonds; (ii) setting forth the amounts and maturities of Term Bonds of such Series which are to be redeemed from such amounts and the Amortization Installments against which the principal amount of such purchases are to be credited; and (iii) setting forth cash flow statements which demonstrate that, after giving effect to the purchase of Term Bonds in the amounts and having the maturities and with the credits against Amortization Installments set forth in clause (ii) above and any transfers from the related Series Revenue Account, the Pledged Revenues to be received by the Issuer in the current and in each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series. If any Bonds are purchased pursuant to this Section, the principal amount of the Bonds so purchased shall be credited as follows:

(a) if the Bonds are to be purchased from amounts on deposit in the Prepayment Subaccount of a Series Redemption Account, against the principal coming due or Amortization Installments set forth in the certificate of the Responsible Officer accompanying the direction of the Issuer to effect such purchase; or

(b) if the Bonds are Term Bonds of a Series, against the Amortization Installment for Bonds of such Series first coming due in the current Bond Year, or, if such Term Bonds so purchased are to be credited against Amortization Installments coming due in any succeeding Bond Year, against the Amortization Installments on Term Bonds of such Series maturing on the same date and designated in the certificate of the Responsible Officer accompanying the direction of the Issuer to effect such purchase; or

(c) against the principal or Maturity Amount of Serial Bonds coming due on the maturity date of such Serial Bond.

[END OF ARTICLE VII]

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omitted to make such Assessments when it might have done so, the Issuer shall either (i) take all necessary steps to cause new Assessments to be made by it or to enforce the provisions of the District Development Interlocal Agreement to cause one or more of the Other CDDs, as applicable, to make new Assessments, for the whole or any part of said improvement or against any property benefited by said improvement, or (ii) in its sole discretion, make up the amount of such Assessments from legally available moneys, which moneys shall be deposited into the applicable Series Revenue Account in the Revenue Fund. In case such second Assessments shall be annulled, the Issuer shall obtain and make, or enforce the provisions of the District Development Interlocal Agreement to cause one or more of the Other CDDs, as applicable, to obtain and make, Assessments until valid Assessments shall be made. By joinder in a Supplemental Indenture relating to a Series Project comprising Community Infrastructure, each of the Other CDDs shall be deemed to have agreed to the foregoing with respect to the Assessments to the same extent as if each of such Other CDDs was the "Issuer" for purposes of this Section.

(c) Notwithstanding anything to the contrary herein, all obligations of the Issuer hereunder with respect to the collection, enforcement of collection and remittance of Special Assessments or Benefit Special Assessments, including, without limitation, the obligation to enter into the Property Appraiser and Tax Collector Agreement, has been delegated by the Issuer to the entity serving as the Administration District from time to time under the District Development Interlocal Agreement. By joinder in a Supplemental Indenture relating to a Series Project comprising Community Infrastructure, each of the Other CDDs shall be deemed to have agreed to the foregoing with respect to the Assessments to the same extent as if each of such Other CDDs was the "Issuer" for purposes of this Section.

SECTION 8.04. Method of Collection. Unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, pursuant to the procedures set forth in Section 197.3631, Florida Statutes and the authority delegated to it by the District Development Interlocal Agreement, the Issuer will use its best efforts to enter into the Property Appraiser and Tax Collector Agreement with respect to each Series of Bonds, pursuant to which the Property Appraiser and Tax Collector will agree to list on the tax roll for each of the subsequent tax years any Special Assessments which are pledged to the payment of any Series of Bonds, to include in the notice of proposed property taxes the dollar amount of such Special Assessments and to include on the tax notice issued pursuant to Section 197.322, Florida Statutes, the dollar amount of such Special Assessments. The Issuer will agree to provide by not later than September 15 of each year (or such earlier date as shall be required by the Tax Collector or the Property Appraiser) (the "Certification Date") the amount of any such Special Assessment to be levied against each parcel in the applicable District, provided that to the extent payment of all or a portion of the annual installment of Special Assessments to be levied against a parcel in the applicable District is received by the Issuer prior to the Certification Date, the amount certified with respect to such parcel will take into account the amounts so received. Prior to the Certification Date, the Issuer will provide a written report to the Trustee identifying all such payments received with respect to any parcel for which the Issuer has certified for levy an amount less than the full amount of the Special Assessments for such parcel. The term of the

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ARTICLE VIII COVENANTS OF THE ISSUER

SECTION 8.01. Power to Issue Bonds and Create Lien. The Issuer is duly authorized under the Act, all applicable laws of the State and the Interlocal Agreements to issue the Bonds of each Series, to adopt and execute and deliver this Master Indenture, to adopt and execute Supplemental Indentures, and to pledge the Pledged Funds and Pledged Revenues in the manner and to the extent provided herein. Except as provided herein, the Pledged Funds and the Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Bonds of each Series and any Credit Facility Issuer providing a Credit Facility securing such Bonds. The Bonds of each Series and the provisions of this Master Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by this Master Indenture and all the rights of the Bondholders and any Credit Facility Issuer under this Master Indenture against all claims and demands of all other Persons whomsoever.

SECTION 8.02. Payment of Principal and Interest on Bonds. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the portion of the Trust Estate pledged to each Series of Bonds. The Issuer shall appoint one or more Paying Agents for such purpose, each such agent to be a bank and trust company or a trust company or a national banking association having trust powers.

SECTION 8.03. Pledged Revenues.

(a) The Issuer shall pay, or cause to be paid, Pledged Revenues as received to the Trustee in accordance with the provisions hereof. The Issuer shall assess and levy, and, to the extent necessary, enforce the provisions of the District Development Interlocal Agreement obligating the Other CDDs to assess and levy Assessments which constitute Pledged Revenues for the payment of any Series of Bonds. The Issuer shall further collect, or cause to be collected, Pledged Revenues (including Assessments levied by the Issuer and the Other CDDs) and enforce payments thereof (including by enforcing the applicable provisions of the District Development Interlocal Agreement and Contractual Arrangements, if any) to the extent and in an amount sufficient to pay the Debt Service Requirements on all Outstanding Series of Bonds to which such Pledged Revenues are pledged. By joinder in a Supplemental Indenture relating to a Series Project comprising Community Infrastructure, each of the Other CDDs shall be deemed to have agreed to the foregoing with respect to the Assessments to the same extent as if each of such Other CDDs was the "Issuer" for purposes of this Section.

(b) If any Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer or any of the Other CDDs shall be satisfied that any Assessments levied by it are so irregular or defective that the same cannot be enforced or collected, or if the Issuer or any of the Other CDDs shall have

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Property Appraiser and Tax Collector Agreement will continue until after the final Debt Service Requirements are scheduled to be paid on the Series of Bonds to which such Special Assessments are pledged. If the Issuer is unable to enter into the Property Appraiser and Tax Collector Agreement or to keep it in place for the period prescribed above, despite use of its best efforts to do so, then the Issuer covenants that the Special Assessments will be levied and collected by in any other manner authorized by law.

The Issuer shall also comply with the provisions of Section 190.021 (2), Florida Statutes with respect to Benefit Special Assessments in order to cause the Property Appraiser to include the Benefit Assessments which are pledged to the payment of any Series of Bonds to be included on the Property Appraiser's tax roll for certification by November by the Property Appraiser to the Tax Collector for inclusion in the merged collection roll prepared by the Tax Collector and for mailing by the Tax Collector on the official tax notice pursuant to Section 197.3632, Florida Statutes, as amended. The Issuer may instead elect to exercise its option regarding the collection and enforcement of Benefit Special Assessments which are pledged to the payment of any Series of Bonds to use the alternative procedures in Section 197.3632, Florida Statutes, for certification by the Chairman of the Board of the Issuer to the Tax Collector by September 15 of each calendar year of the particular non-ad valorem special assessment roll for the Benefit Special Assessments so that they can be included in the official November tax notice of the Tax Collector.

Notwithstanding the foregoing, unless otherwise provided in a Supplemental Indenture relating to a Series of Bonds, the Issuer shall not be required to cause the Tax Collector to collect any Special Assessments or Benefit Special Assessments (i) which are due and payable within a period of less than ten calendar years from the date of levy thereof, or, (ii) that are levied against benefited land that has not yet been platted for its ultimate use, or, (iii) with respect to Assessments which are pledged as security for bond anticipation notes issued by the Issuer. The election to collect and enforce Special Assessments or Benefit Special Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the Issuer from electing to collect and enforce Special Assessments or Benefit Special Assessments pursuant to any other method permitted by law in any subsequent year.

By joinder in a Supplemental Indenture relating to a Series Project comprising Community Infrastructure, each of the Other CDDs shall be deemed to have agreed to the foregoing provisions of this Section 8.04 with respect to the Assessments to the same extent as if each of such Other CDDs was the "Issuer" for purposes of this Section.

SECTION 8.05. Delinquent Assessments. Subject to the provisions of Section 8.04 hereof, if the owner of any lot or parcel of land subject to the Assessments pledged to a Series of Bonds shall be delinquent in the payment of any Assessments collected in accordance with the provisions of Chapter 197, Florida Statutes, or any successor statutes thereto, then such Assessments 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 deed as regards such Delinquent Assessments. 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, or the Assessments are being billed and collected directly, then upon the delinquency of any

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Assessments the Issuer shall, or shall cause the Administration District, to the extent permitted by law and subject to any applicable provisions of the related Supplemental Indenture with respect to a Series of Bonds, to utilize any other method of enforcement as provided by Section 8.04 hereof, including, without limitation, declaring the entire unpaid balance of such Assessments to be in default and, at its own expense, cause such delinquent property to be foreclosed, 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, or otherwise as provided by law. By joinder in a Supplemental Indenture relating to a Series Project comprising Community Infrastructure, each of the Other CDDs shall be deemed to have agreed to the foregoing with respect to the Assessments to the same extent as if each of such Other CDDs was the "Issuer" for purposes of this Section.

SECTION 8.06. Sale of Tax Certificates and Issuance of Tax Deeds; Foreclosure of Assessment Liens. If the Assessments levied and collected under the uniform method described in Section 8.04 are delinquent, then, if available, the applicable procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes and related statutes. Alternatively, if the uniform method of levy and collection is not utilized, and if any District Lands shall be offered for sale for the nonpayment of any Assessments, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Assessments (principal, interest, penalties and costs, plus attorneys fees, if any), the Issuer and/or the Other CDDs may then purchase such District Lands within their respective boundaries, and the proceeds of such purchase shall be paid to the Issuer to be used to pay Delinquent Assessments. If the proceeds from such purchase are not sufficient to pay the applicable Delinquent Assessments, the applicable District shall take title to the property in its corporate name but for the benefit of the Registered Owners of the Series of Bonds to which such Assessments were pledged and pursuant to the authority of the District Development Interlocal Agreement, the Issuer, on behalf of the itself and/or the applicable District or Districts, either through its own actions or actions caused to be done through the Administration District and/or Trustee, shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the related Series Revenue Account. Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as herein provided, the Issuer shall cause written notice thereof to be mailed to the registered Owners of the Bonds secured by such Delinquent Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to such registered Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for the sale of property acquired by it within thirty (30) days after the receipt of the request therefor signed by the registered Owners of twenty-five percent (25%) of the aggregate principal amount of all Outstanding Bonds of any related Series. Unless provided otherwise by Supplemental Indenture, the net proceeds from such sale or foreclosure shall be used to redeem all or a portion of the Bonds of the related Series. By joinder in a Supplemental Indenture relating to a Series Project comprising Community Infrastructure, each of the Other CDDs shall be deemed to have agreed to the foregoing to the same extent as if each of such Other CDDs was the "Issuer" for purposes of this Section.

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departments or political subdivisions or any other Person or entity to pay all or any part of the cost of maintaining, repairing and operating a Series Project or Additional Series Project out of funds other than Pledged Revenues and other non-ad valorem assessments of the Issuer and the Other CDDs.

SECTION 8.11. Use of Revenues for Authorized Purposes Only. None of the Pledged Funds or Pledged Revenues shall be used for any purpose other than as provided in this Master Indenture and the Act and no contract or contracts shall be entered into or any action taken by the Trustee which will be inconsistent with the provisions of this Master Indenture or the Act.

SECTION 8.12. Books and Records. The Issuer shall keep, or cause to be kept, proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to each Series Project and Additional Series Project, and which, together with all other books and records of the Issuer, including, without limitation, insurance policies, relating to each Series Project and Additional Series Project, shall at all times be subject during regular business hours to the inspection of the Trustee and any Owner of the entire Outstanding principal amount of the Bonds of a Series.

The report, statements and other documents required to be furnished by the Issuer to the Trustee pursuant to any provisions of this Master Indenture shall be available for the inspection of Bondholders at the office of the Trustee and the Trustee shall mail or e-mail copies thereof to any Owner of the entire Outstanding principal amount of a Series upon written request.

SECTION 8.13. Observance of Accounting Standards. The Issuer covenants that all the accounts and records of the Issuer relating to each Series Project and Additional Series Project will be kept according to Generally Accepted Accounting Principles consistently applied and consistent with the provisions of this Master Indenture.

SECTION 8.14. Employment of Certified Public Accountant. The Issuer shall employ or cause to be employed as required a Certified Public Accountant to perform accounting and auditing functions and duties required by Sections 8.17 of this Master Indenture.

SECTION 8.15. Establishment of Fiscal Year. The Issuer has established a Fiscal Year beginning October 1 of each year and ending September 30 of the following year. The reports and budget of the Issuer shall relate to such Fiscal Year unless and until, in accordance with applicable law, a different Fiscal Year is established.

SECTION 8.16. Employment of Consulting Engineer. The Issuer shall, for the purpose of performing and carrying out the duties, if any, imposed on the Consulting Engineer by this Master Indenture, employ one or more independent engineers or engineering firms or corporations having a statewide and favorable repute for skill and experience in such work.

SECTION 8.17. Audit Reports. The Issuer covenants that, no later than the date same is required to be made pursuant to applicable Florida law following the end of each Fiscal Year, it will cause an audit to be made by a Certified Public Accountant covering all receipts and

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SECTION 8.07. Construction to be on District Lands. The Issuer covenants that no part of a Series Project or Additional Series Project will be constructed on, over or under lands other than (i) lands good and marketable title to which is owned by the Issuer or any of the Other CDDs or other appropriate entity (including parties to Contractual Arrangements) in fee simple, (ii) lands on, over or under which the Issuer or any of the Other CDDs or other appropriate entity shall have acquired perpetual easements for the purposes of the Series Project or Additional Series Project, or (iii) lands, including public streets and highways, the right to the use and occupancy of which for such purposes shall be vested in the Issuer or any of the Other CDDs or other appropriate entity by law or by valid franchises, licenses, easements or rights of way or other legally effective permissions or approval.

SECTION 8.08. Operation, Use and Maintenance. The Issuer shall establish and enforce reasonable rules and regulations governing the use and operation of any portion of a Series Project or Additional Series Project relating to Community Infrastructure owned by the Issuer, such rules and regulations to be adopted in accordance with the Act, and the Administration District shall operate, use and maintain any portion of a Series Project or Additional Series Project relating to Community Infrastructure owned by the Issuer in accordance with the Act and all other applicable federal and State laws, rules and regulations. The Issuer shall maintain and operate any portion of a Series Project or Additional Series Project relating to Community Infrastructure owned by the Issuer in an efficient and economical manner, shall at all times maintain the same in good repair and in sound operating condition and shall make all necessary repairs, renewals and replacements. Unless provided otherwise by the applicable Supplemental Indenture, the operation, use and maintenance of any Series Project or Additional Series Project relating to District Infrastructure shall be the sole responsibility of the District for which such District Infrastructure relates. Notwithstanding anything to the contrary herein, all obligations of the Issuer hereunder with respect to the operation and maintenance of Public Infrastructure have been delegated by the Issuer to the entity serving as the Administration District from time to time under the District Development Interlocal Agreement.

SECTION 8.09. Observance of and Compliance with Valid Requirements. The Issuer shall pay its share, and enforce the applicable provisions of the District Development Interlocal Agreement and Contractual Arrangements to cause all or any of the Other CDDs and third parties subject to the Contractual Arrangements to pay their respective share, of all municipal or governmental charges lawfully levied or assessed upon a Series Project or Additional Series Project or any part thereof and the Issuer shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to a Series Project or Additional Series Project which relates to Community Infrastructure and the Issuer shall cause the applicable District to comply with such requirements relative to a Series Project or Additional Series Project which relates to District Infrastructure. The Issuer shall not, except as otherwise permitted in Section 8.18 of this Master Indenture, create or suffer to be created any lien or charge upon a Series Project or Additional Series Project or upon Series Pledged Funds or Series Pledged Revenues, except the lien and charge of the Series of Bonds to which such Pledged Funds and Pledged Revenues are pledged.

SECTION 8.10. Payment of Operating or Maintenance Costs by State or Others. The Issuer may permit the United States of America, the State, the County, or any of their agencies,

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moneys then on deposit with or in the name of the Trustee or the Issuer and any security held therefor and any investments thereof.

SECTION 8.18. Covenant Against Sale or Encumbrance. Subject to obtaining an opinion of Bond Counsel that such action will not adversely affect the exemption from federal income tax of the interest on any Tax Exempt Bonds, the Issuer, on behalf of itself and the Other Districts with respect to Community Infrastructure and the Issuer on behalf of and with the consent of a District with respect to District Infrastructure may sell, lease or otherwise dispose of or encumber any Series Project and Additional Series Project, or any part thereof, including, without limitation, pursuant to lease-purchase agreements, and by granting use rights, licenses, easements, franchises or concessions for the use of any part of any Series Project and Additional Series Project. A Supplemental Indenture may set forth additional restrictions on the sale, lease, disposition or encumbrance of any Series Project or Additional Series Project. The proceeds of any such sale or disposition (to the extent not part of the Series Pledged Funds and Series Pledged Revenues pledged to a Series of Bonds) shall be deposited, at the written direction of the Issuer to the credit of the related Series Revenue Account or related Series Acquisition and Construction Account or shall be used for any lawful purpose of the Issuer or the other CDD.

SECTION 8.19. No Loss of Lien on Pledged Revenues. The Issuer shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the lien of a Series of Bonds on the Pledged Funds and Pledged Revenues or any part thereof pledged to such Series, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund or Accounts therein held by the Trustee under any arbitrage rebate agreement.

SECTION 8.20. Compliance With Other Contracts and Agreements; Enforcements of Contractual Arrangements and Other Rates, Fees and Charges. The Issuer shall comply with and abide by, and if applicable, cause the applicable District to comply with and abide by, all of the terms and conditions of any and all contracts and agreements which the Issuer enters into in connection with any Series Project or Additional Series Project and the issuance of Bonds, including, without limitation, the Interlocal Agreements and any Contractual Arrangements. The Issuer shall enforce collection of all sums payable to it pursuant to the Interlocal Agreements and any Contractual Arrangements in accordance with the terms thereof.

SECTION 8.21. Issuance of Additional Obligations. The Issuer will not issue or incur any obligations payable from the proceeds of Series Pledged Revenues securing a Series of Bonds (other than such related Series of Bonds) and related Refunding Bonds nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Series Pledged Revenues other than the lien of the related Series of Bonds or Additional Bonds on a parity therewith except for fees, commissions, costs, and other charges payable to the Property Appraiser or to the Tax Collector pursuant to Florida law or amounts payable to the Trustee and any Credit Facility Issuer and amounts payable with respect to any Deferred Obligation; provided, such Deferred Obligations shall not have a lien upon any Series Pledged Revenues prior to or on a parity with the lien thereof of the related Series of Bonds or Additional Bonds.

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SECTION 8.22. Extension of Time for Payment of Interest Prohibited. The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Bonds and shall not directly or indirectly be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under this Master Indenture or Supplemental Indenture except after the prior payment in full of the principal of all Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

SECTION 8.23. Further Assurances. The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Master Indenture or any Supplemental Indenture.

SECTION 8.24. Investments and Use of Proceeds to Comply with Internal Revenue Code of 1986, as amended.

(a) The Issuer covenants with the Holders of each Series of Tax Exempt Bonds that it shall comply with the requirements of the Code necessary to maintain the exclusion of interest on such Series of Tax Exempt Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such Series of Tax Exempt Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such Series of Tax Exempt Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which would cause such interest to become subject to federal income taxation.

(b) The Issuer covenants with the Holders of each Series of Tax Exempt Bonds that neither the Issuer nor any other person under its control or direction will make any investment or other use of the proceeds of such Bonds (or amounts deemed to be proceeds under the Code) or make any use of the Series Project or Additional Series Project financed by such Series of Tax Exempt Bonds in any manner which would cause such Bonds to be "private activity bonds" as that term is defined in Section 141 of the Code (or any successor provision thereto) or "arbitrage bonds" as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the Tax Exempt Bonds of each Series.

(c) The provisions of this Section shall survive any defeasance of any Tax Exempt Bonds of a Series pursuant to Article XIII hereof.

SECTION 8.25. Corporate Existence and Maintenance of Properties. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the Issuer shall maintain its corporate existence as a local unit of special purpose government under the Act and enforce the obligations of the Other Districts under the District Development Interlocal Agreement to maintain their respective corporate existences as local units of special purpose government under the Act, and shall provide for or otherwise require each Series Project or Additional Series Project, and all parts thereof owned by the Issuer and the Other CDDs to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

SECTION 8.26. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of each Continuing Disclosure Agreement. Notwithstanding any other provision of this Master Indenture, failure of the Issuer (or any other third party obligated pursuant to any Continuing Disclosure Agreement) to comply with any Continuing Disclosure Agreement shall not be considered an Event of Default with respect to the related Series of Bonds; however, with respect to each Continuing Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter of the related Series of Bonds or the Holders of at least 25% aggregate principal amount in Outstanding Bonds of the related Series of Bonds and receipt of indemnity to its satisfaction, shall) or any Holder of the related Series of Bonds or Beneficial Owner with respect to the related Series of Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section 8.26. For purposes of this Section, "Beneficial Owner" means, with respect to a Series of Bonds, any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds of a Series (including persons holding Bonds of a Series through nominees, depositories or other intermediaries), or (b) is treated as the Owner of any Bonds of a Series for federal income tax purposes.

SECTION 8.27. Arbitrage Rebate Covenants. The Issuer hereby establishes the Rebate Fund to be held in the custody of the Trustee and covenants and agrees to establish within the Rebate Fund a Series Rebate Account for each Series of Tax Exempt Bonds. Prior to the issuance of each Series of Tax Exempt Bonds, the Issuer shall execute and deliver a certificate containing arbitrage rebate covenants (the "Rebate Covenants") as to said Bonds. The Issuer shall make deposits to the Series Rebate Account established for a Series of Tax Exempt Bonds in the amounts and at the times required by the Rebate Covenants and shall make or cause to be made payments from the applicable Series Rebate Account of amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The Issuer covenants for the benefit of the Bondholders of each Series of Tax Exempt Bonds that it will comply with the requirements of the Rebate Covenants applicable to such Series. There shall be excluded from the pledge and lien of this Master Indenture the Rebate Fund and each Series Rebate Account, together with all monies and securities from time to time held therein and all investment earnings derived therefrom. The Issuer shall not be required to comply with the requirements of this Section with respect to a Series of Tax Exempt Bonds, or with the Rebate Covenants applicable to such Series, in the event that the Issuer

obtains an opinion of Bond Counsel that: (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the applicable Series of Bonds; and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the applicable Series of Bonds or is a permissible substitute for any deleted requirement. At the written direction of the Issuer, the Trustee shall pay to the United States, out of amounts in the applicable Series Rebate Account in the Rebate Fund established for the related Series of Bonds, the rebate requirement, in the amounts and at the times required by the Rebate Covenants or any letter of instructions given in connection therewith, subject to the provisions thereof. In the event that, prior to the time of any required payment out of any Series Rebate Account in the Rebate Fund, the amount in said Series Rebate Account is not sufficient to make such payment when such payment is due, the Issuer shall deposit with the Trustee for application to the applicable Series Rebate Account in the Rebate Fund an amount equal to such deficiency in said Series Rebate Account prior to the time such payment is due. Any funds remaining in each Series Rebate Account of the Rebate Fund, after redemption and payment of all of the Bonds of a Series relating to such Series Rebate Account and any amounts required to be paid to the United States, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees or other amounts to the Trustee and satisfaction of the rebate requirement described in the Rebate Covenants, and after paying all expenses and fees of any Credit Facility Issuer and the Trustee, shall be withdrawn by the Trustee and remitted to the Issuer. The Issuer shall adopt an amendment or supplement to this Master Indenture and related Supplemental Indenture, or to the Rebate Covenants relating to the Series of Bonds, as may be applicable, to reflect the deletion or substitution of any such requirement. The provisions of this Section shall survive any defeasance of any Series of Tax Exempt Bonds pursuant to Article XIII hereof.

SECTION 8.28. Insurance. The Issuer shall, with respect to Community Infrastructure and with respect to District Infrastructure cause the applicable District to, maintain or cause to be maintained insurance with respect to each Series Project and Additional Series Project in the form of multiple peril, all risks insurance, provided by a responsible insurance company or companies licensed to and doing business in the State, in the amount recommended by the Consulting Engineers or in the amount determined by the District Manager to be customary and appropriate to provide adequate protection against loss caused by damage to or destruction of any component of each Series Project and Additional Series Project owned by the Issuer or any Other District, to the extent such insurance is obtainable from time to time. Notwithstanding the foregoing, the Issuer, or any Other District, as applicable, may institute and maintain self-insurance programs with regard to such risks as shall be consistent with the foregoing. The net proceeds of any casualty, whether from insurance or self-insurance, may be deposited to the related Series Acquisition and Construction Account to be used to repair, restore, rebuild or replace the related Series Project or Additional Series Project. If the Issuer determines not to deposit such net proceeds to the Series Acquisition and Construction Account or if such net proceeds are insufficient to accomplish the repair, restoration, rebuilding or replacement of the related Series Project or Additional Project, such net proceeds shall be deposited to the related Series Revenue Account and applied in accordance herewith. The foregoing shall be subject in all respects to the requirements and provisions of the District Development Interlocal Agreement pertaining to insurance for Public Infrastructure, which shall

control in the event of any inconsistencies between the foregoing the District Development Interlocal Agreement.

[END OF ARTICLE VIII]

**ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES**

SECTION 9.01. Events of Default Defined. Each of the following shall be an "Event of Default" under this Master Indenture with respect to a Series of Bonds in addition to any other event specified as an "Event of Default" with respect to a Series of Bonds in the related Supplemental Indenture:

- (a) if payment of any installment of interest on any Bond of such Series is not made when it becomes due and payable; or
- (b) if payment of the principal or Redemption Price of any Bond of such Series is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or
- (c) if the Issuer, for any reason, is rendered incapable of fulfilling its obligations under this Master Indenture or under the Act or under the Supplemental Indenture relating to such Series of Bonds; or
- (d) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or
- (e) if the Issuer defaults in any material respect in the due and punctual performance of any other covenant in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds or in any Bond of such Series issued pursuant to this Master Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or
- (f) written notice shall have been received by the Trustee from a Credit Facility Issuer providing a Credit Facility securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a

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Master Indenture (including, but not limited to, Article X hereof) and the related Supplemental Indenture and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unduly prejudicial to the rights of the Owners of such Series of Bonds not parties to such direction or would subject the Trustee to personal liability or expense. Notwithstanding the foregoing, the Trustee shall have the right to select and retain legal counsel of its choosing to represent it in any such proceedings.

SECTION 9.06. Limitations on Actions by Bondholders. No Bondholder of the Bonds of a Series shall have any right to pursue any remedy hereunder or the applicable Supplemental Indenture or applicable Series of Bonds unless (a) the Trustee shall have been given written notice of an Event of Default with respect to such Series of Bonds and such Event of Default is continuing, (b) the Majority Owners of the Outstanding Bonds of such Series shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, (d) the Trustee shall have declined, or failed, to comply with such request within sixty (60) days after its receipt of such written request and offer of indemnity; and (e) no direction inconsistent with such request has been given to the Trustee during such sixty (60)-day period by the Owners of at least a majority of the Outstanding principal amount of such Series. The provisions of this immediately preceding sentence of this Section 9.06 are conditions precedent to the exercise by any Owner of such Series of Bonds of any remedy hereunder or under the applicable Supplemental Indenture or applicable Series of Bonds. The exercise of such rights is further subject to the provisions of Section 9.05 and Section 9.09 hereof. No one or more Owner of such Series of Bonds shall have any right in any manner whatever to enforce any right under this Master Indenture, the applicable Supplemental Indenture or applicable Series of Bonds, except in the manner provided herein or in the applicable Supplemental Indenture.

SECTION 9.07. Trustee May Enforce Rights Without Possession of Bonds. All rights under this Master Indenture, the related Supplemental Indenture authorizing the issuance of a Series of Bonds and such Series of Bonds may be enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the applicable Series of Bonds.

SECTION 9.08. Remedies Not Exclusive. Except as limited under Section 14.01 of this Master Indenture, no remedy contained in this Master Indenture or applicable Supplemental Indenture is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 9.09. Delays and Omissions Not to Impair Rights. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default, and every remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

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failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of the Credit Facility Agreement.

SECTION 9.02. No Acceleration. Except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, no Bonds of a Series issued under this Master Indenture shall be subject to acceleration by reason of an Event of Default.

SECTION 9.03. Legal Proceedings by Trustee. Subject to Section 9.05 hereof and the applicable provisions of any Supplemental Indenture relating to a Series of Bonds, any Event of Default with respect to the Bonds of a Series has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Bonds of such Series and receipt of indemnity to its satisfaction shall, in its own name:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series, including, without limitation, the right to require the Issuer to carry out any agreements with, or for the benefit of, the Bondholders of the Bonds of such Series and to perform its or their duties under the Act;
- (b) bring suit upon the Bonds of such Series;
- (c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series;
- (d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series; and
- (e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Bonds of such Series.

SECTION 9.04. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee, the applicable Paying Agent and the Bondholders of the applicable Series of Bonds shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

SECTION 9.05. Bondholders May Direct Proceedings. The Holders of a majority in aggregate principal amount of the Outstanding Bonds of a Series then subject to remedial proceedings under this Article shall have the right by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee under this Master Indenture and the applicable Supplemental Indenture with respect to such Series of Bonds, provided that such directions shall not be in conflict with any rule of law or otherwise than in accordance with law or the provisions of this

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SECTION 9.10. Application of Moneys in Event of Default. Except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, any moneys then held or received by the Trustee or the Paying Agent, as the case may be, in connection with any proceedings brought under this Article with respect to a Series of Bonds shall be applied in the following order of priority:

- (a) to the payment of the costs of the Trustee and Paying Agent incurred in connection with actions taken under this Article with respect to such Series of Bonds, including counsel fees and any disbursements of the Trustee and the Paying Agent and payment of unpaid fees owed to the Trustee allocable to such Series of Bonds; and

- (b) thereafter:

- FIRST: to payment of all installments of interest then due on the Bonds of such Series in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any preference or priority of one installment of interest over any other installment; and
- SECOND: to payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any of the Bonds of such Series which shall have become due in the order of their due dates, with interest on said Bonds of such Series from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price coming due on said Bonds of such Series on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any preference or priority of one such Bond of such Series over another or of any installment of interest over another.

Any surplus remaining after the payments described above shall be paid to the Issuer, which shall disburse such excess to itself, if applicable, and to any or all of the Other CDDs as provided in Section 5.04(f) hereof or if a Responsible Officer of the Issuer so directs the Trustee to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct the Trustee.

For purposes of the application of moneys described above, to the extent payments of principal of and interest on the Bonds of such Series shall have been made under a Credit Facility relating thereto, the Credit Facility Issuer shall be entitled to moneys in the related Series Accounts in the Debt Service Fund in accordance with the agreement pursuant to which such Credit Facility has been issued (but subject to subsection (a) hereof and Section 10.04 hereof) and the Certified Resolution of the Issuer authorizing the issuance of the Series of Bonds to which such Credit Facility relates.

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SECTION 9.11. Trustee's Right to Receiver; Compliance with Act. The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders of the affected Series of Bonds and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State.

SECTION 9.12. Trustee and Bondholders Entitled to all Remedies under Act. It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be lawfully granted under the provisions of the Act and other applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article shall apply to and be binding upon any receiver appointed in accordance with Section 9.11 hereof.

SECTION 9.13. Credit Facility Issuer's Rights Upon Events of Default. Anything in this Master Indenture to the contrary notwithstanding, if any Event of Default with respect to a Series of Bonds has occurred and is continuing while a Credit Facility securing all or a portion of such Series of Bonds Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Bonds of such Series (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Master Indenture and the related Supplemental Indenture, or exercising any trust or power conferred on the Trustee by this Master Indenture or related Supplemental Indenture. Said direction shall be controlling to the extent the direction of Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

SECTION 9.14. No Cross Default. The occurrence of an Event of Default hereunder or under any Supplemental Indenture with respect to any Series of Bonds shall not constitute an Event of Default with respect to any other Series of Bonds, unless the event giving rise to the Event of Default also constitutes an Event of Default hereunder or under the Supplemental Indenture with respect to such other Series of Bonds.

[END OF ARTICLE DX]

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provided for therein); provided that, except in the case of a default in payment of principal or interest or Redemption Price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders of such Series. The Trustee shall not be deemed to have notice or know of any default other than a payment default under this Master Indenture or a notification by a Credit Facility Issuer of a default under the related Credit Facility Agreement, unless notified in writing of such default by the Holders of at least a majority of the aggregate principal amount of the Outstanding Bonds of the affected Series. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Issuer, an investigation into the affairs of the Issuer.

SECTION 10.07. Obligation to Act on Defaults. The Trustee shall be under no obligation to take any action in respect of any default or otherwise (a) unless it is requested in writing to do so by the Holders of at least a majority of the aggregate principal amount of the Outstanding Series of Bonds which are or would be, upon the taking of such action, subject to remedial proceedings under Article IX of this Master Indenture, and (b) if in its opinion such action may tend to involve expense or liability, unless it is also furnished with indemnity satisfactory to it.

SECTION 10.08. Reliance by Trustee. The Trustee may act on any opinion or advice of professionals and on any requisition, resolution, notice, telegram, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be a Responsible Officer) or to have been prepared and furnished pursuant to any of the provisions of this Master Indenture or any Supplemental Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. The Trustee shall have no duty to review the information delivered to the Trustee by the Issuer pursuant to Sections 8.15, 8.17 or 8.18 hereof and the Trustee's sole duty with respect to such information shall be to hold it for review by any Bondholder.

SECTION 10.09. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under this Master Indenture or any Supplemental Indenture, it shall eliminate the conflict or resign as Trustee.

SECTION 10.10. Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of this Master Indenture or any Supplemental Indenture, and except as otherwise provided in Article XII of this Master Indenture, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

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ARTICLE X THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 10.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the parties hereto and the Bondholders agree. The Trustee shall have only those duties expressly set forth herein and no duties shall be implied against the Trustee. The Trustee shall act as Trustee for the Bonds.

SECTION 10.02. No Responsibility for Recitals. The recitals, statements and representations in this Master Indenture, in any Supplemental Indenture or in the Bonds, save only the Trustee's Certificate, if any, upon the Bonds, have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

SECTION 10.03. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel or other expert concerning all questions hereunder; the Trustee shall not be answerable for the default or misconduct of any attorney, agent or other expert selected and supervised by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Master Indenture or any Supplemental Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct or breach of its obligations hereunder.

SECTION 10.04. Compensation and Indemnity. The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall indemnify and, to the extent permitted by applicable law, hold the Trustee harmless against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder or any Supplemental Indenture, except with respect to its own willful misconduct, negligence or breach of its obligations hereunder. If the Issuer defaults in respect of the foregoing obligations, the Trustee may, payable in the order of priority set forth in Section 9.10 hereof, deduct the amount owing to it from any moneys held by it or coming into its hands but exclusive of the Rebate Fund and moneys from a drawing on any Credit Facility. This provision shall survive the termination of this Master Indenture and any Supplemental Indenture and, as to any Trustee, its removal or resignation as Trustee.

SECTION 10.05. No Duty to Renew Insurance. The Trustee shall not be under any duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the Issuer to require or effect or renew insurance or to report or file claims of loss thereunder.

SECTION 10.06. Notice of Default; Right to Investigate. The Trustee shall give written notice by first-class mail to registered Holders of the Bonds of the affected Series of all defaults known to the Trustee, unless such defaults have been remedied (the term "defaults" for purposes of this Section and Section 10.07 being defined to include the events specified as "Events of Default" in Article IX hereof, but not including any notice or periods of grace

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SECTION 10.11. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Master Indenture by written resignation filed with the Secretary of the Board of the Issuer not less than sixty (60) days before the date when such resignation is to take effect; provided, however, that (i) if any Outstanding Bonds are not registered Bonds, notice of such resignation is published at least once a week for three (3) consecutive calendar weeks in at least one Authorized Newspaper and at least once in The Bond Buyer, or its successor, if any, the first publication to appear not less than three (3) weeks prior to the date when the resignation is to take effect; and that (ii) if any Outstanding Bonds are registered Bonds, notice of such resignation shall be sent by first-class mail to each Bondholder as its name and address appears on the Bond Register and to any Paying Agent, Registrar, Authenticating Agent and Credit Facility Issuer, if any, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within ninety (90) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed. Notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Bonds.

SECTION 10.12. Removal of Trustee. The Trustee may be removed at any time by either (a) the Issuer, if no Event of Default exists under this Master Indenture or a Supplemental Indenture and is continuing, or (b) an instrument or concurrent instruments in writing, executed by the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by a Responsible Officer, shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Registrar, Authenticating Agent and Credit Facility Issuer, if any.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Master Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer if no Event of Default exists under this Master Indenture or a Supplemental Indenture and is continuing or the Holders of not less than a majority of the aggregate principal amount of the Bonds then Outstanding.

Notwithstanding the foregoing, if an Event of Default has occurred hereunder or a Supplemental Indenture and is continuing, and the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and a successor may be appointed by any court of competent jurisdiction upon the application of the Owners of not less than twenty percent (20%) in aggregate principal amount of the Bonds then Outstanding, and such successor Trustee shall mail notice of its appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class

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mail to each Owner as its name and address appears on the Bond Register, and to the Paying Agent, Registrar, any Credit Facility Issuer and any rating agency that shall then have in effect a rating on any of the Bonds.

SECTION 10.13. Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor and (i) if any Outstanding Bonds are not registered bonds, shall publish notice of such appointment in an Authorized Newspaper and in The Bond Buyer, or its successor, if any, and (ii) if any Outstanding Bonds are registered Bonds, shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Authenticating Agent, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Holders of a majority in aggregate principal amount of all Bonds then Outstanding may appoint a successor Trustee.

SECTION 10.14. Qualification of Successor Trustee. A successor Trustee shall be a national bank with trust powers or a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

SECTION 10.15. Instruments of Succession. Any successor Trustee, subject to Section 10.16 hereof, shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights under Section 10.04 hereof. The successor Trustee shall mail notice of its appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Register, and to the Paying Agent, Registrar, any Credit Facility Issuer and any rating agency that shall then have in effect a rating on any of the Bonds.

SECTION 10.16. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated or into which all or substantially all of its corporate trust assets shall be sold or its operations conveyed, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Master Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as

Trustee hereunder shall meet the requirements of Section 10.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article.

SECTION 10.17. Extension of Rights and Duties of Trustee to Paying Agent and Registrar. The provisions of Sections 10.02, 10.03, 10.04, 10.08, 10.09 and 10.10 hereof are hereby made applicable to each Paying Agent and the Registrar, as appropriate, and any Person serving as Paying Agent and/or Registrar, hereby enters into and agrees to comply with the covenants and agreements of this Master Indenture and any Supplemental Indenture applicable to such Paying Agent and Registrar, respectively.

SECTION 10.18. Resignation of Paying Agent or Registrar. Any Paying Agent or Registrar may resign and be discharged of the duties created by this Master Indenture and any Supplemental Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer, the Trustee, and any rating agency that shall then have in effect a rating on any of the Bonds of the Series for which it is acting as Paying Agent or Registrar, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders of the applicable Series of Bonds, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Registrar. If the successor Paying Agent or Registrar shall not have been appointed within a period of ninety (90) days following the giving of notice, then the Paying Agent or Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent or Registrar as provided in Section 10.22 hereof.

SECTION 10.19. Removal of Paying Agent or Registrar. Any Paying Agent or Registrar for a Series of Bonds may be removed at any time prior to any Event of Default by the Issuer with respect to that Series of Bonds by filing with the Paying Agent or Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by the Issuer appointing a successor, or an instrument or instruments in writing designating, and accompanied by an instrument or appointment by the Issuer of, such successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

SECTION 10.20. Appointment of Successor Paying Agent or Registrar. In case at any time any Paying Agent or Registrar for a Series of Bonds shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Registrar, as the case may be, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or

Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, any rating agency that shall then have in effect a rating on any of the Bonds of the affected Series, and all Bondholders of such Series. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

SECTION 10.21. Qualifications of Successor Paying Agent or Registrar. Every successor Paying Agent or Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by this Master Indenture and any Supplemental Indenture and (iii) capable of meeting its obligations hereunder and thereunder, and (b) shall have a combined net capital and surplus of at least \$50,000,000.

SECTION 10.22. Judicial Appointment of Successor Paying Agent or Registrar. In case at any time any Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the successor Registrar or Paying Agent to the Issuer, the Trustee, any rating agency that shall then have in effect a rating on any of the Series of Bonds affected, and all Bondholders of such Series. In the absence of such an appointment, the Trustee shall become the Registrar or Paying Agent for such Series of Bonds, or and shall so notify the Issuer, any rating agency that shall have issued a rating on the Bonds on such Series, and all Bondholders of such Series.

SECTION 10.23. Acceptance of Duties by Successor Paying Agent or Registrar. Any successor Paying Agent or Registrar for a Series of Bonds shall, subject to Section 10.24 hereof, become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Registrar herein. Upon request of such Paying Agent or Registrar, such predecessor Paying Agent or Registrar and the Issuer shall execute and deliver an instrument transferring to such successor Paying Agent or Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Registrar and such predecessor Paying Agent or Registrar shall pay over and deliver to the successor Paying Agent or Registrar all moneys and other assets at the time held by it hereunder.

SECTION 10.24. Successor by Merger or Consolidation. Any corporation into which any Paying Agent or Registrar hereunder may be merged or converted or with which it may be consolidated or into which all or substantially all of its corporate trust assets shall be sold or its operations conveyed, or any corporation resulting from any merger or consolidation to which any Paying Agent or Registrar hereunder shall be a party, shall be the successor Paying Agent or Registrar under this Master Indenture without the execution or filing of any paper or

any further act on the part of the parties thereto, anything in this Master Indenture or any Supplemental Indenture to the contrary notwithstanding.

[END OF ARTICLE X]

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ARTICLE XI
ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

SECTION 11.01. Acts of Bondholders; Evidence of Ownership of Bonds. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instrument may be provided by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered by the Issuer, Trustee, Paying Agent or Registrar in pursuance thereof.

[END OF ARTICLE XI]

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SECTION 12.02. Amendments With Bondholders' Consent.

(a) Except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, subject to the provisions of Section 12.03 hereof, this Master Indenture may be amended from time to time by a Supplemental Indenture approved by the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding; provided that the provisions regarding: (i) the interest payable upon any Bonds, (ii) the dates of maturity or redemption provisions of any Bonds, (iii) this Article XII and (iv) the security provisions hereunder, may only be amended by approval of the Owners of all Bonds to be so amended.

(b) Except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, in addition to the foregoing, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of a Series then Outstanding shall have the right, from time to time, anything contained in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental to the Supplemental Indenture relating to such Series of Bonds or amendatory thereof, but not hereof, as shall be deemed desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of such Supplemental Indenture or of any supplemental indenture; provided, however, that the provisions regarding: (i) the interest payable upon any Bonds of such Series, (ii) the dates of maturity or redemption provisions of any Bonds of such Series, (iii) this Section 12.02(b), and (iii) the security provisions hereunder and under the Supplemental Indenture applicable to the Bonds of such Series, may only be amended by approval of the Owners of all Bonds of such Series to be so amended.

SECTION 12.03. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article and in so doing may request and is entitled to receive and rely on a written opinion of Counsel that such Supplemental Indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done.

SECTION 12.04. Credit Facility Issuer as Owner. As long as a Credit Facility securing all or a portion of the Bonds of a Series Outstanding is in effect and the Credit Facility Issuer is not in default thereunder, the Credit Facility Issuer, to the extent so authorized in the applicable Supplemental Indenture, will be deemed to be the Owner of the Bonds of such Series secured by the Credit Facility. (i) at all times for the purpose of the execution and delivery of a Supplemental Indenture or of any amendment, change or modification of the Indenture or the applicable Supplemental Indenture or the initiation by Owners of any action to be undertaken by the Trustee at the Owner's request, which under the Master Indenture or the applicable Supplemental Indenture requires the written approval or consent of or can be initiated by the Owners of at least a majority in principal amount of the Bonds of the Series at the time Outstanding; (ii) at all times for the purpose of the mailing of any notice to Owners under the Master Indenture or the applicable Supplemental Indenture; and (iii) following an Event of

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ARTICLE XII
AMENDMENTS AND SUPPLEMENTS

SECTION 12.01. Amendments and Supplements Without Bondholders' Consent. Except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, this Master Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

(a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(b) for any purpose not inconsistent with the terms of this Master Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of this Master Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;

(c) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Series Project or Additional Series Project to the United States of America, the State, the County, or any department, agency or branch of any thereof, or any other unit of government of the United States of America, the State or the County; provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders of the Series of Bonds that financed or refinanced such Series Project or Additional Series Project;

(d) to make such changes as may be necessary in order to reflect amendments to the Act, Chapter 170, Florida Statutes or Chapter 197, Florida Statutes, so long as, in the opinion of counsel to the Issuer, such changes either: (i) do not have an adverse effect on the Holders of the Bonds; or (ii) if such changes do have an adverse effect, that they nevertheless are required to be made as a result of such amendments;

(e) to provide for, and set forth any or all of the matters in connection with, the issuance of a Series of Bonds or bond anticipation notes in accordance with the provisions hereof, provided that the issuance of Additional Bonds satisfy the requirements of any Supplemental Indenture relating to the original Series of Bonds to which such Additional Bonds relate; and

(f) to more fully give effect to the terms and provisions of the Interlocal Agreements.

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Default for all other purposes, subject to the provisions of Section 9.13 hereof. Notwithstanding the foregoing, a Credit Facility Issuer with respect to a Series of Bonds will not be deemed to be an Owner of the Bonds of such Series with respect to any such Supplemental Indenture or of any amendment, change or modification of the Master Indenture which would have the effect of permitting: (i) a change in the terms of redemption or maturity of any Bonds of a Series Outstanding or of any installment of interest thereon; or (ii) a reduction in the principal amount or the Redemption Price thereof or in rate of interest thereon; or (iii) reducing the percentage or otherwise affecting the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment; or (iv) creating any preference or priority of any Bond of a Series over any other Bond of such Series.

[END OF ARTICLE XII]

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ARTICLE XIII
DEFRASSANCE

SECTION 13.01. Defeasance.

(a) If the Issuer pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon and the obligations under any related Credit Facility Agreement at the times and in the manner stipulated therein and in this Master Indenture and any related Credit Facility Agreement and pays or causes to be paid all other moneys owing hereunder and under any Supplemental Indenture, including any amounts then owing to the Trustee, then the lien of this Master Indenture and all covenants, agreements and other obligations of the Issuer to the Owners and any Credit Facility Issuer shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee upon the request of the Issuer shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agent shall pay over or deliver, as directed by the Issuer, all moneys or securities held by them pursuant to this Master Indenture which are not required for the payment of principal, interest or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption or for payment of obligations under any related Credit Facility Agreement. If the Issuer pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds or of a particular maturity, of a particular Series or of any part of a particular maturity or Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Master Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture, and all covenants, agreements and obligations of the Issuer to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Anything to the contrary in this Section 13.01 notwithstanding, this Master Indenture shall not be discharged nor shall any Bonds with respect to which moneys or Defeasance Securities have been deposited in accordance with the provisions of this Section 13.01 cease to be entitled to the lien, benefit or security under this Master Indenture, except to the extent that the lien, benefit and security of this Master Indenture and the obligations of the Issuer hereunder shall be limited solely to and such Bonds shall be secured solely by and be payable solely from the moneys or Defeasance Securities so deposited.

(b) Except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit pursuant to this Master Indenture of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in this Section. All Outstanding Bonds of any particular maturity or Series shall prior to the maturity or redemption date thereof

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(c) As to any Variable Rate Bonds, whether discharged and satisfied under the provisions of subsection (a) or (b) above, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Investment Obligations on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to fully discharge and satisfy such Bonds and obligations under any Credit Facility pursuant to the provisions of this Section, the Issuer may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Variable Rate Bonds or otherwise existing under this Master Indenture or under any Credit Facility.

(d) Notwithstanding any of the provisions of this Master Indenture to the contrary, Option Bonds may only be fully discharged and satisfied either pursuant to subsection (a) above or by depositing in the Series Interest Account, the Series Principal Account and the Series Redemption Account, or in such other accounts which are irrevocably pledged to the payment of the Option Bonds, as the Issuer may create and establish by Supplemental Indenture, moneys which together with other moneys lawfully available therefor shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of and redemption price, if any, and interest on such Option Bonds which could become payable to the Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds; provided however, that if, at the time a deposit is made pursuant to this subsection (d), the options originally exercisable by the Owner of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection (d). If any portion of the moneys deposited for the payment of the principal of and Redemption Price, if any, and interest on Option Bonds is not required for such purpose and is not needed to reimburse any Credit Facility Issuer for obligations under any related Credit Facility Agreement, the Issuer may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing such Option Bonds or otherwise existing under this Master Indenture or any Credit Facility.

(e) Anything in this Master Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Series of the Bonds which remain unclaimed for six (6) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, shall, at the written request of the Issuer be repaid by the Trustee or Paying Agent to the Issuer, which shall be responsible to disburse such sums among itself and to any or all of the Other CDDs, in proportion to their proportionate share of the Debt Service Requirements on such Bonds as set forth in the Master Assessment Report or applicable

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be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 13.01 if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee or each applicable Bond Registrar irrevocable instructions accepted in writing by the Trustee or each such Bond Registrar to mail as provided in Article VII notice of redemption of such Bonds on such date; (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities, the principal of and the interest on which when due shall, as demonstrated in a certificate of a Certified Public Accountant, provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be; (iii) the Issuer shall have given the Trustee or each applicable Bond Registrar in form satisfactory to it irrevocable instructions to mail, postage prepaid, to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the Issuer, a notice to the registered Owners of such Bonds and to each applicable Registrar that the deposit required by (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section 13.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on such Bonds; and, (iv) an opinion of Bond Counsel to the effect that such defeasance is permitted under this Master Indenture and the Supplemental Indenture relating to the Series of Bonds so defeased and that, in the case of Tax-Exempt Bonds, such defeasance will not adversely affect the tax exempt status of such Series of Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 13.01 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on such Bonds; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee: (i) to the extent such cash shall not be required at any time for such purpose as evidenced by a certificate of a Certified Public Accountant or, and to the extent all obligations under any related Credit Facility Agreement are satisfied, as determined by an Insurer or any Credit Facility Issuer providing a Credit Facility securing the Bonds with respect to which such Defeasance Securities have been so deposited, shall be paid over upon the direction of the Issuer as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Master Indenture; and (ii) to the extent such cash shall be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on such Bonds, or obligations under any related Credit Facility Agreement, on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over as received by the Trustee to the Issuer, free and clear of any lien, pledge or security interest securing such Bonds or otherwise existing under this Master Indenture. For the purposes of this provision, Defeasance Securities means and includes only such securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof.

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Assessment Methodology, as their absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Issuer for the payment of such Bonds; provided, however, that before being required to make any such payment to the Issuer, the Trustee or Paying Agent shall, at the expense of the Issuer, cause to be mailed, postage prepaid, to any Credit Facility Issuer, and to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the Issuer, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the Issuer, for disbursement to itself and the Other CDDs as provided herein.

(f) In the event that the principal and Redemption Price, if applicable, and interest due on the Bonds shall be paid by a Credit Facility Issuer pursuant to a municipal bond insurance policy, the assignment and pledge and all covenants, agreements and other obligations of the Issuer to the Owners of such Bonds shall continue to exist and the Credit Facility Issuer shall be subrogated to the rights of such Owners.

(g) Anything in this Master Indenture to the contrary notwithstanding, the provisions of the foregoing subsections (b) through (f) shall apply to the discharge of Bonds of a Series and to the discharge of the lien of any Supplemental Indenture securing such Series of Bonds as though each reference to the "Master Indenture" were a reference to such "Supplemental Indenture" and as though each reference to "Bonds Outstanding" were a reference to the "Bonds of such Series Outstanding."

SECTION 13.02. Moneys Held in Trust. All moneys and obligations held by an escrow or paying agent or the Trustee pursuant to this Section shall be held in trust and the principal and interest of said obligations when received, and said moneys, shall be applied to the payment, when due, of the principal, interest and premium, if any, of the Bonds to be paid or to be called for redemption.

[END OF ARTICLE XIII]

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**ARTICLE XIV
MISCELLANEOUS PROVISIONS**

SECTION 14.01. Limitations on Recourse. No personal recourse shall be had for any claim based on this Master Indenture or any Supplemental Indenture or the Bonds against any member of the Board of the Issuer, officer, employee or agent, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Bonds of each Series are payable solely from the Pledged Funds and Pledged Revenues pledged thereto by this Master Indenture and the related Supplemental Indenture, and any other moneys held by the Trustee under this Master Indenture or any Supplemental Indenture for such purpose. There shall be no other recourse under the Bonds of a Series, this Master Indenture, any Supplemental Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

SECTION 14.02. Payment Dates. Except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, in any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 14.03. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Bonds. The parties hereto do not intend that any Person that is either not a party hereto or a Holder of the Bonds of any Series be a beneficiary hereof or of any Supplemental Indenture.

SECTION 14.04. Illegal Provisions Disregarded. If any term of this Master Indenture, any Supplemental Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

SECTION 14.05. Substitute Notices. If for any reason it shall be impossible to make duplication of any notice required hereby in a newspaper or newspapers, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

SECTION 14.06. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Master Indenture to be given to or filed with the Issuer or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Master

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SECTION 14.10. Counterparts. This Master 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 14.11. Appendices and Exhibits. Any and all appendices or exhibits referred to in and attached to this Master Indenture are hereby incorporated herein and made a part hereof for all purposes.

[END OF ARTICLE XIV]

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Indenture if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed as follows:

(a) As to the Issuer:

Southern Grove Community Development District No. 5
c/o Fishkind & Associates, Inc.
12051 Corporate Blvd
Orlando, FL 32817
Attention: Henry H. Fishkind, District Manager

(b) As to the Trustee:

U.S. Bank National Association
550 W. Cypress Creek Road, Suite 380
Fort Lauderdale, Florida 33309
Attention: Corporate Trust Department

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under this Master Indenture are to be sent.

All documents received by the Trustee under the provisions of this Master Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Consultant, any Bondholder and the agents and representatives thereof as evidence in writing. Notices to Bondholders shall be sufficient if sent by first-class mail, postage prepaid.

SECTION 14.07. Controlling Law. This Master Indenture shall be governed by and construed in accordance with the laws of the State.

SECTION 14.08. Successors and Assigns. All the covenants, promises and agreements in this Master Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not. Except as otherwise provided in a Supplemental Indenture relating to a Series of Bonds, the rights and obligations of the entity serving as the Issuer hereunder on the date of execution and delivery hereof and of the date of execution and delivery of any Supplemental Indenture may be assigned to one of the Other Districts then serving as the "Issuer" within the meaning of the District Development Interlocal Agreement, as contemplated by the District Development Interlocal Agreement, without the consent of, but with notice to, the Trustee.

SECTION 14.09. Headings for Convenience Only. The table of contents and descriptive headings in this Master Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

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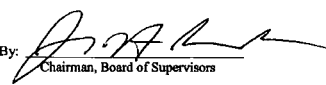
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IN WITNESS WHEREOF, Southern Grove Community Development District No. 5 has caused this Master Indenture to be executed by the Chairman of its Board and its corporate seal to be hereunto affixed, attested by the Secretary or Assistant Secretary of its Board and U.S. Bank National Association has caused this Master Indenture to be executed by one of its Authorized Signatories, all as of the day and year first above written.

[SEAL]

**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 5**

Attest:

By: 
Chairman, Board of Supervisors


Assistant Secretary, Board of Supervisors

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee, Paying Agent and Registrar**

By: 
Authorized Signatory

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STATE OF FLORIDA)
) SS:
COUNTY OF ST. LUCIE)

On this 16th day of December, 2014, before me, a notary public in and for the State and County aforesaid, personally appeared James H. Anderson and Henry H. Fishkind, Chairman and Assistant Secretary, respectively, of the Board of Supervisors of Southern Grove Community Development District No. 5, who acknowledged that they did sign the foregoing instrument as such officers, respectively, for and on behalf of Southern Grove Community Development District; that the same is their free act and deed as such officers, respectively, and the free act and deed of Southern Grove Community Development District No. 5; and that the seal affixed to said instrument is the seal of Southern Grove Community Development District No. 5.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

My Commission expires: 2.12.18

[Signature]
Notary Public, State of Florida

[NOTARIAL SEAL]

STATE OF FLORIDA)
) SS:
COUNTY OF ST. LUCIE)

On this 16th day of December, 2014, before me, a notary public in and for the State and County aforesaid, personally appeared Scott Schulte, an Authorized Signatory of U.S. Bank National Association, as Trustee, who acknowledged that he did sign said instrument as such authorized signatory for and on behalf of said corporation; that the same is his free act and deed as such authorized signatory and the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

My Commission expires: 2.12.18

[Signature]
Notary Public, State of Florida

[NOTARIAL SEAL]



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in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the hereinafter defined Indenture. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Master Indenture or Series 20 Supplemental Indenture (as such terms are defined herein).

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

This Bond is one of an authorized issue of Bonds of Southern Grove Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes pursuant to Ordinance No. 07-37 enacted by the City Council of the City of Port St. Lucie, Florida on April 9, 2007, as amended, designated as "Southern Grove Community Development District No. 5 [Special Assessment] Revenue Bonds ([Community] [District] Infrastructure Projects) in the aggregate principal amount of _____ Dollars (\$ _____) (the "Series 20 Bonds") of like date, tenor and effect, except as to number. The Series 20 Bonds are being issued under authority of the Act (as defined in the hereinafter defined Master Indenture), to pay the Costs of a Series Project consisting of certain [Community] [District] Infrastructure projects (as defined in the hereinafter mentioned Indenture) (the "Series _____ Project"), make deposits to certain Funds and Accounts created under the Indenture and pay costs of issuing the Series 20 Bonds. The Series 20 Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Series 20 Bonds are issued under and secured by a Master Trust Indenture dated as of December 1, 2014 (the "Master Indenture"), as supplemented by a Supplemental Indenture dated as of _____, 20____ (the "Series 20 Supplemental Indenture") and, collectively with the Master Indenture, the "Indenture", each entered into by and between the Issuer and the Trustee, executed counterparts of which are on file at the corporate trust office of the Trustee in Fort Lauderdale, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Series 20 Bonds issued under the Indenture, the operation and application of the Series 20 Debt Service Account and other Accounts and Subaccounts (each as defined in the Indenture) charged with and pledged to the

EXHIBIT A

FORM OF BOND

R- _____ \$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5
[SPECIAL ASSESSMENT] REVENUE BONDS
([COMMUNITY][DISTRICT] INFRASTRUCTURE PROJECTS)

Interest Rate	Maturity Date	Dated Date	CUSIP NO.
_____ %	_____ 1, _____	_____ 1, 20__	

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that Southern Grove Community Development District No. 5 (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof at the corporate trust office of U.S. Bank National Association, in Fort Lauderdale, Florida, as paying agent (said U.S. Bank National Association and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the principal sum of _____ DOLLARS (\$ _____) with interest thereon at the rate of _____ percent (____%) per annum, payable on the first day of May and November of each year, commencing _____ 1, 20____. Principal of this Bond is payable at the corporate trust office of U.S. Bank National Association, located in Fort Lauderdale, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank National Association, as Registrar (said U.S. Bank National Association and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a _____ 1 or _____ 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to _____ 1, 20____, in which case from _____ 1, 20____, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person

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payment of the principal of, premium, if any, and the interest on the Series 20 Bonds, (the levy and the evidencing and certifying for collection, of Series 20 Assessments), the nature and extent of the security for the Series 20 Bonds, the terms and conditions on which the Series 20 Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Series 20 Bonds, the conditions under which such Indenture may be amended with the consent of the registered owners of a majority in aggregate principal amount of the Bonds outstanding (including the Series 20 Bonds), and as to other rights and remedies of the owners of the Series 20 Bonds.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the owner of this Bond that such registered owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the City, the County, the State or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the City, the County, the State or any other political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by the Series 20 Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. [The Indenture provides for the levy and the evidencing and certifying, of non ad valorem assessments in the form of Series 20 Assessments to secure and pay the Series 20 Bonds.] Refunding Bonds on a parity with the Outstanding Series 20 Bonds may be issued in the manner provided in the Master Indenture.

[The Series 20 Bonds are subject to redemption prior to maturity.] [Insert redemption provisions]

When required to redeem or purchase Series 20 Bonds under any provision of this Indenture or directed to do so by the Issuer, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the Redemption Price or purchase date to all Owners of Series 20 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses and also to any Credit Facility Issuer, 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 Price or purchase of the Series 20 Bonds for which notice was duly mailed in accordance with the Indenture. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Series 20 Bonds Outstanding which shall be called for Redemption Price or purchase and shall include, certain additional information required by the Indenture.

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If less than all the Series 20 ___ Bonds of a maturity are to be redeemed, the Trustee shall select the particular Series 20 ___ Bonds or portions of Series 20 ___ Bonds to be redeemed by lot in such reasonable manner as the Trustee in its discretion may determine.

The Issuer shall keep books for the registration of the Series 20 ___ Bonds at the corporate trust office of the Registrar in Fort Lauderdale, Florida. Subject to the restrictions contained in the Indenture, the Series 20 ___ Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Series 20 ___ Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Indenture shall authenticate and deliver a new Series 20 ___ Bond or Series 20 ___ Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. There shall be no charge for any such exchange or transfer of Series 20 ___ Bonds, but the Issuer may require payment of a sum sufficient to pay any tax, fee or other governmental charge imposed. Neither the Issuer nor the Registrar shall be required (a) to transfer or exchange Series 20 ___ Bonds for a period of 15 days next preceding any selection of Series 20 ___ Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Series 20 ___ Bond called for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar may deem and treat the person in whose name any Series 20 ___ Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Series 20 ___ Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Series 20 ___ Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 20 ___ Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Indenture, of the certificate of authentication endorsed hereon.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Act, and that the issuance of this Bond, and of the issue of the Series 20 ___ Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

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CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

U.S. BANK NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

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IN WITNESS WHEREOF, Southern Grove Community Development District No. 5 has caused this Bond to be signed by the Chairman of its Board of Supervisors and its seal to be imprinted hereon, and attested by the signature of the Secretary of its Board of Supervisors, all as of the dated date hereof.

SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 5

By: _____
Chairman, Board of Supervisors

(SEAL)

Attest:

By: _____
Secretary, Board of Supervisors

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STATEMENT OF VALIDATION

This Bond is one of an issue of Bonds which were validated by judgment of the Circuit Court of the 19th Judicial Circuit of Florida, in and for St. Lucie County, Florida, rendered on the 10th day of September, 2013.

ATTEST:

Chairman

Secretary

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ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
Under Uniform Gifts to Minors
Act _____
(State)

Additional abbreviations may also be used though not in the above list.

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ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

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EIGHTH SUPPLEMENTAL TRUST INDENTURE

TABLE OF CONTENTS

This Table of Contents is incorporated herein for ease of reference only and shall not be deemed a part of this Eighth Supplemental Trust Indenture.

between

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
As Trustee

Dated as of December 1, 2022

relating to

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5
SPECIAL ASSESSMENT BONDS, SERIES 2022-1
(COMMUNITY INFRASTRUCTURE)
and
SPECIAL ASSESSMENT BONDS, SERIES 2022-2
(COMMUNITY INFRASTRUCTURE) (FEDERALLY TAXABLE)

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EIGHTH SUPPLEMENTAL TRUST INDENTURE

THIS EIGHTH SUPPLEMENTAL TRUST INDENTURE (the "Eighth Supplemental Indenture") dated as of December 1, 2022, is entered into by and between **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5** (the "Issuer") and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as successor in interest to U.S. Bank National Association, as Trustee (the "Trustee"), a national banking association authorized to accept and execute trusts of the character herein set out, with its designated office and post office address located at 500 West Cypress Creek Road, Suite 460, Fort Lauderdale, Florida, 33309, Attention Corporate Trust Department, and joined in by the parties executing a joinder hereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the hereinafter defined Master Indenture or in the hereinafter defined District Development Interlocal Agreement.

WHEREAS, pursuant to the District Development Interlocal Agreement, the Issuer is currently serving as the "Issuer" within the meaning of the District Development Interlocal Agreement and Southern Grove Community Development District No. 1 is currently serving as the "Administration District" within the meaning of the District Development Interlocal Agreement; and

WHEREAS, pursuant to Resolution Nos. 2013-06 adopted by the Board and the respective Board of Supervisors of certain of the Other Districts on July 9, 2013 (the "Validation Resolution"), the Issuer has previously authorized the issuance, sale and delivery of not to exceed \$610,000,000 of its Bonds in one or more Series, inclusive of its own District Infrastructure Bonds (as defined in the District Development Interlocal Agreement), which were authorized to be issued in one or more Series in an aggregate principal amount not exceeding \$43,050,000, all as authorized under the Master Indenture; and

WHEREAS, the Issuer has entered into the Master Indenture with the Trustee to secure the issuance from time to time of its Bonds in one or more Series; and

WHEREAS, the District Development Interlocal Agreement and the Bonds were validated by final judgment of the Circuit Court in and for St. Lucie County, Florida on September 10, 2013, from which the time for taking an appeal has expired; and

WHEREAS, pursuant to the Validation Resolution, Resolution No. 2022-15 of the Issuer adopted on November 2, 2022 (the "Award Resolution"), and the authority delegated to it pursuant to the District Development Interlocal Agreement, the Issuer has determined that it is in the best interests of the Issuer to authorize the issuance, sale and delivery of its not to exceed \$10,000,000 in aggregate principal amount of its Special Assessment Bonds, Series 2022-1 (Community Infrastructure) as a Series of Tax Exempt Bonds contemplated by the Master Indenture and its not to exceed \$4,000,000 in aggregate principal amount of its Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable) as a Series of Taxable Bonds contemplated by the Master Indenture, and has ratified and confirmed the Master Indenture and authorized the execution and delivery of this Eighth Supplemental Indenture to secure the issuance of the 2022 Bonds (hereinafter defined) and to set forth the terms of the 2022 Bonds; and

WHEREAS, the Issuer will issue its Special Assessment Bonds, Series 2022-1 (Community Infrastructure) in the aggregate principal of \$8,760,000 (the “2022-1 Bonds”) and apply the proceeds of the 2022-1 Bonds, together with other legally available funds of the Issuer, to: (i) pay a portion of the Costs of the 2022-1 CI Project; (ii) pay interest coming due on the 2022-1 Bonds through November 1, 2023; (iii) make a deposit into the 2022-1 Reserve Account in an amount equal to the initial 2022-1 Reserve Account Requirement; and (iv) pay certain costs associated with the issuance of the 2022-1 Bonds; and

WHEREAS, the Issuer will issue its Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable) in the aggregate principal of \$2,935,000 (the “2022-2 Bonds”) and, together with the 2022-1 Bonds, the “2022 Bonds”) and apply the proceeds of the 2022-2 Bonds, together with other legally available funds of the Issuer, to: (i) pay a portion of the Costs of the 2022-2 CI Project; (ii) pay interest coming due on the 2022-2 Bonds through November 1, 2023; (iii) make a deposit into the 2022-2 Reserve Account in an amount equal to the initial 2022-2 Reserve Account Requirement; and (iv) pay certain costs associated with the issuance of the 2022-2 Bonds; and

WHEREAS, the Board of the Issuer and the respective Board of Supervisors of certain of the Other Districts have duly adopted resolutions (which are part of the “Assessment Proceedings,” as defined herein), following public hearings conducted in accordance with the Act, where applicable, to establish and levy the Community Infrastructure Assessments as contemplated by the District Development Interlocal Agreement. In addition, the Board of the Issuer and the respective Board of Supervisors of certain of the Other Districts have entered into written assignment and assumption agreements, including the Assignment and Assumption Agreements, to provide for the continued collection of such Community Infrastructure Assessments levied on the District Lands previously in the boundaries of the applicable assigning District and now within the boundaries of the applicable assignee District; and

WHEREAS, the Board of the Issuer and the respective Board of Supervisors of Southern Grove Community Development District No. 2 (“District No. 2”), Southern Grove Community Development District No. 3 (“District No. 3”), Southern Grove Community Development District No. 4 (“District No. 4”), Southern Grove Community Development District No. 8 (“District No. 8”), Southern Grove Community Development District No. 9 (“District No. 9”) and Southern Grove Community Development District No. 10 (“District No. 10”) additionally adopted a joint resolution (which is part of the Assessment Proceedings) specifically designating a portion of the Community Infrastructure Assessments as the 2022 CI Assessments to be collected with respect to certain assessable District Lands within a portion of the boundaries of the Issuer and a portion of the boundaries of each of District No. 2, District No. 3, District No. 4, District No. 8, District No. 9 and District No. 10 (the “2022 Assessment Area”) and which specially benefit from the 2022 CI Project; and

WHEREAS, the 2022 Bonds will be payable from and secured by the 2022 CI Assessments imposed, levied and collected by the Issuer with respect to assessable property benefited by the 2022 CI Project and comprising the 2022 Assessment Area from time to time, which, together with the 2022 Pledged Funds and Accounts, will comprise the 2022 Trust Estate, which shall constitute a “Series Trust Estate” as defined in the Master Indenture; and

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PROVIDED FURTHER 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 and Redemption Price of the 2022 Bonds or any 2022 Bond of a particular maturity issued, secured and Outstanding under this Eighth Supplemental Indenture, and the interest due or to become due thereon, at the times and in the manner mentioned in the 2022 Bonds and this Eighth Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Eighth Supplemental 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 of the Master Indenture and this Eighth Supplemental Indenture, then upon such final payments, this Eighth Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all 2022 Bonds or any 2022 Bond of a particular maturity, otherwise this Eighth Supplemental Indenture shall remain in full force and effect;

THIS EIGHTH SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that the 2022 Bonds issued and secured hereunder is to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this Eighth Supplemental Indenture), including this Eighth Supplemental Indenture, expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the 2022 Bonds, as follows:

ARTICLE I DEFINITIONS

SECTION 1.01. **Definitions.** All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture or the District Development Interlocal Agreement are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (i) expressly given a different meaning herein or (ii) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

“Assessment Proceedings” shall mean the proceedings of the Issuer and the applicable Other Districts with respect to the establishment, levy and collection of the Community Infrastructure Assessments, including, but not limited to, Resolution Nos. 2013-02 and 2013-03 adopted by the Board and the respective Board of Supervisors of certain of the Other Districts on February 21, 2013, Resolution Nos. 2013-07 adopted by the Board and the respective Board of Supervisors of certain of the Other Districts on July 9, 2013 and any supplemental proceedings undertaken by the Issuer and/or the applicable Other Districts with respect to the 2022 CI Assessments, including, but not limited to, Resolution Nos. 2019-12, 2019-13 and 2019-15 adopted by the Board of the Issuer on August 1, 2019, August 1, 2019 and September 13, 2019, joint Resolution Nos. 2019-14 and 2020-8 adopted by the respective Board of Supervisors of certain of the Other Districts on August 1, 2019 and joint Resolution No. 2022- 25 adopted by the Board of the Issuer and the respective Board of Supervisors of District No. 2, District No. 3, District No. 4, District No. 8, District No. 9 and

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WHEREAS, the execution and delivery of the 2022 Bonds and of this Eighth Supplemental Indenture have been duly authorized by the Issuer and all things necessary to make the 2022 Bonds, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this Eighth Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2022 Trust Estate have been done subject to the provisions set forth below with respect to portions of the 2022 Trust Estate which are held solely for the 2022-1 Bonds or the 2022-2 Bonds, as applicable;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS EIGHTH SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the 2022 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of and interest on, the 2022 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the Issuer of all the covenants, expressed or implied in the Master Indenture, in this Eighth Supplemental Indenture and in the 2022 Bonds: (a) has executed and delivered this Eighth Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the Issuer, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, and, with respect to the 2022 Bonds only, the revenues derived by the Issuer from the 2022 CI Assessments (the “2022 Pledged Revenues,” as more fully defined herein) and the 2022 Pledged Funds and Accounts (hereinafter defined) established hereby, which shall comprise a part of the 2022 Trust Estate (hereinafter defined) securing the 2022 Bonds, provided, however, that the funds on deposit in the 2022-1 Costs of Issuance Subaccount, the 2022-1 Acquisition and Construction Subaccount, the 2022-1 Reserve Account and the 2022-1 Capitalized Interest Subaccount are held solely for the benefit of the 2022-1 Bonds and the funds in the 2022-2 Costs of Issuance Subaccount, the 2022-2 Acquisition and Construction Subaccount, the 2022-2 Reserve Account and the 2022-2 Capitalized Interest Subaccount are held solely for the benefit of the 2022-2 Bonds;

TO HAVE AND TO HOLD all the same by the Master Indenture granted, bargained, sold, conveyed, transferred, assigned and pledged, or agreed or intended so to be, to the Trustee and its successors in said trust and to it and its assigns forever;

IN TRUST NEVERTHELESS, except as may otherwise be provided herein with respect to the 2022 Bonds, upon the terms and trusts in the Master Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the 2022 Bonds issued or to be issued under and secured by this Eighth Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one 2022 Bond over any other 2022 Bond by reason of priority in their issue, sale or execution;

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District No. 10 on December 7, 2022, and shall include the Assessment Report and the Engineer’s Report and the Assignment and Assumption Agreements.

“Assessment Report” shall mean, collectively, the Amended and Restated Master Assessment Methodology Report for Public Infrastructure dated July 9, 2013, as supplemented by the Supplemental Assessment Methodology Report for Public Infrastructure dated July 8, 2014, as further supplemented by the Second Supplemental Assessment Report for Public Infrastructure dated December 9, 2014, each prepared by Fishkind & Associates, Inc., as further supplemented and amended by the Third Supplemental Assessment Methodology for Public Infrastructure dated August 1, 2010, as supplemented, including by the Seventh Supplemental Assessment Methodology for 2022 Bonds dated November 16, 2022 prepared by Special District Services, Inc., as same may be amended from time to time in connection with the 2022 CI Assessments.

“Assignment and Assumption Agreements” shall mean, collectively, with respect to the 2022 Assessment Area, the written agreements providing for (i) the assignment by the Issuer, District No. 3, District No. 4, and/or District No. 6, as applicable, to District No. 3, District No. 8, District No. 9 and/or District No. 10, as applicable, of the obligation to collect, and remit to the Trustee, the 2022 CI Assessments (and certain other Community Infrastructure Assessments) levied on the District Lands previously in the boundaries of the applicable assigning District and now within the boundaries of the applicable assignee District and (ii) the assumption by the applicable assignee District of such authority and obligation.

“Award Resolution” shall mean Resolution No. 2022-15 adopted by the Board on November 2, 2022.

“Bond Depository” shall mean the securities depository from time to time under Section 201 hereof, which may be the Issuer.

“Bond Participants” shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds 2022 Bonds as securities depository.

“Bond Resolution” shall mean, collectively, the Validation Resolution and the Award Resolution.

“Community Operation and Maintenance Assessments” shall mean the Community O&M Infrastructure Maintenance Assessments within the meaning of the District Development Interlocal Agreement, consisting of non-ad valorem special assessments levied by the Issuer and the Other Districts within their respective boundaries on assessable property within their respective boundaries for the operation and maintenance of Community Infrastructure and collected by the Administration District, all in accordance with the District Development Interlocal Agreement and other applicable law.

“Continuing Disclosure Agreement” shall mean that certain Continuing Disclosure Agreement dated December 9, 2022 and executed by the Issuer and the other parties named therein in connection with the 2022 Bonds.

“Date of Completion” shall have the meaning ascribed thereto in the Master Indenture and shall additionally mean, with respect to the 2022-1 CI Project and the 2022-2 CI Project, as

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applicable, notwithstanding anything to the contrary in the Master Indenture, the date on which all of the proceeds of the 2022-1 Bonds on deposit in the 2022-1 Acquisition and Construction Subaccount and/or the proceeds of the 2022-2 Bonds on deposit in the 2022-2 Acquisition and Construction Subaccount, as applicable, and investment earnings thereon, have been fully disbursed therefrom.

“Delinquent Assessment Interest” shall mean 2022 CI Assessment Interest deposited by the Issuer with the Trustee on or after May 1 of the year in which such 2022 CI Assessment Interest has, or would have, become delinquent under State law or the Assessment Proceedings applicable thereto, and, in the case of 2022 CI Assessment Interest that is billed directly by the Issuer, any installment of 2022 CI Assessment Interest that is not paid by the applicable Interest Payment Date with respect to which it has been billed.

“Delinquent Assessment Principal” shall mean 2022 CI Assessment Principal deposited by the Issuer with the Trustee on or after May 1 of the year in which such 2022 CI Assessment Principal has, or would have, become delinquent under State law or the Assessment Proceedings applicable thereto and, in the case of 2022 CI Assessment Principal that is billed directly by the Issuer, any installment of 2022 CI Assessment Principal that is not paid by the applicable Interest Payment Date with respect to which it has been billed.

“Delinquent Assessments” shall mean, collectively, Delinquent Assessment Interest and Delinquent Assessment Principal.

“District Development Interlocal Agreement” shall have the meaning ascribed thereto in the Master Indenture, as such agreement has been amended by that certain First Amendment dated November 15, 2019, among the Issuer and the Other Districts.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Engineer’s Report” shall mean, collectively, the Second Amended and Restated Master Engineer’s Report dated July 9, 2013, as supplemented by reports dated July 8, 2014, December 9, 2014 and August 1, 2019, as supplemented and amended, each prepared by Arcadis U.S., Inc., as supplemented and amended from time to time, including by the Supplemental Engineer’s Report.

“Indenture” shall mean, collectively, the Master Indenture and this Eighth Supplemental Indenture, as same may be amended from time to time.

“Interest Payment Date” shall mean each November 1 and May 1, commencing May 1, 2023.

“Master Indenture” shall mean the Master Trust Indenture dated December 17, 2014 between the Issuer and the Trustee, as same may be amended from time to time in compliance herewith.

“Majority Owners” shall mean, notwithstanding anything to the contrary in the Master Indenture, the Beneficial Owners of more than fifty percent (50%) of the Outstanding principal amount of the 2022 Bonds.

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- (i) Government Obligations;
- (ii) commercial paper rated in the top two rating category by both Moody’s and S&P at the time of purchase;
- (iii) municipal securities issued by any state or commonwealth of the United States or political subdivision thereof or constituted authority thereof including, but not limited to, municipal corporations, school districts and other special districts, the interest on which is exempt from federal income taxation under Section 103 of the Code and rated A- or higher by Moody’s, Fitch or S&P at the time of purchase;
- (iv) both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody’s and S&P, and (B) shares of money market mutual funds that invest only in Government Obligations and obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Bank; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody’s and S&P at the time of purchase;
- (v) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are, at the time of purchase, rated “A-” or “Aa-” or better by at least two (2) of the following rating agencies: Moody’s, S&P or Fitch;
- (vi) the Local Government Surplus Funds Trust Fund as described in Florida Statutes, Section 218.405 or the corresponding provisions of subsequent laws provided that such fund, at the time of purchase, is rated at least “AA” by S&P (without regard to gradation) or at least “Aa” by Moody’s (without regard to gradation); and
- (vii) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody’s and S & P.

The direction of the Issuer to invest in any investment constitutes a representation upon which the Trustee may conclusively rely that such investment is permitted hereunder and is permitted under applicable law.

“2022 Pledged Funds and Accounts” shall mean the Funds and Accounts established hereby (except for the 2022-1 Rebate Account) subject to the terms and provisions hereof providing that the funds on deposit in the 2022-1 Costs of Issuance Subaccount, the 2022-1 Acquisition and Construction Subaccount, the 2022-1 Reserve Account and the 2022-1 Capitalized Interest Subaccount are held solely for the benefit of the 2022-1 Bonds and the funds in the 2022-2 Costs of Issuance Subaccount, the 2022-2 Acquisition and Construction Subaccount, the 2022-2 Reserve

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“Nominee” shall mean the nominee of the Bond Depository, which may be the Bond Depository, as determined from time to time pursuant to this Eighth Supplemental Indenture.

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

“Substantially Absorbed” shall mean the date when at least ninety percent (90%) of the principal portion of the 2022 CI Assessments have been assigned to properties within the 2022 Assessment Area in accordance with the Assessment Proceedings and such properties have received a certificate of occupancy.

“Supplemental Engineer’s Report” shall mean the “Supplement to the Master Engineer’s Report as Supplemented by Reports Dated July 8, 2014, December 9, 2014 and August 1, 2019 Regarding 2014 CI Project” dated October 16, 2019 prepared for the Districts by Arcadis U.S., Inc., as supplemented by the 2022 Supplemental Engineer’s Report.

“TIM Project” shall mean the portion of the Community Infrastructure described in the 2022 Supplemental Engineer’s Report consisting of autonomous vehicles providing mass transit and any allocable portion of the pathways on which such vehicles travel.

“Uniform Method” shall mean the uniform method for the levy, collection and enforcement of non-ad valorem assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, and any amendments thereto, and any successor statutes thereto.

“Validation Resolution” shall mean Resolution Nos. 2013-06 adopted by the Board and the respective Board of Supervisors of certain of the Other Districts on July 9, 2013.

“2022 Assessment Area” shall mean the area referenced in joint Resolution No. 2022-25 adopted on December 7, 2022 by the Issuer, District No. 2, District No. 3, District No. 4, District No. 8, District No. 9 and District No. 10 as part of the Assessment Proceedings, as same may be amended from time to time in connection with the 2022 CI Assessments, which is comprised of a portion of the assessable District Lands in the boundaries of the Issuer, District No. 2, District No. 3, District No. 4, District No. 8, District No. 9 and District No. 10, respectively, benefited by the 2022 CI Project and subject to the 2022 CI Assessments from time to time pursuant to the Assessment Proceedings and as more fully described in the Seventh Supplemental Assessment Methodology for 2022 Bonds dated November 16, 2022 prepared by Special District Services, Inc., as same may be amended from time to time in connection with the 2022 CI Assessments.

“2022 CI Assessment Interest” shall mean, collectively, the 2022-1 CI Assessment Interest and the 2022-2 CI Assessment Interest.

“2022 CI Assessment Principal” shall mean, collectively, the 2022-1 CI Assessment Principal and the 2022-2 CI Assessment Principal.

“2022 CI Project” shall mean, collectively, the 2022-1 CI Project and the 2022-2 CI Project.

“2022 Investment Securities” shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the Issuer:

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Account and the 2022-2 Capitalized Interest Subaccount are held solely for the benefit of the 2022-2 Bonds.

“2022 CI Assessment Revenues” shall mean, collectively, the 2022-1 CI Assessment Revenues and the 2022-2 CI Assessment Revenues.

“2022 CI Pledged Revenues” shall mean, collectively, the 2022-1 CI Pledged Revenues and the 2022-2 CI Pledged Revenues.

“2022 Prepayment Principal” shall mean, collectively, the 2022-1 Prepayment Principal and the 2022-2 Prepayment Principal.

“2022 Supplemental Engineer’s Report” shall mean the “Supplemental Engineer’s Report 2022 Bonds” dated November 2, 2022 prepared by Culpepper & Terpening, Inc., as amended and supplemented from time to time.

“2022 Trust Estate” shall mean, collectively, the 2022 Pledged Revenues and the 2022 Pledged Funds and Accounts provided, however, that the funds on deposit in the 2022-1 Costs of Issuance Subaccount, the 2022-1 Acquisition and Construction Subaccount, the 2022-1 Reserve Account and the 2022-1 Capitalized Interest Subaccount are held solely for the benefit of the 2022-1 Bonds and the funds in the 2022-2 Costs of Issuance Subaccount, the 2022-2 Acquisition and Construction Subaccount, the 2022-2 Reserve Account and the 2022-2 Capitalized Interest Subaccount are held solely for the benefit of the 2022-2 Bonds.

“2022-1 CI Assessment Interest” shall mean the interest on the 2022-1 CI Assessments which is pledged to the 2022-1 Bonds.

“2022-1 CI Assessment Principal” shall mean the amount of 2022-1 CI Assessments received by the Issuer which is used to pay the principal of, and Amortization Installments on, the 2022-1 Bonds, other than applicable Delinquent Assessment Principal and 2022-1 Prepayment Principal.

“2022-1 CI Assessment Revenues” or “2022-1 CI Pledged Revenues” shall mean all revenues derived by the Issuer from the 2022-1 CI Assessments, including proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the Issuer in excess of the rate of interest on the 2022-1 Bonds.

“2022-1 CI Assessments” shall mean the portion of the Community Infrastructure Assessments levied and to be collected in connection with the 2022 CI Project and the 2022-1 Bonds pursuant to the Assessment Proceedings with respect to the assessable District Lands in the 2022 Assessment Area from time to time, and which correspond to the debt service on the 2022-1 Bonds.

“2022-1 CI Project” shall mean public infrastructure improvements, facilities and vehicles comprising Community Infrastructure, more fully described in the 2022 Supplemental Engineer’s Report, and, subject to the provisions of Section 403(b) hereof relating to obtaining an opinion of Bond Counsel, other components of Community Infrastructure described in a future supplement to the Engineer’s Report and shall in all circumstances exclude the TIM Project.

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"2022-1 Prepayment Principal" shall mean the excess amount of 2022-1 CI Assessment Principal received by the Issuer over the 2022-1 CI Assessment Principal included within an Assessment appearing on any outstanding and unpaid bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings, which shall be identified by the Issuer to the Trustee as such in writing upon deposit. Anything herein or in the Master Indenture to the contrary notwithstanding, the term 2022-1 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the Issuer or the 2022-2 Prepayment Principal.

"2022-1 Reserve Account Requirement" shall mean an amount equal to 50% of the Maximum Annual Debt Service Requirement for the Outstanding 2022-1 Bonds (as hereinafter determined) as of the time of any such calculation. For purposes of the foregoing calculation, notwithstanding anything to the contrary in the Master Indenture or herein, the determination of the "Outstanding 2022-1 Bonds" shall take into account any redemptions of 2022-1 Bonds to be made on the next succeeding redemption date immediately following the calculation date. Upon the initial issuance of the 2022-1 Bonds, the 2022-1 Reserve Account Requirement is \$448,025.00, which does not exceed the lesser of (a) 125% of the average annual Debt Service for all Outstanding 2022-1 Bonds calculated as of the date of original issuance thereof or (b) 10% of the proceeds of the 2022-1 Bonds calculated as of the date of original issuance thereof. The calculation and recalculation of the 2022-1 Reserve Account Requirement shall be at the times set forth in Section 4.05 hereof.

"2022-2 CI Assessment Interest" shall mean the interest on the 2022-2 CI Assessments which is pledged to the 2022-2 Bonds.

"2022-2 CI Assessment Principal" shall mean the amount of 2022-2 CI Assessments received by the Issuer which is used to pay the principal of, and Amortization Installments on, the 2022-2 Bonds, other than applicable Delinquent Assessment Principal and 2022-2 Prepayment Principal.

"2022-2 CI Assessment Revenues" or "2022-2 CI Pledged Revenues" shall mean all revenues derived by the Issuer from the 2022-2 CI Assessments, including proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the Issuer in excess of the rate of interest on the 2022-2 Bonds.

"2022-2 CI Assessments" shall mean the portion of the Community Infrastructure Assessments levied and to be collected in connection with the 2022 CI Project and the 2022-2 Bonds pursuant to the Assessment Proceedings with respect to the assessable District Lands in the 2022 Assessment Area from time to time, and which correspond to the debt service on the 2022-2 Bonds.

"2022-2 CI Project" shall mean the TIM Project and may also include other components of Community Infrastructure described in the 2022 Supplemental Engineer's Report and, subject to the provisions of Section 403(b) hereof relating to review by Bond Counsel or general counsel to the Issuer, other components of Community Infrastructure described in a future supplement to the Engineer's Report.

"2022-2 Prepayment Principal" shall mean the excess amount of 2022-2 CI Assessment Principal received by the Issuer over the 2022-2 CI Assessment Principal included within an Assessment appearing on any outstanding and unpaid bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings, which shall be identified by the Issuer to the Trustee

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2022 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, premium, if any, or interest on the 2022 Bonds. The Issuer, the Trustee, the Registrar and the Paying Agent may treat and consider the person in whose name each 2022 Bond is registered in the registration books kept by the Registrar as the absolute owner of such 2022 Bond for the purpose of payment of principal, premium and interest with respect to such 2022 Bond, for the purpose of giving notices of redemption and other matters with respect to such 2022 Bond, for the purpose of registering transfers with respect to such 2022 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the 2022 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the 2022 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Registrar, shall receive a certificated 2022 Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this Eighth Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the Issuer shall promptly deliver a copy of the same to the Trustee, Registrar and the Paying Agent.

Upon receipt by the Trustee or the Issuer of written notice from DTC: (i) confirming that DTC has received written notice from the Issuer to the effect that a continuation of the requirement that all of the Outstanding 2022 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the beneficial owners of the 2022 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found upon reasonable and customary terms, the 2022 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the 2022 Bonds shall designate, in accordance with the provisions hereof.

SECTION 2.02. Terms of 2022 Bonds. The 2022-1 Bonds shall be issued as two (2) Term Bonds. The 2022-1 Bonds shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2042	\$3,650,000	5.80%
2049	\$5,110,000	6.00%

The 2022-2 Bonds shall be issued as one (1) Term Bond. The 2022-2 Bonds shall bear interest at the fixed interest rate per annum and shall mature in the amount and on the date set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2035	\$2,935,000	7.00%

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as such in writing upon deposit. Anything herein or in the Master Indenture to the contrary notwithstanding, the term 2022-2 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the Issuer or the 2022-1 Prepayment Principal.

"2022-2 Reserve Account Requirement" shall mean an amount equal to 50% of the Maximum Annual Debt Service Requirement for the Outstanding 2022-2 Bonds (as hereinafter determined) as of the time of any such calculation. For purposes of the foregoing calculation, notwithstanding anything to the contrary in the Master Indenture or herein, the determination of the "Outstanding 2022-2 Bonds" shall take into account any redemptions of 2022-2 Bonds to be made on the next succeeding redemption date immediately following the calculation date. Upon the initial issuance of the 2022-2 Bonds, the 2022-2 Reserve Account Requirement is \$188,862.50. The calculation and recalculation of the 2022-2 Reserve Account Requirement shall be at the times set forth in Section 4.05 hereof.

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF 2022 BONDS

SECTION 2.01. Authorization of 2022 Bonds; Book-Entry Only Form. The 2022-1 Bonds are hereby authorized to be issued in one Series of Tax Exempt Bonds in the aggregate principal amount of \$8,760,000 for the purposes enumerated in the recitals hereto to be designated "Southern Grove Community Development District No. 5 Special Assessment Bonds, Series 2022-1 (Community Infrastructure)." The 2022-1 Bonds shall be substantially in the form set forth as Exhibit A to this Eighth Supplemental Indenture. Each 2022-1 Bond shall bear the designation "2022-1R" and shall be numbered consecutively from 1 upwards.

The 2022-2 Bonds are hereby authorized to be issued in one Series of Taxable Bonds in the aggregate principal amount of \$2,935,000 for the purposes enumerated in the recitals hereto to be designated "Southern Grove Community Development District No. 5 Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable)." The 2022-2 Bonds shall be substantially in the form set forth as Exhibit A to this Eighth Supplemental Indenture. Each 2022-2 Bond shall bear the designation "2022-2R" and shall be numbered consecutively from 1 upwards.

The 2022 Bonds shall be initially issued in the form of a separate single certificated fully registered 2022 Bond for each maturity thereof. Upon initial issuance, the ownership of each such 2022 Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding 2022 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to 2022 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, the Issuer, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the Issuer, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the 2022 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Registrar, of any notice with respect to the

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SECTION 2.03. Dating; Interest Accrual. Each 2022 Bond shall be dated its date of initial issuance and delivery. Each 2022 Bond also shall bear its date of authentication. Each 2022 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such 2022 Bond has been paid, in which event such 2022 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2022 Bonds, in which event, such 2022 Bond shall bear interest from its date. Interest on the 2022 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2023, and shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 2.04. Denominations. The 2022 Bonds shall be issued in Authorized Denominations.

SECTION 2.05. Paying Agent. The Issuer appoints the Trustee as the Paying Agent for the 2022 Bonds.

SECTION 2.06. Registrar. The Issuer appoints the Trustee as Registrar for the 2022 Bonds.

SECTION 2.07. Conditions Precedent to Issuance of 2022 Bonds. In addition to complying with the applicable requirements set forth in Section 3.01 of the Master Indenture in connection with the issuance of the 2022 Bonds, all of the 2022 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:

- Certified copies of the Assessment Proceedings approved as of the date of issuance of the 2022 Bonds;
- Executed copies of the Master Indenture and this Eighth Supplemental Indenture;
- The opinions required by Section 3.01 of the Master Indenture;
- A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the 2022 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Eighth Supplemental Indenture;
- A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal;
- Executed copies of the District Development Interlocal Agreement and the Interlocal Agreement for the Provision of Autonomous Electric Vehicle Trolley Services dated October 14, 2020, as amended, among the District and the other parties named therein (the "AV Interlocal Agreement") evidencing the joinder in the applicable agreements by Southern Grove Community Development District No. 7, Southern Grove Community Development District No. 8, Southern Grove Community Development District No. 9 and Southern Grove Community Development District No. 10; and
- Executed copies of the Assignment and Assumption Agreements.

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Payment to the Trustee of \$11,461,100.00, representing the net proceeds of the sale of the 2022 Bonds, shall conclusively evidence the foregoing conditions precedent have been met to the satisfaction of the Issuer and the underwriter of the 2022 Bonds.

ARTICLE III REDEMPTION OF 2022 BONDS

SECTION 3.01. Bonds Subject to Redemption; Notice. The 2022 Bonds are subject to redemption prior to maturity as provided in the respective forms thereof set forth as Exhibit A to this Eighth Supplemental Indenture.

Interest on 2022-1 Bonds which are called for redemption shall be paid on the applicable redemption date from the 2022-1 Interest Subaccount corresponding to the 2022-1 Bonds to be called or from the 2022 Revenue Account to the extent monies in the 2022-1 Interest Subaccount are insufficient for such purpose. Moneys in the 2022-1 Optional Redemption Subaccount shall be applied in accordance with Section 504(e) of the Master Indenture to the optional redemption of the 2022-1 Bonds.

Interest on 2022-2 Bonds which are called for redemption shall be paid on the applicable redemption date from the 2022-2 Interest Subaccount corresponding to the 2022-2 Bonds to be called or from the 2022 Revenue Account to the extent monies in the 2022-2 Interest Subaccount are insufficient for such purpose. Moneys in the 2022-2 Optional Redemption Subaccount shall be applied in accordance with Section 504(e) of the Master Indenture to the optional redemption of the 2022-2 Bonds.

Notwithstanding anything in the Master Indenture or this Eighth Supplemental Indenture to the contrary, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the Issuer if expressly set forth in such notice.

ARTICLE IV DEPOSIT OF PROCEEDS OF 2022 BONDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

SECTION 4.01. Establishment of Accounts. The following Accounts and subaccounts therein are hereby established for the 2022 Bonds.

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee a 2022 Acquisition and Construction Account and therein a 2022-1 Acquisition and Construction Subaccount and a 2022-2 Acquisition and Construction Subaccount.

(b) There is hereby established within the Costs of Issuance Fund held by the Trustee a 2022 Costs of Issuance Account and therein a 2022-1 Costs of Issuance Subaccount and a 2022-2 Costs of Issuance Subaccount.

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SECTION 4.03. 2022 Acquisition and Construction Account.

(a) Amounts on deposit in the 2022 Acquisition and Construction Account shall be applied from time to time to pay Costs of the 2022 CI Project upon compliance with the requisition provisions set forth in Section 4.02 of the Master Indenture and pursuant to the form of requisition attached hereto as Exhibit B; provided, however, amounts in the 2022-1 Acquisition and Construction Subaccount may not be expended on the TIM Project. Amounts on deposit in the 2022-2 Acquisition and Construction Subaccount may be applied to repay advances made to or on behalf of the Issuer or the Administration District with respect to Costs of the TIM Project. The Trustee is not responsible for monitoring the expenditure of the amounts in the 2022 Acquisition and Construction Account as provided in this Section 4.03(a).

(b) Notwithstanding anything to the contrary in the Master Indenture, upon the Date of Completion of the 2022-1 CI Project, any balance remaining in the 2022-1 Acquisition and Construction Subaccount not needed to pay any accrued but unpaid Costs of the 2022-2 CI Project which are required to be reserved in the 2022-1 Acquisition and Construction Subaccount in accordance with the certificate of the Consulting Engineer establishing such Date of Completion shall, at the written direction of a Responsible Officer of the Issuer (i) first be transferred to and deposited in the 2022-1 Rebate Account in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, if the Trustee has received a certification from the Issuer detailing the amount of such obligation to be deposited and (ii) the balance, if any, shall be transferred to the 2022-1 Prepayment Subaccount to be used for the extraordinary mandatory redemption of 2022-1 Bonds as provided herein and therein, or, upon the Issuer obtaining an opinion of Bond Counsel, with a copy provided to the Trustee, to the effect that such application will not adversely affect the tax-exempt status of the 2022-1 Bonds, applied to pay the Cost of a Series Project or Additional Series Project comprising Community Infrastructure other than the 2022-1 CI Project, as shall be directed in writing by a Responsible Officer of the Issuer. When there remain no monies on deposit in the 2022-1 Acquisition and Construction Subaccount, such subaccount shall be closed.

Notwithstanding anything to the contrary in the Master Indenture, upon the Date of Completion of the 2022-2 CI Project, any balance remaining in the 2022-2 Acquisition and Construction Subaccount not needed to pay any accrued but unpaid Costs of the 2022-2 CI Project which are required to be reserved in the 2022-2 Acquisition and Construction Subaccount in accordance with the certificate of the Consulting Engineer establishing such Date of Completion shall, at the written direction of a Responsible Officer of the Issuer, be transferred to the 2022-2 Prepayment Subaccount to be used for the extraordinary mandatory redemption of 2022-2 Bonds as provided herein and therein, or upon prior review by Bond Counsel or the Issuer's general counsel, applied to pay the Cost of a Series Project or Additional Series Project comprising Community Infrastructure other than the 2022-2 CI Project, as shall be directed in writing by a Responsible Officer of the Issuer. When there remain no monies on deposit in the 2022-2 Acquisition and Construction Subaccount, such subaccount shall be closed.

(c) Amounts on deposit in the 2022-1 Capitalized Interest Subaccount shall, until and including November 1, 2023 be transferred into the 2022-1 Interest Subaccount and applied to the payment of interest first coming due on the 2022-1 Bonds. Any amounts remaining in the 2022-1 Capitalized Interest Subaccount after November 1, 2023 shall be transferred into the 2022-1

(c) There are hereby established within the Debt Service Fund held by the Trustee: (i) a 2022 Debt Service Account and, therein a 2022-1 Sinking Fund Subaccount, a 2022-1 Interest Subaccount, a 2022-1 Capitalized Interest Subaccount, a 2022-2 Sinking Fund Subaccount, a 2022-2 Interest Subaccount and a 2022-2 Capitalized Interest Subaccount and (ii) a 2022 Redemption Account, and, therein, a 2022-1 Prepayment Subaccount, a 2022-1 Optional Redemption Subaccount, a 2022-2 Prepayment Subaccount and a 2022-2 Optional Redemption Subaccount.

(d) There is hereby established within the Revenue Fund held by the Trustee a 2022 Revenue Account.

(e) There is hereby established within the Reserve Fund held by the Trustee a 2022-1 Reserve Account and a 2022-2 Reserve Account.

(f) There is hereby established within the Rebate Fund held by the Trustee a 2022-1 Rebate Account.

SECTION 4.02. Use of Proceeds of the 2022 Bonds. The net proceeds of sale of the 2022-1 Bonds of \$8,584,800.00 (consisting of \$8,760,000.00 principal amount of the 2022-1 Bonds, less underwriter's discount of \$175,200.00 (the "2022-1 Proceeds"), shall, as soon as practicable upon the delivery thereof to the Trustee by the Issuer pursuant to Section 3.02 of the Master Indenture, be applied as shown below.

The net proceeds of sale of the 2022-2 Bonds of \$2,876,300.00 (consisting of \$2,935,000.00 principal amount of the 2022-2 Bonds, less underwriter's discount of \$58,700.00 (the "2022-2 Proceeds"), shall, as soon as practicable upon the delivery thereof to the Trustee by the Issuer pursuant to Section 3.02 of the Master Indenture, be applied as shown below.

(a) \$157,297.98 of the 2022-1 Proceeds shall be deposited to the 2022-1 Costs of Issuance Subaccount and \$56,468.57 of the 2022-2 Proceeds shall be deposited to the 2022-2 Costs of Issuance Subaccount;

(b) \$463,590.56 of the 2022-1 Proceeds shall be deposited to the 2022-1 Capitalized Interest Subaccount and \$183,763.61 of the 2022-2 Proceeds shall be deposited to the 2022-2 Capitalized Interest Subaccount;

(c) \$7,515,886.46 of the 2022-1 Proceeds shall be deposited to the 2022-1 Acquisition and Construction Subaccount to be applied to pay Costs of the 2022-1 CI Project as provided in Section 4.03 hereof and \$2,447,205.32 of the 2022-2 Proceeds shall be deposited to the 2022-2 Acquisition and Construction Subaccount to be applied to pay Costs of the 2022-2 CI Project as provided in Section 4.03 hereof; and

(d) \$448,025.00 of the 2022-1 Proceeds, representing the initial 2022-1 Reserve Account Requirement, shall be deposited to the 2022-1 Reserve Account and \$188,862.50 of the 2022-2 Proceeds, representing the initial 2022-2 Reserve Account Requirement, shall be deposited to the 2022-2 Reserve Account.

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Acquisition and Construction Subaccount, whereupon the 2022-1 Capitalized Interest Subaccount shall be closed.

Amounts on deposit in the 2022-2 Capitalized Interest Subaccount shall, until and including November 1, 2023 be transferred into the 2022-2 Interest Subaccount and applied to the payment of interest first coming due on the 2022-2 Bonds. Any amounts remaining in the 2022-2 Capitalized Interest Subaccount after November 1, 2023 shall be transferred into the 2022-2 Acquisition and Construction Subaccount, whereupon the 2022-2 Capitalized Interest Subaccount shall be closed.

(d) Anything in the Master Indenture or herein to the contrary notwithstanding, the Issuer hereby acknowledges that (i) the 2022 Pledged Funds and Accounts include, without limitation, all amounts on deposit in the 2022 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the 2022 Bonds, the 2022 Pledged Funds and Accounts may not be used by the Issuer (whether to pay costs of the 2022 CI Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the Issuer or the Administration District had incurred a binding obligation with third parties for work on the 2022 CI Project and payment is for such work, as evidenced in a written certificate of a Responsible Officer to the Trustee, and (iii) upon the occurrence of an Event of Default with respect to the 2022 Bonds, the 2022 Pledged Funds and Accounts may be used by the Trustee and/or the Issuer or the Administration District, to the extent acting individually or jointly, to pursue remedies, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Master Indenture, as supplemented hereby, provided such action does not adversely impact the tax-exempt status of the 2022-1 Bonds. After the occurrence of an Event of Default, neither the Issuer nor the Administration District shall enter into any binding agreement to expend any amounts included in the 2022 Trust Estate unless authorized in writing by the Majority Owners.

(e) Notwithstanding anything to the contrary in the Master Indenture, as supplemented in connection with the Issuer's Outstanding Special Assessment Bonds, Series 2019 (Community Infrastructure) (the "2019 Bonds"), Special Assessment Bonds, Series 2020 (Community Infrastructure) (the "2020 Bonds") and Special Assessment Bonds, Series 2021 (Community Infrastructure) (the "2021 Bonds"), the term "Date of Completion" shall additionally be deemed to mean, with respect to the 2019 Bonds, 2020 Bonds and 2021 Bonds, as applicable, the date on which the proceeds of each such Series of Bonds on deposit in the accounts established in the Acquisition and Construction Fund for each such Series of Bonds, together with investment earnings thereon, have been fully disbursed therefrom.

SECTION 4.04. 2022 Costs of Issuance Account. The amount deposited in the 2022-1 Costs of Issuance Subaccount shall, at the written direction of a Responsible Officer to the Trustee, be used to pay the costs of issuance relating to the 2022-1 Bonds pursuant to the requisition in the form attached hereto as Exhibit C. Amounts in the 2022-1 Costs of Issuance Subaccount not used to pay costs of issuance of the 2022-1 Bonds and for which there is not then a pending requisition held by the Trustee shall be transferred not later than 180 days after the issuance of the 2022-1 Bonds to the 2022-1 Interest Subaccount and the 2022-1 Costs of Issuance Subaccount shall be closed once any pending requisitions have been paid.

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The amount deposited in the 2022-2 Costs of Issuance Subaccount shall, at the written direction of a Responsible Officer to the Trustee, be used to pay the costs of issuance relating to the 2022-2 Bonds pursuant to the requisition in the form attached hereto as Exhibit C. Amounts in the 2022-2 Costs of Issuance Subaccount not used to pay costs of issuance of the 2022-2 Bonds and for which there is not then a pending requisition held by the Trustee shall be transferred not later than 180 days after the issuance of the 2022-2 Bonds to the 2022-2 Interest Subaccount and the 2022-2 Costs of Issuance Subaccount shall be closed once any pending requisitions have been paid.

SECTION 4.05. 2022-1 Reserve Account and 2022-2 Reserve Account.

(a) Amounts on deposit in the 2022-1 Reserve Account shall be used, except as otherwise provided in the Indenture, only for the purpose of making payments into the 2022-1 Interest Subaccount and the 2022-1 Sinking Fund Subaccount to pay the Debt Service Requirements on the 2022-1 Bonds, when due, to the extent the moneys on deposit in such subaccounts therein and available therefor are insufficient and for no other purpose. Such 2022-1 Reserve Account shall consist only of cash and 2022 Investment Securities.

Anything herein or in the Master Indenture to the contrary notwithstanding, simultaneously with deposit by the Trustee of 2022-1 Prepayment Principal into the 2022-1 Prepayment Subaccount, the Trustee is hereby authorized and directed to recalculate the 2022-1 Reserve Account Requirement and to transfer any resulting excess on deposit in the 2022-1 Reserve Account, if there is no Event of Default, into the 2022-1 Prepayment Subaccount, to be used for the extraordinary mandatory redemption of 2022-1 Bonds as provided for therein.

The Trustee, on or before the forty-fifth day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2022-1 Reserve Account and shall promptly notify the Issuer of the amount of any deficiency or surplus as of such date in such account. The Issuer shall immediately pay the amount of any deficiency to the Trustee, for deposit in such account, from the first legally available sources of the Issuer. Any surplus in the 2022-1 Reserve Account shall, if the Trustee does not have knowledge of an Event of Default, be deposited into 2022-1 Prepayment Subaccount, to be used for the extraordinary mandatory redemption of 2022-1 Bonds as provided for therein.

The foregoing three paragraphs shall be subject in all respects to the provisions of Section 4.08(g) hereof providing for the treatment of investment earnings on amounts on deposit in the 2022-1 Reserve Account when determining excess amounts or surplus on deposit in the 2022-1 Reserve Account.

On the earliest date on which there is on deposit in the 2022-1 Reserve Account sufficient cash, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2022-1 Bonds, together with accrued interest and redemption premium, if any, on such 2022-1 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the 2022-1 Reserve Account into the 2022-1 Prepayment Subaccount in the 2022-1 Redemption Account to pay and redeem all of the Outstanding 2022-1 Bonds on the earliest date permitted for redemption therein and herein.

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The Issuer may provide that the 2022-2 Reserve Account Requirement required to be on deposit in the 2022-2 Reserve Account shall be satisfied, all or in part, by obtaining a Debt Service Reserve Account Facility. At any time after the issuance of the 2022-2 Bonds, the Issuer may withdraw any or all of the amount of money on deposit in the 2022-2 Reserve Account and substitute in its place a Debt Service Reserve Account Facility in the face amount of such withdrawal and such withdrawn moneys shall, after payment of the premium for such Debt Service Reserve Account Facility, be transferred to the 2022-2 Prepayment Subaccount and applied to the redemption of 2022-2 Bonds, or be used for any other lawful purpose of the Issuer.

SECTION 4.06. Amortization Installments.

(a) The Amortization Installments established for the 2022-1 Bonds shall be as set forth in the final form of the 2022-1 Bonds. The Amortization Installments established for the 2022-2 Bonds shall be as set forth in the final form of the 2022-2 Bonds.

(b) Upon any redemption of 2022-1 Bonds (other than 2022-1 Bonds redeemed in accordance with scheduled Amortization Installments and other than 2022-1 Bonds redeemed at the direction of the Issuer accompanied by a cash flow certificate as required by Section 7.04(b) of the Master Indenture), the Issuer shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so as to amortize the Outstanding 2022-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the 2022-1 Bonds.

Upon any redemption of 2022-2 Bonds (other than 2022-2 Bonds redeemed in accordance with scheduled Amortization Installments and other than 2022-2 Bonds redeemed at the direction of the Issuer accompanied by a cash flow certificate as required by Section 7.04(b) of the Master Indenture), the Issuer shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so as to amortize the Outstanding 2022-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the 2022-2 Bonds.

SECTION 4.07. Tax Covenants. With respect to the 2022-1 Bonds, the Issuer shall comply with the following tax covenants in addition to those set forth in the Master Indenture and the matters set forth in the Federal Tax Certificate to be executed and delivered by the Issuer in connection with the issuance of the 2022-1 Bonds:

Notwithstanding anything to the contrary contained in the Master Indenture, the Issuer covenants with the Holders of the 2022-1 Bonds that it shall comply with the requirements of Code necessary to maintain the exclusion of interest on the 2022-1 Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such 2022-1 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such 2022-1 Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation. The Issuer further covenants that neither the Issuer nor any other person under its control or direction will make any investment or other use of the proceeds of the 2022-1 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the 2022-1 Bonds to be "private activity bonds" as that term is defined in

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The Issuer may provide that the 2022-1 Reserve Account Requirement required to be on deposit in the 2022-1 Reserve Account shall be satisfied, all or in part, by obtaining a Debt Service Reserve Account Facility. At any time after the issuance of the 2022-1 Bonds, the Issuer may withdraw any or all of the amount of money on deposit in the 2022-1 Reserve Account and substitute in its place a Debt Service Reserve Account Facility in the face amount of such withdrawal and such withdrawn moneys shall, after payment of the premium for such Debt Service Reserve Account Facility, be transferred to the 2022-1 Prepayment Subaccount and applied to the redemption of 2022-1 Bonds, or, upon the Issuer obtaining an opinion of Bond Counsel to the effect that such application will not adversely affect the tax-exempt status of the 2022-1 Bonds, be used for any other lawful purpose of the Issuer.

(b) Amounts on deposit in the 2022-2 Reserve Account shall be used, except as otherwise provided in the Indenture, only for the purpose of making payments into the 2022-2 Interest Subaccount and the 2022-2 Sinking Fund Subaccount to pay the Debt Service Requirements on the 2022-2 Bonds, when due, to the extent the moneys on deposit in such subaccounts therein and available therefor are insufficient and for no other purpose. Such 2022-2 Reserve Account shall consist only of cash and 2022 Investment Securities.

Anything herein or in the Master Indenture to the contrary notwithstanding, simultaneously with deposit by the Trustee of 2022-2 Prepayment Principal into the 2022-2 Prepayment Subaccount, the Trustee is hereby authorized and directed to recalculate the 2022-2 Reserve Account Requirement and to transfer any resulting excess on deposit in the 2022-2 Reserve Account, if there is no Event of Default, into the 2022-2 Prepayment Subaccount, to be used for the extraordinary mandatory redemption of 2022-2 Bonds as provided for therein.

The Trustee, on or before the forty-fifth day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2022-2 Reserve Account and shall promptly notify the Issuer of the amount of any deficiency or surplus as of such date in such account. The Issuer shall immediately pay the amount of any deficiency to the Trustee, for deposit in such account, from the first legally available sources of the Issuer. Any surplus in the 2022-2 Reserve Account shall, if the Trustee does not have knowledge of an Event of Default, be deposited into 2022-2 Prepayment Subaccount, to be used for the extraordinary mandatory redemption of 2022-2 Bonds as provided for therein.

The foregoing three paragraphs shall be subject in all respects to the provisions of Section 4.08(g) hereof providing for the treatment of investment earnings on amounts on deposit in the 2022-2 Reserve Account when determining excess amounts or surplus on deposit in the 2022-2 Reserve Account.

On the earliest date on which there is on deposit in the 2022-2 Reserve Account sufficient cash, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2022-2 Bonds, together with accrued interest and redemption premium, if any, on such 2022-2 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the 2022-2 Reserve Account into the 2022-2 Prepayment Subaccount in the 2022-2 Redemption Account to pay and redeem all of the Outstanding 2022-2 Bonds on the earliest date permitted for redemption therein and herein.

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Section 141 of the Code (or any successor provision thereto), or "arbitrage bonds" as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the 2022-1 Bonds.

SECTION 4.08. Application of Revenues and Investment Earnings.

(a) The Trustee shall deposit into the 2022 Revenue Account any and all amounts required to be deposited therein by this Section 4.08 or by any other provision of the Master Indenture or this Eighth Supplemental Indenture, and any other amounts or payments specifically designated by the Issuer pursuant to a written direction or by a Supplemental Indenture for said purpose. The 2022 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Issuer and/or the Administration District shall deposit 2022 CI Assessment Revenues with the Trustee promptly upon receipt, together with a written accounting from the Issuer and/or the Administration District, setting forth the amounts of such 2022 CI Assessment Revenues in the following categories which shall be deposited by the Trustee as follows:

(i) 2022 Prepayment Principal, which shall be deposited into the 2022-1 Prepayment Subaccount and 2022-2 Prepayment Subaccount, pro rata, based on the Outstanding principal amount of each of the 2022-1 Bonds and 2022-2 Bonds, respectively, divided by the total Outstanding principal amount of the 2022 Bonds;

(iii) Delinquent Assessment Principal, which shall be applied to restore the amount of any withdrawal from the 2022-2 Reserve Account to pay the principal of the 2022-2 Bonds while the 2022-2 Bonds are Outstanding, with the balance, if any, being deposited into the 2022-2 Sinking Fund Subaccount, and, after the 2022-2 Bonds are no longer Outstanding, which shall be applied to restore the amount of any withdrawal from 2022-1 Reserve Account to pay the principal of the 2022-1 Bonds, with the balance, if any, being deposited into the 2022-1 Sinking Fund Subaccount;

(iv) Delinquent Assessment Interest, which shall be applied to restore the amount of any withdrawal from the 2022-1 Reserve Account to pay the interest on 2022-1 Bonds and the amount of any withdrawal from the 2022-2 Reserve Account to pay the interest on 2022-2 Bonds, such deposits to be made pro rata, based on the percentage the amount required to restore withdrawals from the 2022-1 Reserve Account and the percentage the amount required to restore withdrawals from the 2022-2 Reserve Account, respectively, represents of the total amount required to restore withdrawals from both such Accounts, with the balance, if any, deposited into the 2022 Revenue Account; and

(v) all other 2022 CI Assessment Revenues, which shall be deposited into the 2022 Revenue Account and applied as provided in Sections 4.08(d) through (g) hereof.

Monies other than 2022 CI Assessment Revenues, shall, at the written direction of the Issuer be deposited into (i) the 2022-1 Optional Redemption Subaccount and used to pay the principal of and premium, if any, on 2022-1 Bonds called or to be called for optional redemption at the written direction of the Issuer in accordance with the provisions for optional redemption of 2022-1 Bonds as set forth in the form of 2022-1 Bonds attached hereto and/or (ii) the 2022-2 Optional Redemption

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Subaccount and used to pay the principal of and premium, if any, on 2022-2 Bonds called or to be called for optional redemption at the written direction of the Issuer in accordance with the provisions for optional redemption of 2022-2 Bonds as set forth in the form of 2022-2 Bonds attached hereto.

(c) On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or if such forty-fifth day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the 2022-1 Prepayment Subaccount, and, if the balance therein is greater than zero, and provided sufficient amounts are on deposit in the 2022 Revenue Account to make the payments due on the 2022-1 Bonds on the next Quarterly Redemption Date as contemplated by this Section 4.08, shall transfer from the 2022 Revenue Account for deposit into the 2022-1 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the nearest highest integral multiple of \$5,000 (which transfer shall be at the written direction of a Responsible Officer), and shall thereupon give notice and cause the extraordinary mandatory redemption of 2022-1 Bonds as herein provided on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the 2022-1 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of such 2022-1 Bonds set forth in the form of 2022-1 Bond attached hereto, Section 3.01 hereof, and Article VII of the Master Indenture. The accrued interest on any principal being so prepaid will be paid from the 2022-1 Interest Subaccount.

On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or if such forty-fifth day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the 2022-2 Prepayment Subaccount, and, if the balance therein is greater than zero, and provided sufficient amounts are on deposit in the 2022 Revenue Account to make the payments due on the 2022-2 Bonds on the next Quarterly Redemption Date as contemplated by this Section 4.08, shall transfer from the 2022 Revenue Account for deposit into the 2022-2 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the nearest highest integral multiple of \$5,000 (which transfer shall be at the written direction of a Responsible Officer), and shall thereupon give notice and cause the extraordinary mandatory redemption of 2022-2 Bonds as herein provided on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the 2022-2 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of such 2022-2 Bonds set forth in the form of 2022-2 Bond attached hereto, Section 3.01 hereof, and Article VII of the Master Indenture. The accrued interest on any principal being so prepaid will be paid from the 2022-2 Interest Subaccount.

(d) On each May 1 and November 1 through and including November 1, 2023 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the 2022-1 Capitalized Interest Subaccount to the 2022-1 Interest Subaccount the lesser of (x) the amount of interest coming due on the 2022-1 Bonds on such Interest Payment Date, less the amount already on deposit therein, or (y) the amount remaining in the 2022-1 Capitalized Interest Subaccount.

On each May 1 and November 1 through and including November 1, 2023 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the 2022-2 Capitalized Interest Subaccount to the 2022-2 Interest Subaccount the lesser of (x) the amount of interest coming due on the 2022-2 Bonds on such Interest

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amount required to restore withdrawals from the 2022-2 Reserve Account, respectively, represents of the total amount required to restore withdrawals from both such Accounts; and

FOURTH, the balance shall be retained in the 2022 Revenue Account.

Anything herein to the contrary notwithstanding, it shall not, a fortiori, constitute an Event of Default hereunder if the full amount of the foregoing deposits is not made due to an insufficiency of funds therefor.

(e) On any date required, the Issuer shall give the Trustee written direction, and the Trustee shall, transfer from the 2022 Revenue Account to the 2022-1 Rebate Account in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

(f) On or after each November 2, the balance on deposit in the 2022 Revenue Account as of such November 2 shall be applied first, to restore any deficiency in the 2022-1 Reserve Account and any deficiency in the 2022-2 Reserve Account, pro rata, based on the percentage the amount required to restore withdrawals from the 2022-1 Reserve Account and the percentage the amount required to restore withdrawals from the 2022-2 Reserve Account, respectively, represents of the total amount required to restore withdrawals from both such Accounts, and the balance, if any, shall next be transferred to the Issuer at the written direction of the Issuer to be used for any lawful District purpose; provided, however, that on the date of such proposed transfer to the Issuer, the Trustee's fees and expenses are current and the Trustee shall not have knowledge that an Event of Default has occurred and is continuing.

(g) (i) Anything herein or in the Master Indenture to the contrary notwithstanding, monies in the Funds and Accounts held as security for the 2022 Bonds shall be invested only in 2022 Investment Securities. Earnings on the 2022-1 Interest Subaccount and the 2022-1 Capitalized Interest Subaccount shall be retained, as realized, in such Account or subaccount and used for the purpose of such Account or subaccount, as applicable. Earnings on the 2022-2 Interest Subaccount and the 2022-2 Capitalized Interest Subaccount shall be retained, as realized, in such Account or Subaccount and used for the purpose of such Account or Subaccount, as applicable.

(ii) Earnings in the 2022 Acquisition and Construction Account and the subaccounts therein shall be retained in the applicable Account or subaccount, unless the Date of Completion of the 2022 CI Project has occurred, in which case such amounts shall be applied as provided for in Section 4.03(b) hereof. Earnings on investments in the Funds and Accounts, other than the 2022-1 Reserve Account and the 2022-2 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the 2022 Revenue Account and used for the purpose of such Account.

(iii) Earnings on investments in the 2022-1 Reserve Account shall be disposed of as follows:

(1) if there was no deficiency (as defined in Section 5.04 of the Master Indenture) in the 2022-1 Reserve Account as of the most recent date on which amounts on deposit in such 2022-1 Reserve Account were valued by the Trustee, and if no withdrawals have been made from

Payment Date, less the amount already on deposit therein, or (y) the amount remaining in the 2022-2 Capitalized Interest Subaccount.

Following the foregoing transfers, on each May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer from the amounts on deposit in the 2022 Revenue Account to the Funds and Accounts designated below, in the following amounts, at the following times, and in the following order of priority:

FIRST, no later than each May 1 or November 1, as applicable (or if such date is not a Business Day, on the Business Day next preceding such date), from the 2022 Revenue Account to (i) the 2022-1 Interest Subaccount of the 2022 Debt Service Account, an amount equal to the amount of interest payable on all 2022-1 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the 2022-1 Capitalized Interest Subaccount in accordance with Section 403(c) hereof and less any other amount already on deposit in the 2022-1 Interest Subaccount not previously credited and (ii) the 2022-2 Interest Subaccount of the 2022 Debt Service Account, an amount equal to the amount of interest payable on all 2022-2 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the 2022-2 Capitalized Interest Subaccount in accordance with Section 403(c) hereof and less any other amount already on deposit in the 2022-2 Interest Subaccount not previously credited; provided, however, while the 2022-2 Bonds are Outstanding, in the event of a shortfall in the amounts available to make the deposits in this clause FIRST, such deposits shall be made pro rata, based on the percentage that the amount required to be deposited to the 2022-1 Interest Subaccount and the percentage that the amount required to be deposited to the 2022-2 Interest Subaccount, respectively, to restore withdrawals from the 2022-1 Reserve Account and the 2022-2 Reserve Account, respectively, represents of the total amount required to be deposited to such Accounts;

SECOND, (i) no later than each May 1, beginning May 1, 2024 (or if such date is not a Business Day, on the Business Day next preceding such date), to the 2022-2 Sinking Fund Subaccount, the amount, if any, equal to the difference between the Amortization Installments of all 2022-2 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2022-2 Sinking Fund Subaccount not previously credited and (ii) no later than each May 1, beginning May 1, 2035 (or if such date is not a Business Day, on the Business Day next preceding such date), to the 2022-1 Sinking Fund Subaccount, the amount, if any, equal to the difference between the Amortization Installments of all 2022-1 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2022-1 Sinking Fund Subaccount not previously credited;

THIRD, no later than each May 1 or November 1, as applicable (or if such date is not a Business Day, on the Business Day next preceding such date), to (i) the 2022-1 Reserve Account, the amount, if any, which is necessary to restore the amount on deposit therein to the 2022-1 Reserve Account Requirement with respect to the 2022-1 Bonds and (ii) the 2022-2 Reserve Account, the amount, if any, which is necessary to restore the amount on deposit therein to the 2022-2 Reserve Account Requirement with respect to the 2022-2 Bonds, provided, however, while the 2022-2 Bonds are Outstanding, in the event of a shortfall in the amounts available to make the deposits in this clause THIRD, such deposits shall be made pro rata, based on the percentage that the amount required to restore withdrawals from the 2022-1 Reserve Account and the percentage that the

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such 2022-1 Reserve Account since such date which have created a deficiency, then earnings on investments in the 2022-1 Reserve Account shall be deposited into the 2022-1 Capitalized Interest Subaccount through November 1, 2023, and, thereafter shall be deposited into the 2022 Revenue Account and used for the purpose of such Account; and

(2) if as of the last date on which amounts on deposit in the 2022-1 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 5.04 of the Master Indenture), or if after such date withdrawals have been made from the 2022-1 Reserve Account and have created such a deficiency, then earnings on investments in the 2022-1 Reserve Account shall be deposited into the 2022-1 Reserve Account until the amount on deposit therein or credited thereto is equal to the 2022-1 Reserve Account Requirement and thereafter shall be deposited into the 2022-1 Capitalized Interest Subaccount through November 1, 2023, and, thereafter shall be deposited into the 2022 Revenue Account and used for the purpose of such Account.

Notwithstanding the foregoing, prior to any transfers being made pursuant to this Section 4.08(g)(iii), transfers shall first be made to the credit of the 2022-1 Rebate Account in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, if the Trustee has received a certification from the Issuer detailing the amount of such obligation to be deposited.

(iv) Earnings on investments in the 2022-2 Reserve Account shall be disposed of as follows:

(1) if there was no deficiency (as defined in Section 5.04 of the Master Indenture) in the 2022-2 Reserve Account as of the most recent date on which amounts on deposit in such 2022-2 Reserve Account were valued by the Trustee, and if no withdrawals have been made from such 2022-2 Reserve Account since such date which have created a deficiency, then earnings on investments in the 2022-2 Reserve Account shall be deposited into the 2022-2 Capitalized Interest Subaccount through November 1, 2023, and, thereafter shall be deposited into the 2022 Revenue Account and used for the purpose of such Account; and

(2) if as of the last date on which amounts on deposit in the 2022-2 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 5.04 of the Master Indenture), or if after such date withdrawals have been made from the 2022-2 Reserve Account and have created such a deficiency, then earnings on investments in the 2022-2 Reserve Account shall be deposited into the 2022-2 Reserve Account until the amount on deposit therein or credited thereto is equal to the 2022-2 Reserve Account Requirement and thereafter shall be deposited into the 2022-2 Capitalized Interest Subaccount through November 1, 2023, and, thereafter shall be deposited into the 2022 Revenue Account and used for the purpose of such Account.

(v) Notwithstanding the foregoing, if there is a deficiency in either of the 2022-1 Reserve Account or the 2022-2 Reserve Account, prior to the deposit of any earnings in the 2022 Revenue Account, the amount of such proposed transfer shall instead be deposited into the 2022-1 Reserve Account and/or 2022-1 Reserve Account, as applicable, with a deficiency until the balance on deposit therein is equal to the 2022-1 Reserve Account Requirement or the 2022-2 Reserve Account Requirement, as applicable.

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**ARTICLE V
CONCERNING THE TRUSTEE**

SECTION 5.01. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Eighth Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture.

SECTION 5.02. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this Eighth Supplemental Indenture by the Issuer or for the recitals contained herein, all of which are made solely by the Issuer. Subject to Section 10.04 of the Master Indenture, the Issuer agrees, with respect to the 2022 Bonds, to assume all risks arising out of the use of digital signatures and electronic methods to submit communications to the Trustee, including without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 5.03. Trustee's Duties; Removal of Trustee. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article X thereof.

SECTION 5.04. Brokerage Confirmations. The Issuer acknowledges that to the extent regulation of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee under the Indenture.

**ARTICLE VI
ADDITIONAL INDEBTEDNESS**

SECTION 6.01. Additional Indebtedness.

(a) While any 2022 Bonds are Outstanding, other than Bonds issued to refund the then Outstanding 2022 Bonds, the issuance of which results in net present value debt service savings, the Issuer (or the entity then serving as the "Issuer" under the District Development Interlocal Agreement) shall not, while any 2022 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2022 Trust Estate. The Issuer further covenants, and the Other Districts agree, by joinder herein, that so long as the 2022 Bonds are Outstanding, they will not impose Assessments for capital projects on any property in the 2022 Assessment Area then subject to the 2022 CI Assessments, without the written consent of the Majority Owners, unless the 2022 CI Assessments have been Substantially Absorbed. The Trustee is entitled to assume that the 2022 CI Assessments have not been Substantially Absorbed absent delivery to the Trustee of a certificate of a Responsible Officer of the Issuer to the contrary on which the Trustee may conclusively rely.

(b) The foregoing shall not preclude (i) the imposition of Assessments for capital projects comprising Public Infrastructure (and the issuance of Bonds in connection therewith) on District Lands in the 2022 Assessment Area then subject to the 2022 CI Assessments which are necessary, as determined by the Issuer (or the entity then serving as the "Issuer" under the District Development

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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 7.02. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the Issuer has executed and delivered the Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; 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 as provided in the Master Indenture and such Continuing Disclosure Agreement.

SECTION 7.03. Additional Covenants Regarding Collection of 2022 CI Assessments.

(a) In addition to, and not in limitation of, the covenants contained elsewhere in this Eighth Supplemental Indenture and in the Master Indenture, the Issuer and each of the Other Districts with jurisdiction over the District Lands in the 2022 Assessment Area, by joinder herein, covenants to comply with the terms of the proceedings heretofore adopted with respect to the 2022 CI Assessments and to levy and collect (or cause the Administration District to collect) the 2022 CI Assessments and any required density reduction payments in accordance with the Assessment Proceedings in such manner as will generate funds sufficient to pay the principal of and interest and redemption premium, if any, on the 2022 Bonds, when due. The Issuer covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the 2022 Bonds, it will take such actions to enforce the remedial provisions of the Master Indenture and this Eighth Supplemental Indenture, the provisions for the collection of Delinquent Assessments that are directly billed and collected, and the provisions for the foreclosure of liens of Delinquent Assessments that are directly billed and collected, all in a manner consistent with the Master Indenture and this Eighth Supplemental Indenture.

(b) Anything herein or in the Master Indenture to the contrary notwithstanding, 2022 CI Assessments shall be collected pursuant to the Uniform Method; provided however, in the event the Issuer and/or the Administration District is legally unable to use the Uniform Method, the Issuer and/or the Administration District may elect to collect and enforce such 2022 CI Assessments pursuant to any then available and commercially reasonable method under the Act, Chapter 170, Florida Statutes, Chapter 197, Florida Statutes, or any successor statutes thereto. Upon an Event of Default with respect to the 2022 Bonds, the Majority Owners may direct the Issuer and/or the Administration District as to the method it will use to collect the 2022 CI Assessments and may require the Issuer and/or the Administration District to bill and collect the 2022 CI Assessments directly, rather than through the Uniform Method, to the extent permitted by applicable law. Notwithstanding anything to the contrary herein, the Issuer and/or the Administration District shall be entitled to first recover from any foreclosure, before such proceeds are applied to the payment of principal or interest or other amounts on the 2022 Bonds, all fees and costs expended in connection with such foreclosure, regardless whether such fees and costs are included as part of the 2022 CI Assessments, as defined herein.

Any 2022 CI Assessments that are billed and collected directly and not via the Uniform Method shall be due and payable by the applicable landowner no later than thirty (30) days prior to

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Interlocal Agreement), for health, safety or welfare reasons or to remediate a natural disaster; (ii) the Issuer (or the entity then serving as the "Issuer" under the District Development Interlocal Agreement) or any of the Other Districts from issuing Bonds pursuant to the Master Indenture to finance District Infrastructure payable from Assessments levied on property outside the 2022 Assessment Area; or (iii) the Issuer and any of the Other Districts from levying non-ad valorem special assessments, including Community Infrastructure Operation and Maintenance Assessments, on the same property in the 2022 Assessment Area then subject to the 2022 CI Assessments to provide for the administrative expenses of the Districts in which such property is located, the operation and maintenance expenses relating to Community Infrastructure (including the 2022 CI Project), or the operation and maintenance expenses relating to District Infrastructure serving property in the Districts, including property, if any, in the 2022 Assessment Area.

**ARTICLE VII
COVENANTS OF THE ISSUER; MISCELLANEOUS**

SECTION 7.01. Matters Related to Master Indenture; Miscellaneous.

(a) The first paragraph of Section 14.06 of the Master Indenture is hereby supplemented to read as follows with respect to the 2022 Bonds: "Any notice, demand, direction, consent, request or other communication or instrument authorized or required by this Master Indenture to be given to or filed with the District or the Governing Body or the Trustee shall be provided in writing (provided that any communication sent to the Trustee hereunder must be in the form of a document that is signed manually or by way of a digital signature provider agreed to in writing by the Trustee and the District) and shall be deemed to have been sufficiently given or filed for all purpose of this Master Indenture if and when sent by overnight delivery, certified mail, return receipt requested or e-mail."

(b) The definition of "Community Infrastructure" in the Master Indenture is deemed amended, as permitted by Section 12.01(f) of the Master Indenture, to reflect that the Existing Development benefits from Community Infrastructure, which amendment is consistent with the amendments to the District Development Interlocal Agreement providing that the Existing Development benefits from the Community Infrastructure.

(c) As supplemented by this Eighth Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Eighth Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified or supplemented herein, shall apply and remain in full force and effect with respect to this Eighth Supplemental Indenture and to the 2022 Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this Eighth Supplemental Indenture the terms and provisions hereof shall control.

(d) Following an Event of Default any direction to the District permitted to be given by the Trustee and/or the Owners hereby or by the Master Indenture must be in writing, signed by the Trustee and/or the Majority Owners.

(e) In any case in which an Interest Payment Date or the maturity date of the 2022 Bonds or the date fixed for the redemption of any 2022 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

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each Interest Payment Date; provided, however, that such 2022 CI Assessments shall not be deemed to be Delinquent Assessments unless and until same are not paid by the applicable Interest Payment Date with respect to which they have been billed. By joinder hereto, each of the Other Districts with jurisdiction over the District Lands in the 2022 Assessment Area shall be deemed to have agreed to the foregoing.

(c) Notwithstanding anything herein or in the Master Indenture to the contrary, the following provisions shall apply with respect to the 2022 CI Assessments and 2022 Bonds: If any property shall be offered for sale for the nonpayment of any 2022 CI Assessments and no person or persons shall purchase such property for an amount equal to the full amount due on the 2022 CI Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the Issuer or the Administration District, after receiving the written consent of the Trustee, acting at the direction of the Majority Owners of the 2022 Bonds Outstanding, specifying whether the Issuer is to take title to the property in its corporate name or in the name of a special purpose entity, may purchase the property for an amount less than or equal to the balance due on the 2022 CI Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the Issuer and the Other Districts 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 2022 Bonds. The Issuer and/or the Administration District, either through its own actions, or actions caused to be taken by the Issuer 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 2022 Revenue Account. The Issuer and/or the Administration District, either through its own actions, or actions caused to be taken by the Issuer through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the 2022 Bonds within six (60) days after the receipt of the request therefore signed by the Trustee, acting at the direction of the Majority Owners of the 2022 Bonds Outstanding. The Issuer and/or the Administration District may pay costs associated with any actions taken by the Issuer and/or Administration District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the 2022 Bonds.

(d) Notwithstanding anything to the contrary herein or in the Master Indenture, the Issuer acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of 2022 CI Assessments that are billed directly by the Issuer, that the entire 2022 CI Assessments levied on the property for which such installment of 2022 CI Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the 2022 Bonds Outstanding, the Issuer and/or the Administration District shall promptly, but in any event within one hundred twenty (120) days of the receipt of such consent, or such longer period of time as may be required by the Act and other applicable law, including Chapter 173, Florida Statutes, cause to be brought the necessary legal proceedings for the foreclosure of liens of Assessments that are delinquent, including interest and penalties and (ii) 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 (subject to earlier settlement of any such proceedings by the Issuer, as permitted by applicable law, with the written consent of the Trustee acting at the direction of the Majority Owners of the 2022 Bonds Outstanding).

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SECTION 7.04. Application of Section 8.28 of Master Indenture. With respect to the 2022 Bonds, the covenants of Section 8.28 of the Master Indenture shall not require the Issuer to impose additional assessments, taxes, or other similar amounts, the imposition of which would require an action of the governing body of the Issuer or any of the Other Districts.

SECTION 7.05. Bankruptcy or Insolvency of Landowner. For purposes of this Section 7.05: (a) the 2022 Bonds secured by and payable from 2022 CI Assessments levied against property owned by any Insolvent Taxpayer (defined below) are collectively referred to herein as the "Affected Bonds" and (b) the 2022 CI Assessments levied against any Insolvent Taxpayer's property and pledged under one or more Supplemental Indentures as security for the Affected Bonds are collectively referred to herein as the "Affected Special Assessments."

The provisions of this Section 7.05 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to the Affected Special Assessments (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding"). For as long as any Affected Bonds remain Outstanding, in any Proceeding involving the Issuer, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments, the Issuer shall be obligated to act in accordance with any direction from the Trustee, and the Trustee shall be obligated to act in accordance with directions from the Beneficial Owners of at least 25% of the aggregate principal of the Affected Bonds, with regard to all matters directly or indirectly affecting at least three percent (3%) of the Outstanding aggregate principal amount of the Affected Bonds or for as long as any Affected Bonds remain Outstanding, in any proceeding involving the Issuer, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments or the Trustee, provided that the Trustee has first been provided with indemnity satisfactory to it and such direction is in accordance with applicable law. The Issuer agrees that it shall not be a defense to a breach of the foregoing covenant that it has acted upon advice of counsel in not complying with this covenant.

The Issuer acknowledges and agrees that, although the Affected Bonds were issued by the Issuer, the Owners of the Affected Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the Issuer hereby agrees that it shall follow the direction of the Trustee in making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture; (b) the Issuer hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) vote in any such Proceeding and all claims of the Issuer, or (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the Issuer, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and

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SECTION 7.07. Patriot Act Requirements of the Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

IN WITNESS WHEREOF, Southern Grove Community Development District No. 5 has caused these presents to be signed in its name and on its behalf by its Chair, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created and the Trustee has caused these presents to be signed in its name and on its behalf by one of its duly appointed Vice Presidents.

(SEAL)

**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 5**

Attest:

By: _____
Secretary

By: _____
Chair, Board of Supervisors

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

By: _____
Vice President

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motions for use of cash collateral, seeking approval of sales or post-petition financing; and if the Trustee chooses to exercise any such rights, the Issuer shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the Issuer in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code; and (d) the Issuer shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the Issuer claim and rights with respect to the Affected Special Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the Issuer agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Affected Special Assessments, (ii) to deliver to the Issuer a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

SECTION 7.06. Additional Covenants and Matters Relating to Events of Default.

(a) In addition to the events set forth in Section 9.01 of the Master Indenture, each of the following events shall be an Event of Default with respect to the 2022 Bonds, notwithstanding anything to the contrary in the Master Indenture:

(i) Any portion of the 2022 CI Assessments pledged to the 2022 Bonds shall have become delinquent and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in (1) the 2022-1 Reserve Account to pay the Debt Service Requirements on the 2022-1 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2022-1 Reserve Account to pay the Debt Service Requirements on the 2022-2 Bonds) (the foregoing being referred to as a "2022-1 Reserve Account Event") and/or (2) the 2022-2 Reserve Account to pay the Debt Service Requirements on the 2022-2 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2022-2 Reserve Account to pay the Debt Service Requirements on the 2022-2 Bonds) (the foregoing being referred to as a "2022-2 Reserve Account Event") unless within sixty (60) days from the 2022-1 Reserve Account Event or the 2022-2 Reserve Account Event, as applicable, the Issuer has either (x) replenished the amounts, if any, withdrawn from the 2022-1 Reserve Account and the 2022-2 Reserve Account, as applicable or (y) the portion of the Assessments that are delinquent and gave rise to the 2022-1 Reserve Account Event and/or 2022-2 Reserve Account Event are paid and are no longer delinquent; and

(ii) More than twenty-five percent (25%) of the Community Operation and Maintenance Assessments that are directly billed by the Administration District and levied by the Issuer and the Other Districts on tax parcels in the 2022 Assessment Area are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due.

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JOINDER

By execution below by their respective duly authorized officers, each of the Other Districts hereby join in and agree to be bound by the Indenture and District No. 1 further agrees to discharge its duties as the Administration District as contemplated by the Indenture and the District Development Interlocal Agreement.

(SEAL)

**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

Attest:

By: _____
Secretary

By: _____
Chair, Board of Supervisors

(SEAL)

**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 2**

Attest:

By: _____
Secretary

By: _____
Chair, Board of Supervisors

(SEAL)

**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 3**

Attest:

By: _____
Secretary

By: _____
Chair, Board of Supervisors

(SEAL)

**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 4**

Attest:

By: _____
Secretary

By: _____
Chair, Board of Supervisors

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(SEAL) SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 6

Attest:

By: Secretary By: Chair, Board of Supervisors

(SEAL) SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 7

Attest:

By: Secretary By: Chair, Board of Supervisors

(SEAL) SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 8

Attest:

By: Secretary By: Chair, Board of Supervisors

(SEAL) SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 9

Attest:

By: Secretary By: Chair, Board of Supervisors

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(SEAL) SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 10

Attest:

By: Secretary By: Chair, Board of Supervisors

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EXHIBIT A

FORMS OF 2022 BONDS

No. 2022-1R-[1][2] \$[3,650,000][5,110,000]

UNITED STATES OF AMERICA
STATE OF FLORIDA
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5
SPECIAL ASSESSMENT BONDS, SERIES 2022-1
(COMMUNITY INFRASTRUCTURE)

Interest Rate	Maturity Date	Dated Date	CUSIP NO.
[5.80][6.00]%	May 1, 20[42][49]	December 9, 2022	843021[AN6][AP1]

Registered Owner: CEDE & CO.

Principal Amount: [THREE MILLION SIX HUNDRED FIFTY][FIVE MILLION ONE HUNDRED TEN] THOUSAND DOLLARS

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner set forth above, or registered assigns, on the Maturity Date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the hereinafter defined Indenture) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2023, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person,

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who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Registrar as the registered Owner of this Bond. All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Indenture (hereinafter defined). Any payment of principal, Amortization Installment or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"); provided, however, so long as the 2022-1 Bonds, as hereinafter defined, are held in book entry form presentation shall not be required and the book entry system for payments shall control. Payment of interest shall be made by check or draft (or by wire transfer to a bank in the United States for the account of the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular record date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the 2022-1 Bonds). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of Bonds of the District designated "Special Assessment Bonds, Series 2022-1 (Community Infrastructure)" (the "2022-1 Bonds") and is issued together with a duly authorized issue of Bonds of the District designated "\$2,935,000 Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable)" (the "2022-2 Bonds" and, together with the 2022-1 Bonds, the "2022 Bonds"). The 2022 Bonds, together with any other Bonds issued under and governed by the terms of, the Master Indenture, are hereinafter collectively referred to as the "Bonds." The 2022 Bonds are being issued under a Master Trust Indenture, dated December 17, 2014 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, as successor in interest to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by an Eighth Supplemental Indenture, dated as of December 1, 2022 (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), between the District and the Trustee. The 2022-1 Bonds are issued in an aggregate principal amount of \$8,760,000, which together with other legally available funds of the District, will be used to (i) a portion of the Costs of the 2022-1 CI Project; (ii) pay interest coming due on the 2022-1 Bonds through November 1, 2023; (iii) make a deposit into the 2022-1 Reserve Account in an amount equal to the initial 2022-1 Reserve Account Requirement; and (iv) pay certain costs associated with the issuance of the 2022-1 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT OR ANY OF THE OTHER DISTRICTS WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OR ANY OF THE OTHER DISTRICTS OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT, ANY OF THE OTHER DISTRICTS OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT

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TO THE INDENTURE OR THE 2022 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE 2022-1 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2022 TRUST ESTATE PLEDGED TO THE 2022 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the 2022-1 Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Amortization Installments (as defined in the Master Indenture) and Redemption Price of, and the interest on, the 2022-1 Bonds, the nature and extent of the security thereby created, the covenants of the District and the applicable Other Districts with respect to the levy and collection of 2022 CI Assessments, the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the registered Owners of the Bonds, and, by the acceptance of this Bond, the registered and beneficial Owners hereof assent to all of the provisions of the Indenture. The 2022 Bonds are equally and ratably secured by the 2022 Trust Estate, without preference or priority of one 2022 Bond over another provided, however, that the funds on deposit in the 2022-1 Costs of Issuance Subaccount, the 2022-1 Acquisition and Construction Subaccount, the 2022-1 Reserve Account and the 2022-1 Capitalized Interest Subaccount are held solely for the benefit of the 2022-1 Bonds and the funds in the 2022-2 Costs of Issuance Account, the 2022-2 Acquisition and Construction Subaccount, the 2022-2 Reserve Account and the 2022-2 Capitalized Interest Subaccount are held solely for the benefit of the 2022-2 Bonds. The Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the 2022 Bonds as to the lien and pledge of the 2022 Trust Estate, except under the circumstances set forth in the Supplemental Indenture.

The 2022-1 Bonds are issuable only as registered Bonds without coupons in current interest form in Authorized Denominations. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida, as Registrar (the "Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Registrar, subject to such reasonable regulations as the District or the Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new 2022-1 Bond or 2022-1 Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Registrar in Fort Lauderdale, Florida, in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, 2022-1 Bonds may be exchanged for an equal aggregate principal amount of 2022-1 Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The 2022-1 Bonds are subject to redemption prior to maturity at the option of the District in whole or part on any date on or after May 1, 2032, at the Redemption Price of the principal amount of the 2022-1 Bonds or portions thereof to be redeemed, together with accrued interest to the date of redemption.

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together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

- (a) on or after the Date of Completion of the 2022-1 CI Project, by application of moneys transferred from the 2022-1 Acquisition and Construction Subaccount to the 2022-1 Prepayment Subaccount of the 2022-1 Redemption Account in accordance with the terms of the Indenture; or
- (b) from amounts, including 2022 Prepayment Principal, required by the Indenture to be deposited into the 2022-1 Prepayment Subaccount of the 2022-1 Redemption Account; or
- (c) from amounts transferred to the 2022-1 Prepayment Subaccount of the 2022-1 Redemption Account resulting from surplus in the 2022-1 Reserve Account as provided for in the Indenture; or
- (d) on and after the date on which the amount on deposit in the 2022-1 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the 2022-1 Bonds then Outstanding, including accrued interest thereon.

If less than all of the 2022-1 Bonds of a maturity shall be called for redemption, the particular 2022-1 Bonds or portions of 2022-1 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture or as provided or directed by DTC.

Notice of each redemption of 2022-1 Bonds is required to be mailed by the Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of 2022-1 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the 2022-1 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such 2022-1 Bonds or such portions thereof on such date, interest on such 2022-1 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2022-1 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such 2022-1 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

As provided in the Indenture, notice of optional redemption may be conditioned upon the occurrence of non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of

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The 2022-1 Bonds maturing May 1, 2042 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2022-1 Sinking Fund Subaccount established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price 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>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installments</u>
2035	\$270,000	2039	\$480,000
2036	405,000	2040	510,000
2037	425,000	2041	540,000
2038	450,000	2042*	570,000

* Maturity

The 2022-1 Bonds maturing May 1, 2049 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2022-1 Sinking Fund Subaccount established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price 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>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installments</u>
2043	\$605,000	2047	\$770,000
2044	645,000	2048	815,000
2045	685,000	2049*	865,000
2046	725,000		

* Maturity

As more particularly set forth in the Indenture, any 2022-1 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installments of 2022-1 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of 2022-1 Bonds so as to amortize the remaining Outstanding principal balance of the 2022-1 Bonds as set forth in the Supplemental Indenture.

The 2022-1 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part, pro rata, determined based on the Outstanding principal of each 2022-1 Term Bond divided by the total Outstanding principal amount of the 2022-1 Bonds, calculated by the District, and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium,

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Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2022-1 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for six (6) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee cash or Defeasance Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any 2022-1 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the 2022-1 Bonds as to the 2022 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the ordinances and resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Southern Grove Community Development District No. 5 has caused this Bond to bear the signature of the Chair of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Secretary to the Board of Supervisors.

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CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2022-1 Bonds designated herein, described in the within-mentioned Indenture.

**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 5**

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

[SEAL]

Attest:

Secretary

By: _____
Chair, Board of Supervisors

Date of Authentication:

December 9, 2022

By: _____
Vice President

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CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for St. Lucie County, Florida on September 10, 2013.

Chair

FORM OF ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____ under Uniform
Transfer to Minors Act _____

Additional abbreviations may also be used though not in the above list.

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ this Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer:

Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatever.

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**UNITED STATES OF AMERICA
STATE OF FLORIDA
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5
SPECIAL ASSESSMENT BONDS, SERIES 2022-2
(COMMUNITY INFRASTRUCTURE) (FEDERALLY TAXABLE)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP NO.</u>
7.00%	May 1, 2035	December 9, 2022	843021AQ9

Registered Owner: CEDE & CO.

Principal Amount: TWO MILLION NINE HUNDRED THIRTY FIVE THOUSAND DOLLARS

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner set forth above, or registered assigns, on the Maturity Date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the hereinafter defined Indenture) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2023, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Registrar as the registered Owner of this Bond. All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Indenture (hereinafter defined). Any payment of principal, Amortization Installment or Redemption Price shall be made only upon

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THE 2022 TRUST ESTATE PLEDGED TO THE 2022 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the 2022-2 Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Amortization Installments (as defined in the Master Indenture) and Redemption Price of, and the interest on, the 2022-2 Bonds, the nature and extent of the security thereby created, the covenants of the District and the applicable Other Districts with respect to the levy and collection of 2022 CI Assessments, the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the registered Owners of the Bonds, and, by the acceptance of this Bond, the registered and beneficial Owners hereof assent to all of the provisions of the Indenture. The 2022 Bonds are equally and ratably secured by the 2022 Trust Estate, without preference or priority of one 2022 Bond over another, provided, however, that the funds on deposit in the 2022-1 Costs of Issuance Subaccount, the 2022-1 Acquisition and Construction Subaccount, the 2022-1 Reserve Account and the 2022-1 Capitalized Interest Subaccount are held solely for the benefit of the 2022-1 Bonds and the funds in the 2022-2 Costs of Issuance Account, the 2022-2 Acquisition and Construction Subaccount, the 2022-2 Reserve Account and the 2022-2 Capitalized Interest Subaccount are held solely for the benefit of the 2022-2 Bonds. The Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the 2022 Bonds as to the lien and pledge of the 2022 Trust Estate, except under the circumstances set forth in the Supplemental Indenture.

The 2022-2 Bonds are issuable only as registered Bonds without coupons in current interest form in Authorized Denominations. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida, as Registrar (the "Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Registrar, subject to such reasonable regulations as the District or the Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new 2022-2 Bond or 2022-2 Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Registrar in Fort Lauderdale, Florida, in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, 2022-2 Bonds may be exchanged for an equal aggregate principal amount of 2022-2 Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The 2022-2 Bonds are subject to redemption prior to maturity at the option of the District in whole or part on any date on or after May 1, 2032 at the Redemption Price of the principal amount of the 2022-2 Bonds or portions thereof to be redeemed, together with accrued interest to the date of redemption.]

The 2022-2 Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2022-2 Sinking Fund Subaccount established under the

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presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"); provided, however, so long as the 2022-2 Bonds, as hereinafter defined, are held in book entry form presentation shall not be required and the book entry system for payments shall control. Payment of interest shall be made by check or draft (or by wire transfer to a bank in the United States for the account of the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular record date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the 2022-2 Bonds). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of Bonds of the District designated "Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable)" (the "2022-2 Bonds") and is issued together with a duly authorized issue of Bonds of the District designated "\$8,760,000 Special Assessment Bonds, Series 2022-1 (Community Infrastructure) (the "2022-1 Bonds") and, together with the 2022-2 Bonds, the "2022 Bonds"). The 2022 Bonds, together with any other Bonds issued under and governed by the terms of, the Master Indenture, are hereinafter collectively referred to as the "Bonds." The 2022 Bonds are being issued under a Master Trust Indenture, dated December 17, 2014 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, as successor in interest to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by an Eighth Supplemental Indenture, dated as of December 1, 2022 (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), between the District and the Trustee. The 2022-2 Bonds are issued in an aggregate principal amount of \$2,935,000, which together with other legally available funds of the District, will be used to (i) a portion of the Costs of the 2022-2 CI Project; (ii) pay interest coming due on the 2022-2 Bonds through November 1, 2023; (iii) make a deposit into the 2022-2 Reserve Account in an amount equal to the initial 2022-2 Reserve Account Requirement, which 2022-2 Reserve Account; and (iv) pay certain costs associated with the issuance of the 2022-2 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT OR ANY OF THE OTHER DISTRICTS WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OR ANY OF THE OTHER DISTRICTS OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT, ANY OF THE OTHER DISTRICTS OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE 2022 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE 2022-2 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY,

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Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price 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>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installments</u>
2024	\$175,000	2030	\$270,000
2025	190,000	2031	290,000
2026	205,000	2032	310,000
2027	215,000	2033	330,000
2028	235,000	2034	355,000
2029	250,000	2035*	110,000

* Maturity

As more particularly set forth in the Indenture, any 2022-2 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installments of 2022-2 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of 2022-2 Bonds so as to amortize the remaining Outstanding principal balance of the 2022-2 Bonds as set forth in the Supplemental Indenture.

The 2022-2 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

- (a) or on or after the Date of Completion of the 2022-2 CI Project, by application of moneys transferred from the 2022-2 Acquisition and Construction Subaccount to the 2022-2 Prepayment Subaccount of the 2022-2 Redemption Account in accordance with the terms of the Indenture; or
- (b) from amounts, including 2022 Prepayment Principal, required by the Indenture to be deposited into the 2022-2 Prepayment Subaccount of the 2022-2 Redemption Account; or
- (c) from amounts transferred to the 2022-2 Prepayment Subaccount of the 2022-2 Redemption Account resulting from surplus in the 2022-2 Reserve Account as provided for in the Indenture; or
- (d) on and after the date on which the amount on deposit in the 2022-2 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the 2022-2 Bonds then Outstanding, including accrued interest thereon.

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If less than all of the 2022-2 Bonds of a maturity shall be called for redemption, the particular 2022 Bonds or portions of 2022-2 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture or as provided or directed by DTC.

Notice of each redemption of 2022-2 Bonds is required to be mailed by the Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of 2022-2 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the 2022-2 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such 2022-2 Bonds or such portions thereof on such date, interest on such 2022-2 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2022-2 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such 2022-2 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

As provided in the Indenture, notice of optional redemption may be conditioned upon the occurrence of non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2022-2 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for six (6) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

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CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2022-2 Bonds designated herein, described in the within-mentioned Indenture.

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

Date of Authentication:

December 9, 2022

By: _____
Vice President

If the District deposits or causes to be deposited with the Trustee cash or Defeasance Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any 2022 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the 2022-2 Bonds as to the 2022 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the ordinances and resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Southern Grove Community Development District No. 5 has caused this Bond to bear the signature of the Chair of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Secretary to the Board of Supervisors.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5

[SEAL]

Attest:

Secretary

By: _____
Chair, Board of Supervisors

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CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for St. Lucie County, Florida on September 10, 2013.

Chair

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FORM OF ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____ under Uniform Transfer to Minors Act _____

Additional abbreviations may also be used though not in the above list.

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ this Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer:

Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatever.

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[Include if applicable]

Each disbursement set forth above is made as payment of a portion of the purchase price for the 2022-1 CI Project or 2022-2 CI Project, as applicable, or repayment of advances for 2022-2 CI Project, in either case, pursuant to a written agreement between the District and the other party named therein receiving payment and the undersigned represents that such agreement has not been modified or amended and is in full force and effect on the date hereof.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5

By: _____
Responsible Officer

Date: _____

The undersigned, an authorized representative of the Consulting Engineer to the Issuer, hereby certifies that this disbursement is for a Cost of the 2022-1 CI Project and/or 2022-2 CI Project, as applicable, and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the 2022-1 CI Project and/or 2022-2 CI Project, as applicable, with respect to which such disbursement is being made; and (iii) the Engineer's Report as supplemented and amended through the date hereof.

The undersigned further certifies that (a) the improvements to be acquired with this disbursement will be (1) owned by the Issuer or another governmental entity and located on public property or within public rights of way or easements and (2) accessible by the general public and/or part of a public water management system; (b) the purchase price to be paid by the Issuer for the improvements to be acquired with this disbursement is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual cost of construction of such improvements; (c) the plans and specifications for the improvements have been approved by all regulatory bodies required to approve them or such approval can reasonably be expected to be obtained; (d) all currently required approvals and permits for the acquisition, construction, reconstruction, installation and equipping of the portion of the 2022-1 CI Project and/or 2022-2 CI Project for which disbursement is made have been obtained from all applicable regulatory bodies; and (e) subject to permitted retainage under the applicable contracts, the seller has paid all contractors, subcontractors, and materialmen that have provided services or materials in connection with the portions of the 2022-1 CI Project and/or 2022-2 CI Project for which disbursement is made hereby, if acquisition or reimbursement is being made pursuant to an agreement.

[CONSULTING ENGINEER]

By: _____
Name: _____
Title: _____
Date: _____

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EXHIBIT B

FORMS OF 2022 ACQUISITION AND CONSTRUCTION ACCOUNT REQUISITION

REQUISITION NO. ____

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5

SPECIAL ASSESSMENT BONDS, SERIES 2022-1 (COMMUNITY INFRASTRUCTURE)

and

SPECIAL ASSESSMENT BONDS, SERIES 2022-2 (COMMUNITY INFRASTRUCTURE) (FEDERALLY TAXABLE)

The undersigned, a Responsible Officer of Southern Grove Community Development District No. 5 (the "Issuer") hereby submits the following requisition for disbursement from the 2022 Acquisition and Construction Account created under and pursuant to the terms of the Master Trust Indenture from the Issuer to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), dated December 17, 2014, as supplemented by that certain Eighth Supplemental Indenture, dated as of December 1, 2022 (collectively, the "Indenture"), (all capitalized terms used herein shall have the meaning ascribed to such terms in this Indenture);

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

The undersigned hereby certifies that (check the applicable box in 1. below):

1. This requisition is for a Cost of the 2022-1 CI Project payable from the 2022-1 Acquisition and Construction Subaccount and does **not** include any Cost related to the TIM Project _____

AND/OR

This requisition is for a Cost of the 2022-2 CI Project payable from the 2022-2 Acquisition and Construction Subaccount _____

AND

2. Each disbursement set forth above is a proper charge against the 2022-1 Acquisition and Construction Subaccount or the 2022-2 Acquisition and Construction Subaccount, as applicable.

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EXHIBIT C

FORM OF 2022 BONDS COSTS OF ISSUANCE ACCOUNT REQUISITION

COST OF ISSUANCE REQUISITION NO. ____

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5 SPECIAL ASSESSMENT BONDS, SERIES 2022-1 (COMMUNITY INFRASTRUCTURE)

and

SPECIAL ASSESSMENT BONDS, SERIES 2022-2 (COMMUNITY INFRASTRUCTURE) (FEDERALLY TAXABLE)

The undersigned, a Responsible Officer of Southern Grove Community Development District No. 5 (the "Issuer") hereby submits the following requisition for disbursement from the 2022-1 Costs of Issuance Subaccount and/or 2022-2 Costs of Issuance Subaccount created under and pursuant to the terms of the Master Trust Indenture from the Issuer to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), dated December 17, 2014, as supplemented by an Eighth Supplemental Indenture dated as of December 1, 2022 (collectively, the "Indenture"), (all capitalized terms used herein shall have the meaning ascribed to such terms in this Indenture):

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred:

The undersigned hereby certifies that:

The undersigned hereby certifies that (check the applicable boxes in 1. below):

1. This requisition is for Costs of Issuance payable from the 2022-1 Costs of Issuance Subaccount _____

AND/OR

This requisition is for Costs of Issuance payable from the 2022-2 Costs of Issuance Subaccount _____

AND

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2. This requisition is for Costs of Issuance payable from the 2022-1 Costs of Issuance Subaccount and/or 2022-2 Costs of Issuance Subaccount, as applicable, that have not previously been paid; and
3. Each disbursement set forth above is a proper charge against 2022-1 Costs of Issuance Subaccount and/or 2022-2 Costs of Issuance Subaccount, as applicable.

Attached hereto are copies of the invoice(s) from the vendor of the services rendered with respect to which disbursement is hereby requested.

**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 5**

By: _____
Responsible Officer

Date: _____

EXHIBIT D

DESCRIPTION OF 2022 CI PROJECT

[See 2022 Supplemental Engineer's Report attached hereto]

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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[FORM OF BOND COUNSEL OPINION]

Upon delivery of the 2022 Bonds in definitive form, Greenspoon Marder LLP, Bond Counsel, proposes to render its final approving opinion with respect to such 2022 Bonds in substantially the following form:

[Date of Delivery]

Board of Supervisors
Southern Grove Community Development District No. 5
Port St. Lucie, Florida

Re: Southern Grove Community Development District No. 5 \$8,760,000 Special Assessment Bonds, Series 2022-1 (Community Infrastructure) (the “2022-1 Bonds”) and \$2,935,000 Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable) (the “2022-2 Bonds” and, together with the 2022-1 Bonds, the “2022 Bonds”)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Southern Grove Community Development District No. 5 (the “District”) of the above-referenced 2022 Bonds. The 2022 Bonds are being initially issued and delivered on this date pursuant to the Constitution and laws of the State of Florida, including particularly, Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended, and Ordinance No. 07-37 enacted by the City Council of the City of Port St. Lucie, Florida on April 9, 2007, as amended (collectively, the “Act”) and Resolution No. 2013-06 adopted by the Board of Supervisors of the District (the “Board”) on July 9, 2013, as supplemented by Resolution No. 2022-15 adopted by the Board on November 2, 2022 (collectively, the “Resolution”). The 2022 Bonds are being further issued pursuant to that certain Second Amended and Restated District Development Interlocal Agreement amended and restated as of July 9, 2013, as amended (the “Interlocal Agreement”) and a Master Trust Indenture dated December 17, 2014 between the District and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee (the “Master Indenture”), as supplemented by an Eighth Supplemental Trust Indenture between the District and the Trustee and joined in by the Other Districts dated as of December 1, 2022 (the “Supplemental Indenture” and, together with the Master Indenture, the “Indenture”).

All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Indenture.

We have examined the Act, the Resolution, the Indenture, the Interlocal Agreement, the Interlocal Agreement for the Provision of Autonomous Electric Vehicle Trolley Services dated October 14, 2020, as amended, among the District and the other parties named therein (the “TIM Interlocal Agreement”), the Federal Tax Certificate dated of even date herewith executed by the District in connection with the 2022-1 Bonds (the “Federal Tax Certificate”) (including the

certificate of the District's Consulting Engineers attached thereto), the proceedings for validation in Case No. 56-2013-CA-002268 in the Nineteenth Circuit Court in and for St. Lucie County, Florida (the "Validation Proceedings") and such certified copies of the proceedings of the District and such other documents and opinions as we have deemed necessary to render this opinion and we are relying on certain findings, covenants and agreements of the District set forth therein and such certified copies of the proceedings of the District and such other documents and opinions as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Resolution, the Indenture and the Federal Tax Certificate and in the certified proceedings and other certifications and representations of public officials and others which have been furnished to us without undertaking to verify the same by independent investigation. In rendering the opinions set forth herein, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings, the authenticity of documents submitted as originals, the conformity to originals of documents submitted as copies and the legal capacity of all natural persons. Reference is made to the opinion of even date herewith of Gonano & Harrell, counsel to the District and the Other Districts, on which we have relied, as to the due creation and valid existence of the District and the Other Districts, the due authorization, execution and delivery of the Interlocal Agreement and the TIM Interlocal Agreement by the District and the Other Districts, the due authorization, execution and delivery of the Indenture by the District, and the due adoption of the Resolution and other resolutions and proceedings of the District and the Other Districts relating to the 2022 Bonds, including with respect to the 2022 Assessments included in the 2022 Pledged Revenues. We have also relied upon all findings in the final judgment of the Circuit Court in and for St. Lucie County, Florida rendered in the Validation Proceedings and certain certifications of the District's Consulting Engineers dated of even date herewith relating to the 2022 Bonds. Reference is also made to the opinion of even date herewith of counsel to the Trustee, on which we have relied, as to the due authorization and execution of the Indenture by the Trustee and of the enforceability of the Indenture against the Trustee.

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

1. The Indenture creates a valid pledge of the 2022 Trust Estate with respect to the 2022-1 Bonds and the 2022-2 Bonds, as applicable, and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms; provided, however, that the funds on deposit in the 2022-1 Costs of Issuance Subaccount, the 2022-1 Acquisition and Construction Subaccount, the 2022-1 Reserve Account and the 2022-1 Capitalized Interest Subaccount are held solely for the benefit of the 2022-1 Bonds and the funds in the 2022-2 Costs of Issuance Account, the 2022-2 Acquisition and Construction Subaccount, the 2022-2 Reserve Account and the 2022-2 Capitalized Interest Subaccount are held solely for the benefit of the 2022-2 Bonds.

2. The issuance and sale of the 2022 Bonds has been duly authorized by the District, and, assuming the due authentication thereof, the 2022 Bonds constitute the

valid and binding special limited obligations of the District payable solely in accordance with, and as limited by, the terms of the Indenture.

3. Under existing law, interest on the 2022-1 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue Code of 1986, as amended (the “Code”), however, for tax years beginning after December 31, 2022, such interest component is included in the adjusted financial statement income of certain applicable corporations that are subject to the alternative minimum tax under the Code.

The opinions set forth in the preceding paragraph are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the 2022-1 Bonds in order for interest on the 2022-1 Bonds to be excluded from gross income for federal income tax purposes. The District and the Other Districts, by joinder therein, have covenanted in the Indenture to comply with such requirements. Failure to comply with certain of such requirements may cause interest on the 2022-1 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2022-1 Bonds. In rendering the opinions set forth in the preceding paragraph, we have assumed continuing compliance with the requirements of the Code that must be met after the issuance of the 2022-1 Bonds in order that interest on the 2022-1 Bonds not be included in gross income for federal income tax purposes. The opinions set forth in the preceding paragraph are predicated upon present law and interpretations thereof and we assume no affirmative obligation with respect to any change of circumstances or law that may adversely affect the exclusion of interest on the 2022-1 Bonds from gross income for federal income tax purposes. Ownership of the 2022-1 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the 2022-1 Bonds.

4. The 2022 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939.

Interest on the Series 2022-2 Bonds is not excluded from gross income for federal income tax purposes. No attempt has been or will be made to comply with certain requirements of the Code relating to the exclusion from gross income for federal income tax purposes of interest on the Series 2022-2 Bonds.

The scope of our engagement in relation to the issuance of the 2022 Bonds has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein. In addition, we have not been engaged to, and therefore, do not express any opinion as to compliance by the District with any federal or state statute, regulation or ruling with respect to the sale and distribution of the 2022 Bonds. The opinions expressed herein shall not be deemed or treated as offering material or as an offering circular or prospectus and are not intended in any way to be a disclosure statement used in connection with the sale or delivery of the 2022 Bonds.

We have not been engaged, nor have we undertaken, to review, confirm or verify, and, accordingly, we express no opinion as to, the accuracy, completeness, fairness or sufficiency of any of the statements in the Limited Offering Memorandum relating to the 2022 Bonds, including the appendices thereto, or other offering material relating to the 2022 Bonds (except to the extent stated in such Limited Offering Memorandum and in our supplemental opinion of even date herewith addressed to the District and the underwriter of the 2022 Bonds and in our opinion as Disclosure Counsel of even date herewith addressed to the District).

The opinions set forth herein are qualified to the extent that the rights of the holders of the 2022 Bonds and the enforceability of the 2022 Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, now or hereafter in effect, and by the exercise of judicial discretion in appropriate cases in accordance with equitable principles.

The opinions set forth herein are predicated upon present laws and interpretations thereof and upon current facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws or interpretations thereof, or facts or circumstances, change after the date hereof, even if such changes come to our attention.

We wish to call to your attention that the 2022 Bonds are special limited obligations of the District payable solely in accordance with, and as limited by, the terms of the Indenture and neither the full faith and credit nor the taxing power of the District, the Other Districts, St. Lucie County, Florida, the City of Port St. Lucie, Florida, the State of Florida or any other political subdivision thereof is pledged as security for the payment of the 2022 Bonds and the 2022 Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provision or limitation.

This opinion letter is rendered to you in connection with the 2022 Bonds. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Respectfully submitted,

GREENSPOON MARDER LLP

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of December 9, 2022 is executed and delivered by Southern Grove Community Development District No. 5 (the “District”) and Special District Services, Inc., as initial Dissemination Agent (the “Dissemination Agent”) and joined in by the Disclosure Representative and the Trustee (as such terms are herein defined) for the benefit of the Holders (as defined in the hereinafter defined Indenture) of the 2022 Bonds (hereinafter defined) in order to provide certain continuing disclosure with respect to the 2022 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

SECTION 1. General Provisions.

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the District and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). The Dissemination Agent will not provide any advice or recommendation to the District or anyone on the District’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. The Dissemination Agent is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

This Disclosure Agreement is being executed and delivered by the District for the benefit of the Owners of the 2022 Bonds and to assist the Participating Underwriter (herein defined) in complying with the applicable provisions of the Rule. The District has no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement, as it relates to the obligations of the District hereunder, is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the District to provide additional information, the District agrees to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture (herein defined) 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.

SECTION 2. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Limited Offering Memorandum (hereinafter defined). The capitalized terms shall have the following meanings:

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

“Assessments” shall mean the non-ad valorem special assessments pledged to the payment of the 2022 Bonds pursuant to the Indenture.

“Business Day” means any day other than a Saturday, Sunday or a day on which the District is required, or authorized or not prohibited by law (including executive orders), to close and is closed.

“Disclosure Representative” shall mean the person or entity serving as District Manager (within the meaning of Chapter 190, Florida Statutes) from time to time or such other officer or employee of the District as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Special District Services, Inc. or any successor Dissemination Agent designated in writing by the District (which may be the District) and, if other than the District, which has filed with the District and Trustee a written acceptance of such designation.

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 of the SEC.

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

“Indenture” means the Master Trust Indenture dated as of December 17, 2014, as supplemented by the Eighth Supplemental Trust Indenture dated as of December 1, 2022, each between the District and the Trustee.

“Limited Offering Memorandum” shall mean the final limited offering document relating to the 2022 Bonds, as more fully described on Exhibit A.

“Listed Event” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“National Repository” shall mean the MSRB, through its Electronic Municipal Market Access (“EMMA”) system described in Securities and Exchange Commission Release No. 34-59062.

“Obligated Person(s)” shall mean, with respect to the 2022 Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by

contract or other arrangement to support payment of all or a part of the obligations on such Bonds. The sole Obligated Person shall be the District.

“Owners” shall have the meaning ascribed thereto in the Indenture with respect to the 2022 Bonds and shall include beneficial owners of the 2022 Bonds, including those that have the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any 2022 Bonds (including persons holding 2022 Bonds through nominees, depositories or other intermediaries), or are treated as the owner of any 2022 Bonds for federal income tax purposes.

“Participating Underwriter” shall mean MBS Capital Markets, LLC, in its capacity as the original underwriter of the 2022 Bonds required to comply with the Rule in connection with offering of the 2022 Bonds.

“Repository” shall mean the National Repository and each State Repository, if any.

“State” shall mean the State of Florida.

“State Repository” shall mean the state information repository, if any, designated by the State and with which filings are required to be made by the District in accordance with the Rule.

“Trustee” means U.S. Bank Trust Company, National Association, as trustee under the Indenture, and its successors and assigns.

“2022 Bonds” mean the District’s \$8,760,000 Special Assessment Bonds, Series 2022-1 (Community Infrastructure) and \$2,935,000 Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable), as more fully described on Exhibit A.

SECTION 3. Annual Report.

(a) The District’s Annual Report shall contain or incorporate by reference the following, which includes an update of certain of the financial and operating data of the District to the extent presented in the Limited Offering Memorandum. All information in the Annual Report shall be presented for the immediately preceding Fiscal Year and, to the extent available, the current Fiscal Year and shall contain updates of the following operating and financial data in the Limited Offering Memorandum:

(i) The amount of Assessments collected from property owners and the amount of Assessments applied to pay debt service on the 2022 Bonds.

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

(iii) The amount of tax certificates sold, if any, and the balance, if any, remaining for sale.

(iv) All fund balances in all Funds and Accounts for the 2022 Bonds. The District shall provide any Owners and the Dissemination Agent with this information more frequently than annually within thirty (30) days of the written request of the Owners.

(v) The total amount of 2022 Bonds Outstanding.

(vi) The amount of principal and interest due on the 2022 Bonds.

(vii) Until the 2022 CI Project is complete, a description of the status of the 2022 CI Project, including the portions thereof that have been completed as of the date hereof and the portions thereof under construction.

(viii) The status of residential home closings from builders to end users within the 2022 Assessment Area, to the extent such information is attainable from the County Property Appraiser in conjunction with its preparation of the tax roll.

(ix) Any event that would have a material adverse impact on the implementation of the development of the 2022 Assessment Area that has not been developed with end uses as of the date of the Annual Report.

(x) The most recent audited financial statements of the District, which shall be prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board.

(b) To the extent any of the items set forth in subsections 3(a)(i) through 3(a)(ix) above are included in the audited financial statements referred to in subsection 3(a)(x) above, they do not have to be separately set forth. Any or all of the items listed above may be incorporated by reference from other documents, including offering documents of debt issues of the District or related public entities, which have been submitted to each of the Repositories or the SEC. If the document incorporated by reference is a final offering document, it must be available from the MSRB or EMMA. The District shall clearly identify each such other document so incorporated by reference.

SECTION 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 270 days after the close of the District's Fiscal Year, commencing with the Fiscal Year ended September 30, 2023 (the "Annual Filing Date"). 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(b) of this Disclosure Agreement; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such audited financial statements to be provided up to, but no later than, nine months after the close of the District's Fiscal Year. The District shall cause the Dissemination Agent to provide to each Repository (i) the components of an Annual Report which satisfies the requirements of this subsection 4(a) within one Business

Day following receipt of such Annual Report and (ii) any information provided to Owners and the Dissemination Agent pursuant to subsection 3(a)(v) of this Disclosure Agreement within one Business Day following receipt of information. In furtherance thereof, the Dissemination Agent shall request the Annual Report (which request shall be in writing and may be made via e-mail to the Disclosure Representative) at least thirty (30) days prior to the Annual Filing Date. 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 5.

(b) If on the fifteenth (15th) day prior to each Annual Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report pursuant to this Section 4. Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report in accordance with subsection 4(a) above, or (ii) instruct the Dissemination Agent in writing that the District will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in subsection 5(a)(xviii) has occurred and to immediately send a notice to the National Repository and the State Repository (if any) in substantially the form attached as Exhibit B accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Dissemination Agent has not received an Annual Report by 6:00 p.m. on the Annual Filing Date for the Annual Report, a Listed Event described in subsection 5(a)(xviii) shall have occurred and the District hereby directs the Dissemination Agent to immediately send a notice to the National Repository and the State Repository (if any) in substantially the form attached as Exhibit B accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit C-1.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the National Repository and each State Repository, if any; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the District stating that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

SECTION 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any Listed Event set forth below:

(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 facility 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 2022 Bonds, or other material events affecting the tax status of the 2022 Bonds;
- (vii) modifications to rights of holders of the 2022 Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of any property securing repayment of the 2022 Bonds, if material;
- (xi) rating changes*;
- (xii) bankruptcy, insolvency, receivership or similar event of the District (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District 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 District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);
- (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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) the appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) occurrence of any Event of Default under the Indenture (other than as described in clause (i) above), if material;

* There is no credit enhancement or rating for the 2022 Bonds on initial issuance.

* There is no rating for the 2022 Bonds on initial issuance.

(xvi) incurrence of a Financial Obligation of the District or other 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. And

(xvii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the District or other Obligated Person, any of which reflect financial difficulties; and

(xviii) failure to provide the Annual Report as required under this Disclosure Agreement that contains, in all material respects, the information required under Section 3 of this Disclosure Agreement, which failure shall, in all cases, be deemed material.

(b) For purposes of the foregoing, a matter shall be deemed to be “material” within the meaning set forth above, if the District, in reliance upon the advice of counsel expert in federal securities laws, which may include its Bond Counsel, determines that the matter in question is material under federal securities laws. The District shall notify the Dissemination Agent in writing of the occurrence of any Listed Event in (i) through (xvii) and direct the Dissemination Agent to file a notice of the occurrence of such Listed Event with each National Repository and the State Repository (if any); provided that such notice to the Dissemination Agent must be provided in sufficient time to ensure that the Dissemination Agent will file notice of the occurrence of such Listed Event with each National Repository and the State Repository (if any) in a timely manner not in excess of ten (10) Business Days after the occurrence of the Listed Event.

(c) If the Dissemination Agent has been instructed in writing by the District to file notice of the occurrence of a Listed Event or is otherwise authorized by this Disclosure Agreement to file such notice, the Dissemination Agent shall immediately file notice of such Listed Event with each National Repository and the State Repository (if any). The notice shall be substantially in the form of Exhibit B to this Disclosure Agreement and shall be accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 6. Termination of Disclosure Agreement. This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 2022 Bonds.

SECTION 7. Dissemination Agent. The District has appointed Special District Services, Inc. as exclusive Dissemination Agent under this Disclosure Agreement. The District may, upon thirty days written notice to the Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of the Disclosure Dissemination Agent’s services as Disclosure Dissemination Agent, whether by notice of the District or the Disclosure Dissemination Agent, the District agrees to appoint a successor Dissemination Agent or, alternately, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the 2022 Bonds. 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 Disclosure Dissemination Agent. The Dissemination Agent may resign at any time by providing thirty days’ prior written

notice to the District. If at any time there is not any designated Dissemination Agent hereunder, the District shall be the Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the District, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District shall describe such amendment in the next Annual Report, 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. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under subsection 5(c); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event. Any additional information filed by the Dissemination Agent pursuant to this Section 9 with each National Repository and the State Repository (if any) shall be accompanied by the appropriate cover sheet as set forth in Exhibit C-2 or C-3, as applicable.

SECTION 10. Default. In the event of a failure of the District, the 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 Owners of at least 25% aggregate principal amount of Outstanding 2022 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, the 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, the Disclosure

Representative or the Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the District has provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the District and shall not be deemed to be acting in any fiduciary capacity for the District, the Holders of the 2022 Bonds or any other party. The Dissemination Agent shall have no responsibility for the District's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the District has complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon certifications of the District at all times.

The obligations of the District under this Section 11 shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the 2022 Bonds.

The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the District.

All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

The District and the Disclosure Representative 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.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Disclosure Representative the Dissemination Agent, the Trustee, the Participating Underwriter and Owners of the 2022 Bonds (the Dissemination Agent, the Trustee, the Participating Underwriter and Owners of the 2022 Bonds being hereby deemed express third party beneficiaries of this Agreement), and shall create no rights in any other person or entity.

SECTION 13. 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.

SECTION 14. District, Disclosure Representative and Trustee Cooperation. The District and the Disclosure Representative agree that the Dissemination Agent, in such capacity hereunder, may receive, upon request, from the District, the Disclosure Representative and the Trustee, on a timely basis, any information or reports within their respective control which the Dissemination Agent requests in furtherance of the Dissemination Agent's duties hereunder, including balances in the Funds and Accounts established under the Indenture and such other information as it deems necessary to review compliance by the other parties hereto with their respective obligations hereunder and the District directs the Trustee, at the expense of the District, to deliver such information as requested by the Dissemination Agent to such Dissemination Agent, provided that with respect to the Trustee such information is in the possession of the Trustee and readily available to it. In furtherance thereof, the District, through its Disclosure Representative, agrees to provide the Dissemination Agent with a certified copy of any tax roll provided to the County Tax Collector within promptly after its delivery to the County Tax Collector, but no later than September 30 of the current Fiscal Year, and the adopted budget for the upcoming Fiscal Year by September 30 of the current year. In addition, the District acknowledges and agrees that any modifications to assessment methodologies which affect the Assessments and any other payment source of the 2022 Bonds and any "true up" implementations regarding such Assessments shall be adopted by District resolution and that the District, through its Disclosure Representative, will provide the Dissemination Agent with notice of such resolution(s) within 30 days of adoption.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida and Federal law and venue shall be in any state or federal court having jurisdiction in St. Lucie County, Florida.

SECTION 16. Binding Effect. This Disclosure Agreement shall be binding upon each party and upon each successor and assignee of each party and shall inure to the benefit of, and be enforceable by, each party and each successor and assignee of each party.

IN WITNESS WHEREOF, the Disclosure Dissemination Agent, the District, the Trustee and the Disclosure Representative have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

[Signatures on Next Page]

**SIGNATURE PAGE FOR
CONTINUING DISCLOSURE AGREEMENT
(Southern Grove Community Development District No. 5)**

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

ATTEST

**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 5**

Name: _____
Title: _____

By: _____
Chairman, Board of Supervisors

**SPECIAL DISTRICT SERVICES, INC., as
Disclosure Dissemination Agent**

By: _____
Name: _____
Title: _____

**SIGNATURE PAGE FOR
CONTINUING DISCLOSURE AGREEMENT
(Southern Grove Community Development District No. 5)**

Joined by Special District Services, Inc., as Disclosure Representative for purposes of Section 4, Section 10, Section 11, Section 12 and Section 14 only.

DISCLOSURE REPRESENTATIVE

Special District Services, Inc., District Manager

By: _____
Name: _____
Title: _____

**SIGNATURE PAGE FOR
CONTINUING DISCLOSURE AGREEMENT
(Southern Grove Community Development District No. 5)**

Joined by U.S. Bank Trust Company, National Association, as Trustee for purposes of Section 10, Section 12 and Section 14 only.

TRUSTEE:

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

By: _____

Name: _____

Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Obligor: Southern Grove Community Development District No. 5

Obligated Person: Southern Grove Community Development District No. 5

Name of Bond Issue: Southern Grove Community Development District No. 5
Special Assessment Bonds, Series 2022-1 (Community
Infrastructure) and Special Assessment Bonds, Series 2022-
2 (Community Infrastructure) (Federally Taxable)

Date of Issuance: December 9, 2022

Date of Limited Offering
Memorandum: November 16, 2022

CUSIP Numbers:

Special Assessment Bonds, Series 2022-1 (Community Infrastructure):

843021AN6

843021AP1

Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable):

843021AQ9

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL DISCLOSURE REPORT

Name of Obligor: Southern Grove Community Development District No. 5

Obligated Person: Southern Grove Community Development District No. 5

Name of Bond Issue: Southern Grove Community Development District No. 5
Special Assessment Bonds, Series 2022-1 (Community
Infrastructure) and Special Assessment Bonds, Series 2022-
2 (Community Infrastructure) (Federally Taxable)

Date of Issuance: December 9, 2022

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Disclosure Report with respect to the above-named Bonds as required by the Disclosure Agreement between the District, Special District Services., Inc. as Dissemination Agent, and the other parties named therein. The District has notified the Dissemination Agent that it anticipates that the Annual Disclosure Report will be filed by _____.

Dated: _____

Special District Services, Inc., as Dissemination
Agent, on behalf of the District

cc: Obligor

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material and tender offers;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."
15. _____ "Occurrence of Event of Default under the indenture;"
16. _____ "Incurrence of a Financial Obligation of the obligated person;
17. _____ "Default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the obligated person."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB.

Issuer’s and/or Other Obligated Person’s Name:

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ “amendment to continuing disclosure undertaking;”
2. _____ “change in obligated person;”
3. _____ “notice to investors pursuant to bond documents;”
4. _____ “certain communications from the Internal Revenue Service;”
5. _____ “secondary market purchases;”
6. _____ “bid for auction rate or other securities;”
7. _____ “capital or other financing plan;”
8. _____ “litigation/enforcement action;”
9. _____ “change of tender agent, remarketing agent, or other on-going party;”
10. _____ “derivative or other similar transaction;” and
11. _____ “other event-based disclosures.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Date:

APPENDIX E

SPECIAL ASSESSMENT METHODOLOGY REPORT

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**SEVENTH SUPPLEMENTAL ASSESSMENT
METHODOLOGY REPORT FOR 2022
BONDS**

November 16, 2022

Prepared for

**Board of Supervisors
Southern Grove Development Districts
With Jurisdiction Over 2022 Assessment
Area**

Prepared by Special District Services, Inc.

SEVENTH SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT FOR 2022 BONDS

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICTS WITH JURISDICTION OVER 2022 ASSESSMENT AREA

1.0 Introduction

1.1 Background

This report (the “Seventh Supplement”) supplements the “Amended and Restated Master Assessment Methodology Report for Public Infrastructure” dated July 9, 2013 (the “Master Report”), as supplemented by the “Supplemental Assessment Methodology Report for Public Infrastructure” dated July 8, 2014 (the “First Supplement”), as further supplemented by the “Second Supplemental Assessment Report for Public Infrastructure” dated December 9, 2014 (the “Second Supplement”), as further supplemented by the “Third Supplemental Assessment Report for Public Infrastructure” dated August 1, 2019 (the “Third Supplement”), as further supplemented by the “Fourth Supplemental Assessment Report for Public Infrastructure” dated October 25, 2019 (the “Fourth Supplement”), as further supplemented by the “Fifth Supplemental Assessment Report for Public Infrastructure” dated June 3, 2020 (the “Fifth Supplement”), as further supplemented by the “Sixth Supplemental Assessment Report for Public Infrastructure” dated June 23, 2021 (the “Sixth Supplement” and, together with the Master Report, the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement and the Sixth Supplement, the “Assessment Report”).

This final Seventh Supplement will be approved by the respective Board of Supervisors of the applicable Southern Grove Community Development Districts with jurisdiction over the Community Property (also referred to as the District Lands in the Supplemental Indenture) comprising the 2022 Assessment Area (hereinafter defined).

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Assessment Report or in the Eighth Supplemental Trust Indenture (the “Supplemental Indenture”) relating to the 2022 Bonds (hereinafter defined).

The “Supplemental Engineer’s Report Series 2022 Bonds” dated November 2, 2022 prepared by Culpepper & Terpening, Inc. (the “2022 Engineer’s Report”) describes, among other matters, the portion of the Community Infrastructure improvements that are on-going or planned to be undertaken in the next up to 2 years and eligible to be funded with available proceeds from (i) the outstanding Special Assessment Bonds, Series 2020 (Community Infrastructure) (the “2020 Bonds”) and outstanding Special Assessment Bonds, Series 2021 (Community Infrastructure) (the “2021 Bonds”) previously issued by Southern Grove Community Development District No. 5 (the “Issuer”), (ii) the Special Assessment Bonds, Series 2022-1 (Community Infrastructure) (the “2022-1 Bonds”) and Special Assessment Bonds, Series 2022-2 (Community Infrastructure) (Federally Taxable) (the “2022-2 Bonds” and, together with the 2022-1 Bonds, the “2022 Bonds”).

now proposed to be issued by the Issuer, and (iii) any Community Infrastructure Bonds hereafter issued; provided, however, currently, only proceeds of the 2022-2 Bonds and only a portion of the proceeds of the 2021 Bonds may be expended on the TIM Project (as defined in the Supplemental Indenture).

Under certain circumstances, available proceeds of the 2020 Bonds, 2021 Bonds and/or 2022 Bonds may also be used to finance other Community Infrastructure improvements set forth in additional supplemental engineer's reports approved in the future by the respective Boards of the Southern Grove Community Development Districts.

1.2 Methodology; 2022 Assessment Area

The Assessment Report, particularly the Third Supplement, sets forth, among other matters, a methodology (the "Methodology") for allocating Community Infrastructure Assessments to the assessable Community Property that benefits from Community Infrastructure.

This Seventh Supplement illustrates the application of the Methodology and the allocation of a portion of the Community Infrastructure Assessments, consistent with the Third Supplement, in connection with the proposed 2022 Bonds. Such Community Infrastructure Assessments are referred to herein as the "2022 CI Assessments." The assessable Community Property to be subject to the 2022 CI Assessments are referred to herein as the "2022 Assessment Area."

The "2022 Assessment Area" consists of 637 platted single-family lots, together with platted non-residential properties totaling approximately 107.7 acres of additional assessable Community Property.

Four new community development districts (referred to herein, individually, as "Southern Grove Community Development District No. 7," "Southern Grove Community Development District No. 8," "Southern Grove Community Development District No. 9" and "Southern Grove Community Development District No. 10," respectively, and, collectively, as the "New Districts") were established by the City of Port St. Lucie, Florida on November 14, 2022. These New Districts have jurisdiction over a portion of the Community Property previously in the boundaries of the Issuer and a portion of the Community Property previously in the respective boundaries of Southern Grove Community Development District Nos. 1, 3, 4 and 6. Accordingly, contemporaneously with the establishment of the New Districts, the boundaries of the Issuer and the boundaries of Southern Grove Community Development District Nos. 1, 3, 4 and 6 were contracted to exclude any Community Property included in the boundaries of the applicable New Districts.

The 2022 Assessment Area will be comprised of the assessable Community Property located in (i) a portion of the boundaries of the Issuer and (ii) a portion of the boundaries of Southern Grove Community Development District No. 2, Southern Grove Community Development District No. 3, Southern Grove Community Development District No. 4, Southern Grove Community Development District No. 8, Southern Grove Community

Development District No. 9 and Southern Grove Community Development District No. 10, respectively.

The Issuer has entered into a written agreement with the master developer of the residential lands in the boundaries of the Southern Grove Community Development Districts which, among other matters, addresses impact fee and other credits (the “Credits”) arising from Community Infrastructure components (the “Creditable Components”) funded, all or in part, by Community Infrastructure Indebtedness.

This agreement provides for Credits to be made available on a first come, first served basis, at no charge, to pay fees imposed by the City relating to Creditable Components, so that the cost of these fees are not passed on to builders or end-users whose land is subject to Community Infrastructure Assessments related to Community Infrastructure Indebtedness that funds Creditable Components.

2.0 2022 Bonds

Proceeds of the 2022-1 Bonds will be applied to (i) finance the 2022-1 CI Project; (ii) make a deposit to the reserve account for the 2022-1 Bonds established under the Supplemental Indenture; (iii) pay a portion of the interest coming due on the 2022-1 Bonds; and (iv) pay costs of issuance of the 2022-1 Bonds. The arbitrage yield of the 2022-1 Bonds is 5.926 % and the final maturity is May 1, 2049.

Proceeds of the 2022-2 Bonds will be applied to (i) finance the 2022-2 CI Project; (ii) make a deposit to the reserve account for the 2022-2 Bonds established under the Supplemental Indenture; (iii) pay a portion of the interest coming due on the 2022-2 Bonds; and (iv) pay costs of issuance of the 2022-2 Bonds. The arbitrage yield of the 2022-2 Bonds is 7.00 % and the final maturity is May 1, 2035.

Tables 1 and 2 below reflect the details of the 2022 Bonds.

Table 1
DETAILS OF THE 2022-1 BONDS

<u>Sources:</u>	
Principal Amount of 2022-1 Bonds	\$ 8,760,000.00
TOTAL SOURCES OF FUNDS	\$ 8,760,000.00
<u>Uses:</u>	
2022-1 Acquisition and Construction Account	\$ 7,515,886.46
2022-1 Capitalized Interest Account	\$ 463,590.56
2022-1 Reserve Account	\$ 448,025.00
2022-1 Costs of Issuance Account	\$ 157,297.98
Underwriter's Discount	\$ 175,200.00
TOTAL USES OF FUNDS	\$ 8,760,000.00

Source: MBS Capital Markets, LLC

Table 2
DETAILS OF THE 2022-2 BONDS

<u>Sources:</u>	
Principal Amount of 2022-2 Bonds	\$ 2,935,000.00
TOTAL SOURCES OF FUNDS	\$ 2,935,000.00
<u>Uses:</u>	
2022-2 Acquisition and Construction Account	\$ 2,447,205.32
2022-2 Capitalized Interest Account	\$ 183,763.61
2022-2 Reserve Account	\$ 188,862.50
2022-2 Costs of Issuance Account	\$ 56,468.57
Underwriter's Discount	\$ 58,700.00
TOTAL USES OF FUNDS	\$ 2,935,000.00

Source: MBS Capital Markets, LLC

The Methodology for allocating the Community Infrastructure Assessments as set forth in the Third Supplement provides for the allocation of Community Infrastructure Assessments to Community Property that has achieved its applicable "Allocation Threshold," which, in the case of single-family property, is at the time of final plat recordation and in the case of multi-family or non-residential property, is upon site plan approval and issuance of a building permit.

Table "A" illustrates the current landowners, land uses, densities, and property descriptions for assessable Community Property (the "Benefitted Parcels") in the 2022 Assessment Area that have achieved the applicable Allocation Threshold.

Table "B" illustrates the allocation of the 2022 CI Assessments to the assessable land in the 2022 Assessment Area.

An assessment roll for the 2022 Assessment Area, taking into account the Credit Amount and otherwise consistent with the Assessment Report, particularly the Third Supplement and this Seventh Supplement, is attached hereto as Exhibit A.

Table A

	Land Use	Description	Units/Square Footage
Vertically Constructed			
Local Strip LLC	Retail	5-Tenant Retail Building	9,350
Baron Shoppes Tradition LLC	Retail	3-Tenant Retail Building	5,820
Amber Hills Properties LLC	Retail	10-Tenant Retail Building(s)	14,040
PCW Holdings LLC	Retail	Car Wash	9,969
Platted Single-Family Residential			
Pulte Home Company LLC	SF 55 or Less	Del Webb Tradition – Plat 5A	70
Pulte Home Company LLC	SF 56 - 66	Del Webb Tradition – Plat 5A	24
Mattamy Palm Beach LLC	SF 55 or Less	Kenley - Plat 1	137
Mattamy Palm Beach LLC	SF 56 - 66	Kenley - Plat 1	77
Mattamy Palm Beach LLC	SF 55 or Less	Telaro – Plat 2	206
Mattamy Palm Beach LLC	SF 56 - 66	Telaro – Plat 2	50
GRBK GH0 Belterra LLC	SF 56 - 66	Belterra – Plat 1 & 2	26
GRBK GH0 Belterra LLC	SF 67 or More	Belterra – Plat 1 & 2	47
Under Vertical Construction			
Grande Palms at Tradition I LLC	Apts	Apartments	300
Accel Florida LLC	Warehouse	Wire & Cable Manufacturing Facility	150,351
Oculus Surgical, Inc.	Warehouse	Ophthalmic Instrument Manufacturing Facility	75,246
NBP III Legacy III LLC	Warehouse	Multi-Tenant Industrial Building	168,000
Cheney Bros Inc.	Warehouse	Food Distribution Facility	351,869

Table B

Status/Landowner	Land Use	Description	Units/Square Footage	2022 Bonds Principal Allocation	2022 Bonds Principal Allocation Per Unit/SF	Total Gross Annual Series 2022 CI Assessments(1)	Gross Annual 2022 CI Assessments Per Unit/SF(1)	% of 2022 CI Assessments
Vertically Constructed								
Local Strip LLC	Retail	5-Tenant Retail Building	9,350	\$112,689	\$12.05	\$9,381.13	\$1.00	0.96%
Baron Shoppes Tradition LLC	Retail	3-Tenant Retail Building	5,820	\$70,105	\$12.05	\$5,836.12	\$1.00	0.60%
Amber Hills Properties LLC	Retail	10-Tenant Retail Building(s)	14,040	\$156,223	\$11.13	\$13,005.25	\$0.93	1.34%
PCW Holdings LLC	Retail	Car Wash	9,969	\$119,019	\$11.94	\$9,908.06	\$0.99	1.02%
Vertically Constructed Subtotal				\$458,036		\$38,130.57		3.91%
Platted Single-Family Residential								
Pulte Home Company LLC	SF 55 or Less	Del Webb Tradition – Plat 5A	70	\$521,367	\$7,448.10	\$43,402.72	\$620.04	4.46%
Pulte Home Company LLC	SF 56 - 66	Del Webb Tradition – Plat 5A	24	\$200,480	\$8,353.34	\$16,689.54	\$695.40	1.71%
Mattamy Palm Beach LLC	SF 55 or Less	Kenley - Plat 1	137	\$1,027,011	\$7,496.43	\$85,496.51	\$624.06	8.78%
Mattamy Palm Beach LLC	SF 56 - 66	Kenley - Plat 1	77	\$646,928	\$8,401.67	\$53,855.41	\$699.42	5.53%
Mattamy Palm Beach LLC	SF 55 or Less	Telaro – Plat 2	206	\$1,539,419	\$7,472.91	\$128,153.34	\$622.10	13.16%
Mattamy Palm Beach LLC	SF 56 - 66	Telaro – Plat 2	50	\$419,290	\$8,385.80	\$34,904.98	\$698.10	3.58%
GRBK GH0 Belterra LLC	SF 56 - 66	Belterra – Plat 1 & 2	26	\$217,825	\$8,377.90	\$18,133.49	\$697.44	1.86%
GRBK GH0 Belterra LLC	SF 67 or More	Belterra – Plat 1 & 2	47	\$425,869	\$9,061.03	\$35,452.65	\$754.31	3.64%
Platted Single-Family Residential Subtotal				\$4,998,189		\$416,088.64		42.72%
Under Vertical Construction								
Grande Palms at Tradition I LLC	Apts	Apartments	300	\$1,502,075	\$5,006.92	\$125,044.52	\$416.82	12.84%
Accel Florida LLC	Warehouse	Wire & Cable Manufacturing Facility	150,351	\$955,193	\$6.35	\$79,517.79	\$0.53	8.16%
Oculus Surgical, Inc.	Warehouse	Ophthalmic Instrument Manufacturing Facility	75,246	\$477,695	\$6.35	\$39,767.05	\$0.53	4.08%
NBP III Legacy III LLC	Warehouse	Multi-Tenant Industrial Building	168,000	\$1,069,143	\$6.36	\$89,003.89	\$0.53	9.14%
Cheney Bros Inc.	Warehouse	Food Distribution Facility	351,869	\$2,239,276	\$6.36	\$186,414.94	\$0.53	19.14%
Under Vertical Construction Subtotal				\$6,243,381		\$519,748.19		53.36%
Total				\$11,695,000		\$973,967.39		100.00%

Exhibit A

Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
191066	4334-702-0013-000-7	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
191067	4334-702-0014-000-4	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
191068	4334-702-0015-000-1	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
191069	4334-702-0016-000-8	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
191070	4334-702-0017-000-5	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
191071	4334-702-0018-000-2	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
193241	4326-601-0002-000-2	CHENEY BROS INC	\$ 186,414.94	\$ 2,239,276.00
195159	4327-702-0017-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195160	4327-702-0018-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195161	4327-702-0019-000-7	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195162	4327-702-0020-000-7	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195163	4327-702-0021-000-4	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195164	4327-702-0022-000-1	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195165	4327-702-0023-000-8	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195166	4327-702-0024-000-5	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195167	4327-702-0025-000-2	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195168	4327-702-0026-000-9	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195169	4327-702-0027-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195170	4327-702-0028-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195171	4327-702-0029-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195172	4327-702-0030-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195173	4327-702-0031-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195174	4327-702-0032-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195175	4327-702-0033-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195176	4327-702-0034-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195177	4327-702-0035-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195178	4327-702-0036-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195179	4327-702-0037-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195180	4327-702-0038-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195181	4327-702-0039-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195182	4327-702-0040-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195183	4327-702-0041-000-0	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195184	4327-702-0042-000-7	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195185	4327-702-0043-000-4	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195186	4327-702-0044-000-1	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195187	4327-702-0045-000-8	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195188	4327-702-0046-000-5	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195189	4327-702-0047-000-2	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195190	4327-702-0048-000-9	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195191	4327-702-0049-000-6	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195192	4327-702-0050-000-6	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195193	4327-702-0051-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195194	4327-702-0052-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195195	4327-702-0053-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195196	4327-702-0054-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195197	4327-702-0055-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195198	4327-702-0056-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195199	4327-702-0057-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195200	4327-702-0058-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195201	4327-702-0059-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195202	4327-702-0060-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43

Exhibit A

Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
195203	4327-702-0061-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195204	4327-702-0062-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195205	4327-702-0063-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195206	4327-702-0064-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195207	4327-702-0065-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195208	4327-702-0066-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195209	4327-702-0067-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195210	4327-702-0068-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195211	4327-702-0069-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195212	4327-702-0070-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195213	4327-702-0071-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195214	4327-702-0072-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195215	4327-702-0073-000-3	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195216	4327-702-0074-000-0	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195217	4327-702-0075-000-7	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195218	4327-702-0076-000-4	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195219	4327-702-0077-000-1	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195220	4327-702-0078-000-8	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195221	4327-702-0079-000-5	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195222	4327-702-0080-000-5	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195223	4327-702-0081-000-2	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195224	4327-702-0082-000-9	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195225	4327-702-0083-000-6	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195226	4327-702-0084-000-3	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195227	4327-702-0085-000-0	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195228	4327-702-0086-000-7	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195229	4327-702-0087-000-4	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195230	4327-702-0088-000-1	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195231	4327-702-0089-000-8	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195232	4327-702-0090-000-8	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195233	4327-702-0091-000-5	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195234	4327-702-0092-000-2	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195235	4327-702-0093-000-9	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195236	4327-702-0094-000-6	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195237	4327-702-0095-000-3	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195238	4327-702-0096-000-0	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195239	4327-702-0097-000-7	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195240	4327-702-0098-000-4	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195241	4327-702-0099-000-1	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195242	4327-702-0100-000-2	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195243	4327-702-0101-000-9	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195244	4327-702-0102-000-6	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195245	4327-702-0103-000-3	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195246	4327-702-0104-000-0	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195247	4327-702-0105-000-7	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195248	4327-702-0106-000-4	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195249	4327-702-0107-000-1	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195250	4327-702-0108-000-8	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195251	4327-702-0109-000-5	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195252	4327-702-0110-000-5	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195253	4327-702-0111-000-2	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195254	4327-702-0112-000-9	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67

Exhibit A

Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
195255	4327-702-0113-000-6	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195256	4327-702-0114-000-3	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195257	4327-702-0115-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195258	4327-702-0116-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195259	4327-702-0117-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195260	4327-702-0118-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195261	4327-702-0119-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195262	4327-702-0120-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195263	4327-702-0121-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195264	4327-702-0122-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195265	4327-702-0123-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195266	4327-702-0124-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195267	4327-702-0125-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195268	4327-702-0126-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195269	4327-702-0127-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195270	4327-702-0128-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195271	4327-702-0129-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195272	4327-702-0130-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195273	4327-702-0131-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195274	4327-702-0132-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195275	4327-702-0133-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195276	4327-702-0134-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195277	4327-702-0135-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195278	4327-702-0136-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195279	4327-702-0137-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195280	4327-702-0138-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195281	4327-702-0139-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195282	4327-702-0140-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195283	4327-702-0141-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195284	4327-702-0142-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195285	4327-702-0143-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195286	4327-702-0144-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195287	4327-702-0145-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195288	4327-702-0146-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195289	4327-702-0147-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195290	4327-702-0148-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195291	4327-702-0149-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195292	4327-702-0150-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195293	4327-702-0151-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195294	4327-702-0152-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195295	4327-702-0153-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195296	4327-702-0154-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195297	4327-702-0155-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195298	4327-702-0156-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195299	4327-702-0157-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195300	4327-702-0158-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195301	4327-702-0159-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195302	4327-702-0160-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195303	4327-702-0161-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195304	4327-702-0162-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195305	4327-702-0163-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195306	4327-702-0164-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43

Exhibit A

Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
195307	4327-702-0165-000-5	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195308	4327-702-0166-000-2	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195309	4327-702-0167-000-9	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195310	4327-702-0168-000-6	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195311	4327-702-0169-000-3	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195312	4327-702-0170-000-3	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195313	4327-702-0171-000-0	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195314	4327-702-0172-000-7	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195315	4327-702-0173-000-4	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195316	4327-702-0174-000-1	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195317	4327-702-0175-000-8	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195318	4327-702-0176-000-5	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195319	4327-702-0177-000-2	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195320	4327-702-0178-000-9	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195321	4327-702-0179-000-6	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195322	4327-702-0180-000-6	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195323	4327-702-0181-000-3	MATTAMY PALM BEACH LLC	\$ 699.42	\$ 8,401.67
195324	4327-702-0182-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195325	4327-702-0183-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195326	4327-702-0184-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195327	4327-702-0185-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195328	4327-702-0186-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195329	4327-702-0187-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195330	4327-702-0188-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195331	4327-702-0189-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195332	4327-702-0190-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195333	4327-702-0191-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195334	4327-702-0192-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195335	4327-702-0193-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195336	4327-702-0194-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195337	4327-702-0195-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195338	4327-702-0196-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195339	4327-702-0197-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195340	4327-702-0198-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195341	4327-702-0199-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195342	4327-702-0200-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195343	4327-702-0201-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195344	4327-702-0202-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195345	4327-702-0203-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195346	4327-702-0204-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195347	4327-702-0205-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195348	4327-702-0206-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195349	4327-702-0207-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195350	4327-702-0208-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195351	4327-702-0209-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195352	4327-702-0210-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195353	4327-702-0211-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195354	4327-702-0212-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195355	4327-702-0213-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195356	4327-702-0214-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195357	4327-702-0215-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195358	4327-702-0216-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43

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Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
195359	4327-702-0217-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195360	4327-702-0218-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195361	4327-702-0219-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195362	4327-702-0220-000-9	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195363	4327-702-0221-000-6	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195364	4327-702-0222-000-3	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195365	4327-702-0223-000-0	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195366	4327-702-0224-000-7	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195367	4327-702-0225-000-4	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195368	4327-702-0226-000-1	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195369	4327-702-0227-000-8	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195370	4327-702-0228-000-5	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195371	4327-702-0229-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
195372	4327-702-0230-000-2	MATTAMY PALM BEACH LLC	\$ 624.06	\$ 7,496.43
189178	4335-500-0004-000-4	NBP III LEGACY III LLC	\$ 89,003.89	\$ 1,069,143.00
193131	4327-500-0009-000-4	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193132	4327-500-0010-000-4	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193133	4327-500-0011-000-1	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193134	4327-500-0012-000-8	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193135	4327-500-0013-000-5	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193136	4327-500-0014-000-2	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193137	4327-500-0015-000-9	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193138	4327-500-0016-000-6	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193139	4327-500-0017-000-3	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193140	4327-500-0018-000-0	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193141	4327-500-0019-000-7	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193142	4327-500-0020-000-7	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193143	4327-500-0021-000-4	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193144	4327-500-0022-000-1	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193145	4327-500-0023-000-8	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193146	4327-500-0024-000-5	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193147	4327-500-0025-000-2	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193148	4327-500-0026-000-9	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193149	4327-500-0027-000-6	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193150	4327-500-0028-000-3	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193151	4327-500-0029-000-0	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193152	4327-500-0030-000-0	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193153	4327-500-0031-000-7	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193154	4327-500-0032-000-4	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193155	4327-500-0033-000-1	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193156	4327-500-0034-000-8	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193157	4327-500-0035-000-5	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193158	4327-500-0036-000-2	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193159	4327-500-0037-000-9	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193160	4327-500-0038-000-6	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193161	4327-500-0039-000-3	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193162	4327-500-0040-000-3	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193163	4327-500-0041-000-0	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193164	4327-500-0042-000-7	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193165	4327-500-0043-000-4	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193166	4327-500-0044-000-1	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193167	4327-500-0045-000-8	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10

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Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
193168	4327-500-0046-000-5	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193169	4327-500-0047-000-2	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193170	4327-500-0048-000-9	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193171	4327-500-0049-000-6	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193172	4327-500-0050-000-6	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193173	4327-500-0051-000-3	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193174	4327-500-0052-000-0	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193175	4327-500-0053-000-7	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193176	4327-500-0054-000-4	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193177	4327-500-0055-000-1	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193178	4327-500-0056-000-8	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193179	4327-500-0057-000-5	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193180	4327-500-0058-000-2	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193181	4327-500-0059-000-9	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193182	4327-500-0060-000-9	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193183	4327-500-0061-000-6	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193184	4327-500-0062-000-3	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193185	4327-500-0063-000-0	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193186	4327-500-0064-000-7	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193187	4327-500-0065-000-4	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193188	4327-500-0066-000-1	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193189	4327-500-0067-000-8	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193190	4327-500-0068-000-5	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193191	4327-500-0069-000-2	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193192	4327-500-0070-000-2	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193193	4327-500-0071-000-9	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193194	4327-500-0072-000-6	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193195	4327-500-0073-000-3	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193196	4327-500-0074-000-0	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193197	4327-500-0075-000-7	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193198	4327-500-0076-000-4	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193199	4327-500-0077-000-1	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193200	4327-500-0078-000-8	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193201	4327-500-0079-000-5	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193202	4327-500-0080-000-5	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193203	4327-500-0081-000-2	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193204	4327-500-0082-000-9	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193205	4327-500-0083-000-6	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193206	4327-500-0084-000-3	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193207	4327-500-0085-000-0	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193208	4327-500-0086-000-7	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193209	4327-500-0087-000-4	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193210	4327-500-0088-000-1	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193211	4327-500-0089-000-8	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193212	4327-500-0090-000-8	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193213	4327-500-0091-000-5	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193214	4327-500-0092-000-2	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193215	4327-500-0093-000-9	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193216	4327-500-0094-000-6	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193217	4327-500-0095-000-3	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193218	4327-500-0096-000-0	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193219	4327-500-0097-000-7	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34

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Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
193220	4327-500-0098-000-4	Pulte Home Company LLC	\$ 620.04	\$ 7,448.10
193221	4327-500-0099-000-1	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193222	4327-500-0100-000-2	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193223	4327-500-0101-000-9	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
193224	4327-500-0102-000-6	Pulte Home Company LLC	\$ 695.40	\$ 8,353.34
170890	4315-500-0011-000-4	Grande Palms At Tradition I LL	\$ 125,044.52	\$ 1,502,075.00
180716	4315-603-0002-000-4	Amber Hills Properties LLC	\$ 13,005.25	\$ 156,223.00
188170	4315-706-0003-000-7	Oculus Surgical Inc	\$ 39,767.05	\$ 477,695.00
189209	4316-504-0001-000-6	Baron Shoppes Tradition LLC	\$ 5,836.12	\$ 70,105.00
189210	4316-504-0002-000-3	LOCAL STRIP LLC	\$ 9,381.13	\$ 112,689.00
189211	4316-504-0003-000-0	PCW Holdings LLC	\$ 9,908.06	\$ 119,019.00
195702	4322-604-0023-000-2	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195703	4322-604-0024-000-9	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195704	4322-604-0025-000-6	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195705	4322-604-0026-000-3	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195706	4322-604-0027-000-0	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195707	4322-604-0028-000-7	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195708	4322-604-0029-000-4	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195709	4322-604-0030-000-4	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195710	4322-604-0031-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195711	4322-604-0032-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195712	4322-604-0033-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195713	4322-604-0034-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195714	4322-604-0035-000-9	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195715	4322-604-0036-000-6	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195716	4322-604-0037-000-3	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195717	4322-604-0038-000-0	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195718	4322-604-0039-000-7	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195719	4322-604-0040-000-7	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195720	4322-604-0041-000-4	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195721	4322-604-0042-000-1	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195722	4322-604-0043-000-8	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195723	4322-604-0044-000-5	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195724	4322-604-0045-000-2	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195725	4322-604-0046-000-9	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195726	4322-604-0047-000-6	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195727	4322-604-0048-000-3	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195728	4322-604-0049-000-0	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195729	4322-604-0050-000-0	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195730	4322-604-0051-000-7	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195731	4322-604-0052-000-4	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195732	4322-604-0053-000-1	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195733	4322-604-0054-000-8	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195734	4322-604-0055-000-5	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195735	4322-604-0056-000-2	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195736	4322-604-0057-000-9	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195737	4322-604-0058-000-6	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195738	4322-604-0059-000-3	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195739	4322-604-0060-000-3	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195740	4322-604-0061-000-0	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195741	4322-604-0062-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195742	4322-604-0063-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91

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Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
195743	4322-604-0064-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195744	4322-604-0065-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195745	4322-604-0066-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195746	4322-604-0067-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195747	4322-604-0068-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195748	4322-604-0069-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195749	4322-604-0070-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195750	4322-604-0071-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195751	4322-604-0072-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195752	4322-604-0073-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195753	4322-604-0074-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195754	4322-604-0075-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195755	4322-604-0076-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195756	4322-604-0077-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195757	4322-604-0078-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195758	4322-604-0079-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195759	4322-604-0080-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195760	4322-604-0081-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195761	4322-604-0082-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195762	4322-604-0083-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195763	4322-604-0084-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195764	4322-604-0085-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195765	4322-604-0086-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195766	4322-604-0087-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195767	4322-604-0088-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195768	4322-604-0089-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195769	4322-604-0090-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195770	4322-604-0091-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195771	4322-604-0092-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195772	4322-604-0093-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195773	4322-604-0094-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195774	4322-604-0095-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195775	4322-604-0096-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195776	4322-604-0097-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195777	4322-604-0098-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195778	4322-604-0099-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195779	4322-604-0100-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195780	4322-604-0101-000-3	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195781	4322-604-0102-000-0	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195782	4322-604-0103-000-7	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195783	4322-604-0104-000-4	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195784	4322-604-0105-000-1	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195785	4322-604-0106-000-8	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195786	4322-604-0107-000-5	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195787	4322-604-0108-000-2	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195788	4322-604-0109-000-9	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195789	4322-604-0110-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195790	4322-604-0111-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195791	4322-604-0112-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195792	4322-604-0113-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195793	4322-604-0114-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195794	4322-604-0115-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91

Exhibit A

Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
195795	4322-604-0116-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195796	4322-604-0117-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195797	4322-604-0118-000-5	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195798	4322-604-0119-000-2	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195799	4322-604-0120-000-2	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195800	4322-604-0121-000-9	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195801	4322-604-0122-000-6	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195802	4322-604-0123-000-3	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195803	4322-604-0124-000-0	MATTAMY PALM BEACH LLC	\$ 698.10	\$ 8,385.80
195804	4322-604-0125-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195805	4322-604-0126-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195806	4322-604-0127-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195807	4322-604-0128-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195808	4322-604-0129-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195809	4322-604-0130-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195810	4322-604-0131-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195811	4322-604-0132-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195812	4322-604-0133-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195813	4322-604-0134-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195814	4322-604-0135-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195815	4322-604-0136-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195816	4322-604-0137-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195817	4322-604-0138-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195818	4322-604-0139-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195819	4322-604-0140-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195820	4322-604-0141-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195821	4322-604-0142-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195822	4322-604-0143-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195823	4322-604-0144-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195824	4322-604-0145-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195825	4322-604-0146-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195826	4322-604-0147-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195827	4322-604-0148-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195828	4322-604-0149-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195829	4322-604-0150-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195830	4322-604-0151-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195831	4322-604-0152-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195832	4322-604-0153-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195833	4322-604-0154-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195834	4322-604-0155-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195835	4322-604-0156-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195836	4322-604-0157-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195837	4322-604-0158-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195838	4322-604-0159-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195839	4322-604-0160-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195840	4322-604-0161-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195841	4322-604-0162-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195842	4322-604-0163-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195843	4322-604-0164-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195844	4322-604-0165-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195845	4322-604-0166-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195846	4322-604-0167-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91

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Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
195847	4322-604-0168-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195848	4322-604-0169-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195849	4322-604-0170-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195850	4322-604-0171-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195851	4322-604-0172-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195852	4322-604-0173-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195853	4322-604-0174-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195854	4322-604-0175-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195855	4322-604-0176-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195856	4322-604-0177-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195857	4322-604-0178-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195858	4322-604-0179-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195859	4322-604-0180-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195860	4322-604-0181-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195861	4322-604-0182-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195862	4322-604-0183-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195863	4322-604-0184-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195864	4322-604-0185-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195865	4322-604-0186-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195866	4322-604-0187-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195867	4322-604-0188-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195868	4322-604-0189-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195869	4322-604-0190-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195870	4322-604-0191-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195871	4322-604-0192-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195872	4322-604-0193-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195873	4322-604-0194-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195874	4322-604-0195-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195875	4322-604-0196-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195876	4322-604-0197-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195877	4322-604-0198-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195878	4322-604-0199-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195879	4322-604-0200-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195880	4322-604-0201-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195881	4322-604-0202-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195882	4322-604-0203-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195883	4322-604-0204-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195884	4322-604-0205-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195885	4322-604-0206-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195886	4322-604-0207-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195887	4322-604-0208-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195888	4322-604-0209-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195889	4322-604-0210-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195890	4322-604-0211-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195891	4322-604-0212-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195892	4322-604-0213-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195893	4322-604-0214-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195894	4322-604-0215-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195895	4322-604-0216-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195896	4322-604-0217-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195897	4322-604-0218-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195898	4322-604-0219-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91

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Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
195899	4322-604-0220-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195900	4322-604-0221-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195901	4322-604-0222-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195902	4322-604-0223-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195903	4322-604-0224-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195904	4322-604-0225-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195905	4322-604-0226-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195906	4322-604-0227-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195907	4322-604-0228-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195908	4322-604-0229-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195909	4322-604-0230-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195910	4322-604-0231-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195911	4322-604-0232-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195912	4322-604-0233-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195913	4322-604-0234-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195914	4322-604-0235-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195915	4322-604-0236-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195916	4322-604-0237-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195917	4322-604-0238-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195918	4322-604-0239-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195919	4322-604-0240-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195920	4322-604-0241-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195921	4322-604-0242-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195922	4322-604-0243-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195923	4322-604-0244-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195924	4322-604-0245-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195925	4322-604-0246-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195926	4322-604-0247-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195927	4322-604-0248-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195928	4322-604-0249-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195929	4322-604-0250-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195930	4322-604-0251-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195931	4322-604-0252-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195932	4322-604-0253-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195933	4322-604-0254-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195934	4322-604-0255-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195935	4322-604-0256-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195936	4322-604-0257-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195937	4322-604-0258-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195938	4322-604-0259-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195939	4322-604-0260-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195940	4322-604-0261-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195941	4322-604-0262-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195942	4322-604-0263-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195943	4322-604-0264-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195944	4322-604-0265-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195945	4322-604-0266-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195946	4322-604-0267-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195947	4322-604-0268-000-1	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195948	4322-604-0269-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195949	4322-604-0270-000-8	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195950	4322-604-0271-000-5	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91

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Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
195951	4322-604-0272-000-2	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195952	4322-604-0273-000-9	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195953	4322-604-0274-000-6	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195954	4322-604-0275-000-3	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195955	4322-604-0276-000-0	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195956	4322-604-0277-000-7	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
195957	4322-604-0278-000-4	MATTAMY PALM BEACH LLC	\$ 622.10	\$ 7,472.91
189065	4315-802-0002-000-5	ACCEL FLORIDA LLC	\$ 79,517.79	\$ 955,193.00
195510	4334-800-0009-000-7	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195511	4334-800-0010-000-7	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195512	4334-800-0011-000-4	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195513	4334-800-0012-000-1	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195514	4334-800-0013-000-8	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195515	4334-800-0014-000-5	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195516	4334-800-0015-000-2	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195517	4334-800-0016-000-9	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195518	4334-800-0017-000-6	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195519	4334-800-0018-000-3	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195520	4334-800-0019-000-0	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195521	4334-800-0020-000-0	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195522	4334-800-0021-000-7	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195523	4334-800-0022-000-4	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195524	4334-800-0023-000-1	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195525	4334-800-0024-000-8	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195526	4334-800-0025-000-5	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195527	4334-800-0026-000-2	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195528	4334-800-0027-000-9	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195529	4334-800-0028-000-6	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195530	4334-800-0029-000-3	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195531	4334-800-0030-000-3	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195532	4334-800-0031-000-0	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195533	4334-800-0032-000-7	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195534	4334-800-0033-000-4	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195535	4334-800-0034-000-1	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195536	4334-800-0035-000-8	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195537	4334-800-0036-000-5	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195538	4334-800-0037-000-2	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195539	4334-800-0038-000-9	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195540	4334-800-0039-000-6	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195541	4334-800-0040-000-6	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195542	4334-800-0041-000-3	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195543	4334-800-0042-000-0	GRBK GH0 Belterra LLC	\$ 697.44	\$ 8,377.90
195544	4334-800-0043-000-7	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195545	4334-800-0044-000-4	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195546	4334-800-0045-000-1	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195547	4334-800-0046-000-8	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195548	4334-800-0047-000-5	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195549	4334-800-0048-000-2	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195550	4334-800-0049-000-9	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195551	4334-800-0050-000-9	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195552	4334-800-0051-000-6	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03
195553	4334-800-0052-000-3	GRBK GH0 Belterra LLC	\$ 754.31	\$ 9,061.03

Exhibit A

Property ID	Parcel ID	Owner's Name	Annual Assessment Amount	Principal Amount
195554	4334-800-0053-000-0	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195555	4334-800-0054-000-7	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90
195556	4334-800-0055-000-4	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90
195557	4334-800-0056-000-1	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90
195558	4334-800-0057-000-8	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90
195559	4334-800-0058-000-5	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195560	4334-800-0059-000-2	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195561	4334-800-0060-000-2	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195562	4334-800-0061-000-9	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195563	4334-800-0062-000-6	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195564	4334-800-0063-000-3	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195565	4334-800-0064-000-0	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195566	4334-800-0065-000-7	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195567	4334-800-0066-000-4	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195568	4334-800-0067-000-1	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195569	4334-800-0068-000-8	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90
195570	4334-800-0069-000-5	GRBK GHO Belterra LLC	\$ 754.31	\$ 9,061.03
195571	4334-800-0070-000-5	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90
195572	4334-800-0071-000-2	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90
195573	4334-800-0072-000-9	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90
195574	4334-800-0073-000-6	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90
195575	4334-800-0074-000-3	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90
195576	4334-800-0075-000-0	GRBK GHO Belterra LLC	\$ 697.44	\$ 8,377.90

\$ 974,042 \$ 11,695,000.00

APPENDIX F

DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT

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JOSEPH E. SMITH, CLERK OF THE CIRCUIT COURT
SAINT LUCIE COUNTY
FILE # 3856669 07/16/2013 at 10:22 AM
OR BOOK 3539 PAGE 672 - 713 Doc Type: AGR
RECORDING: \$358.50

**SECOND AMENDED AND RESTATED
DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT**

BY AND AMONG

**SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 1,
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 2,
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 3,
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 4**

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5,

and

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 6

Amended and Restated as of July 9, 2013

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**SECOND AMENDED AND RESTATED
DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT**

This SECOND AMENDED AND RESTATED DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT ("Agreement") is amended and restated as of this 9th day of July, 2013, amending and restating, in its entirety, that Amended and Restated District Development Interlocal Agreement dated as of May 14, 2013, which amended that certain District Development Interlocal Agreement dated as of September 11, 2012 (collectively, the "Original Agreement") by and among **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 1** ("District No. 1"), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 2** ("District No. 2"), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 3** ("District No. 3"), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 4** ("District No. 4"), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5** ("District No. 5"), and **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 6** ("District No. 6"), each a community development district established pursuant to Chapter 190, Florida Statutes (each of District No. 1, District No. 2, District No. 3, District No. 4, District No. 5, and District No. 6 are collectively referred to as the "Initial Districts" and such Initial Districts, together with any Future Districts that execute a Joinder [as such terms are defined below], are sometimes hereinafter referred to individually as a "District" or, collectively, as the "Districts").

PRELIMINARY STATEMENT

A. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in Article I hereof. Each District is a community development district organized pursuant to the Act. As such, each District is or will be a local unit of special purpose government, the exclusive charter for each being set forth in the provisions of Section 190.006-190.041, Florida Statutes, as amended and supplemented.

B. Each of the Districts was established in accordance with the Act by an ordinance of the City (District No. 5 being the surviving community development district resulting from merger). All of the land in the Initial Districts is located within the boundaries of the City.

C. Except for the identity of each District in the respective ordinances, all of the ordinances enacted by the City in connection with the Districts are, or are expected to be, identical as to powers granted each District. Accordingly, the Districts have or are expected to have identical powers, privileges and authority that they share in common and which each District may exercise separately. The principal purpose of each District is to exercise its special powers to provide infrastructure, public improvements and community facilities and services for the benefit of the District Lands in its boundaries, as provided in Section 190.012 of the Act.

D. The Districts have approved the Master Engineer's Report which sets forth the CIP for Public Infrastructure.

E. The Districts desire to implement the Community Infrastructure which may include, without limitation, water management and control facilities pursuant to a water management plan encompassing all Community Property, major roadways that traverse the boundaries of more than one of the Districts, water supply, sewer and wastewater management, reclamation and reuse, including major water mains and sewer mains, water plants (if approved by the City) and other such facilities sized to serve the Community Property, wastewater treatment plants (if approved by the City) and other such facilities sized to serve the Community Property, conservation, mitigation and wildlife habitat areas, parks and facilities for indoor and outdoor recreational, cultural and education uses intended to serve all of the Community Property, educational and cultural buildings and related structures, security facilities for the benefit of all or a portion of the Community Property and other facilities and services authorized by the Act and that require use of District Lands in more than one of the Districts or the mutual exercise of powers by more than one of the Districts for the benefit of all or a portion of the Community Property.

F. As more fully provided herein, the Community Infrastructure will be financed and refinanced by the Issuer, on behalf of all of the Districts, through the issuance of Community Infrastructure Indebtedness pursuant to a Public Infrastructure Master Indenture or other similar instrument approved by the Districts.

G. Each District may also determine to undertake District Infrastructure projects which may include, without limitation, infrastructure, public improvements, community facilities and services relating to water management and control facilities that benefit only the related District Lands, sewer mains, water mains and conduits or pipelines for reclamation and reuse water that benefit only the related District Lands, roads that extend only within such District Lands, parks and facilities for indoor and outdoor recreational, cultural and educational uses that are sized to benefit solely such District Lands and other infrastructure, public improvements (whether within or without the boundaries of the applicable District), community facilities and services that, by their nature, are intended to benefit only specific District Lands and not the Community Property as a whole.

H. As more fully provided herein, each District Infrastructure project may be financed and refinanced by the Issuer, on behalf of the applicable District, through the issuance of District Infrastructure Indebtedness, pursuant to a Public Infrastructure Master Indenture or other similar instrument approved as required hereby. Notwithstanding the terms of this Agreement, the governing body of any District may elect to finance, refinance, operate and maintain any District Infrastructure project for that District and, if it so elects, it may issue its own District Infrastructure Indebtedness pursuant to a Public Infrastructure Master Indenture.

I. The development orders governing the installation of Public Infrastructure within the Community Property in the boundaries of the Districts are flexible. Currently, only uses planned for the Existing Development are known, and it is not possible to know whether all of the uses planned for the balance of the Community Property (the "Planned Uses") will be developed as contemplated thereby, nor is it possible to identify the location of the Planned Uses within each District at this time with precision. The Planned Uses cannot be accommodated within the boundaries of any one of the Districts.

J. The Community Infrastructure and the estimated cost thereof has been determined as set forth in the Master Engineer's Report and the District Infrastructure and estimated cost thereof for each of the respective Districts has been determined as set forth in the Master Engineer's Report. Pursuant to the Master Assessment Report, the estimated cost of the Community Infrastructure, together with estimated financing costs, will be allocated to all of the Community Property specially benefited thereby, other than the Existing Development, which does not specially benefit from the Community Infrastructure. The Master Assessment Report also allocates such cost of the Community Infrastructure to each of the Planned Uses. In addition, the Master Assessment Report allocates the estimated cost of the District Infrastructure for each of the respective Districts, together with estimated financing costs, to the land in each District.

K. With respect to Community Infrastructure included in the CIP, each District has taken all actions required by applicable law to provide for the levy (in accordance with the Master Assessment Report) of a maximum aggregate amount of Community Infrastructure Assessments on Community Property specially benefited by the Community Infrastructure (excluding the Existing Development, which does not specially benefit from the Community Infrastructure) to pay (all or any portion) of the Community Infrastructure Indebtedness, as shown in the Master Assessment Report. In connection with Community Infrastructure, each of the Districts recognizes that because the ultimate Planned Uses to be developed in each District are not now known, other than with respect to the Existing Development, as development of the Community Property occurs and Community Infrastructure Indebtedness is issued, the Community Infrastructure Assessments will be further allocated in accordance with the Master Assessment Report to the Planned Uses actually developed within the Community Property specially benefitting from the Community Infrastructure, which excludes the Existing Development.

L. Each District has also taken all actions required by applicable law to provide for the levy (in accordance with the Master Assessment Report) of a maximum aggregate amount of District Infrastructure Assessments to be levied on the District Lands in each District, as shown in the Master Assessment Report. In connection with District Infrastructure, each of the Districts recognizes that because the ultimate Planned Uses to be developed in each District are not now known, other than with respect to the Existing Development, as development of the Community Property occurs and District Infrastructure Indebtedness is issued, the District Infrastructure Assessments will be further allocated to the Planned Uses actually developed within the Community Property in the applicable District, in each case, in accordance with the Master Assessment Report.

M. The Districts have undertaken the Community Infrastructure Assessment Proceedings to impose the Community Infrastructure Assessments on the developable Districts Lands in their boundaries specially benefited by the Community Infrastructure (which excludes the Existing Development) in accordance with the Master Assessment Report and have undertaken the proceedings required by applicable law to impose District Infrastructure Assessments on the developable Districts Lands in their respective boundaries specially benefited by the applicable District Infrastructure in accordance with the Master Assessment Report.

N. The Districts have approved, or will approve, a form of a Public Infrastructure Master Indenture pursuant to which the Issuer will (1) issue the Community Infrastructure Bonds from time to time on behalf of the Districts to finance and refinance the Community Infrastructure, secured by and payable from the revenues pledged thereto as described in the Public Infrastructure Master Indenture executed and delivered by the Issuer and the trustee named therein, and (2) issue bonds from time to time, at the request, and on behalf of, the applicable District Infrastructure District to finance and refinance a particular District Infrastructure project, secured by and payable from the revenues pledged thereto as described in the Public Infrastructure Master Indenture executed and delivered by the Issuer and the trustee named therein. Each District Infrastructure District may also use a Public Infrastructure Master Indenture to issue its own District Infrastructure Indebtedness to finance its District Infrastructure.

O. In the event a District other than District No. 5 is subsequently designated as the Issuer with respect to Public Infrastructure Indebtedness in the manner provided for herein, such District may assume the duties and obligations of District No. 5 under any Public Infrastructure Master Indenture executed by District No. 5 and/or execute and deliver a separate Public Infrastructure Master Indenture with respect to any Public Infrastructure Indebtedness to be issued by such District.

P. The Districts hereby determine, for the reasons more fully set forth herein, that it is preferable to delegate authority to the Issuer to finance and refinance the Community Infrastructure and, under certain circumstances, their respective District Infrastructure, subject in all respects to certain retained rights of each District as described herein. The Districts hereby determine, for the reasons more fully set forth herein, that it is preferable to delegate authority to the Administration District to administer the collection and enforcement of Community Infrastructure Assessments related to Community Infrastructure Indebtedness issued by the Issuer and District Infrastructure Assessments related to District Infrastructure Indebtedness issued by the Issuer or a specific District, and to delegate authority to the Administration District to implement matters relating to the operation and maintenance of certain components of Public Infrastructure, as more fully set forth herein.

Q. Cooperation among the Districts is essential to the financing, operation and maintenance of the Public Infrastructure. The Districts hereby determine that having the Issuer act on their behalf with respect to the financing and refinancing of Public Infrastructure is necessary and desirable in serving the shared goal of the Districts in achieving economies of scale and of properly managing the acquisition, construction and financing of the Public Infrastructure. The Districts hereby determine that having the Administration District act on their behalf with respect to administrative matters relating to the collection and enforcement of Community Infrastructure Assessments and District Infrastructure Assessments and the operation and maintenance of certain components of Public Infrastructure, as herein described, is necessary and desirable in serving the shared goal of the Districts in achieving economies of scale, receiving the benefit of the knowledge of the Administration District and its staff and of properly managing the administration of the Public Infrastructure Indebtedness and operation and maintenance of certain components of the Public Infrastructure.

R. The Districts hereby further determine, with respect to the acquisition, construction and financing of Public Infrastructure, that it is not efficient or in the best interests of the Districts, the Community Property and applicable District Lands for each District to separately contract for, and supervise, discrete aspects of a Public Infrastructure project, and that it is preferable to have such Public Infrastructure project financed and refinanced by the Issuer, for the benefit of the Community Property specially benefitted thereby and applicable District Lands, subject to the reserved rights of each District with respect to its own District Infrastructure. Similarly, the Districts hereby determine that the operation and maintenance of Public Infrastructure owned by the Districts can be handled more efficiently for the benefit of the Community Property and applicable District Lands if the responsibility for overseeing such operation and maintenance is delegated to a single Administration District, subject to the reserved rights of each District with respect to its own District Infrastructure.

S. Pursuant to the Act, a community development district's authority to exercise its special powers may be expanded to real property lying outside the boundaries of that community development district, if the exercise of such power is authorized in an agreement between the community development district and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located or, among other matters, is the subject of a development approval issued by a governmental authority with jurisdiction in the district. The City/District Interlocal Agreement currently authorizes the exercise by each District of its authority outside of its boundaries (and outside the boundaries of all of the Districts) with respect to its own District Infrastructure. The City/District Interlocal Agreement also authorizes the exercise by District No. 1 of its authority outside of its boundaries (and outside the boundaries of all of the Districts) with respect to Community Infrastructure and any District Infrastructure it undertakes in addition to its own District Infrastructure. This Agreement authorizes the exercise by the Issuer and the Administration District of their authority as set forth in the Act with respect to Community Infrastructure and District Infrastructure outside of their respective boundaries, but within the boundaries of any of the other Districts. In addition, all or a portion of the plan of development for the Community Property, including all or a portion of the projects that will comprise the Public Infrastructure, has been, or will be, incorporated into a development order approved by the City. The Districts hereby determine that for the reasons set forth above and elsewhere in this Agreement, but subject to the last sentence of paragraph H above, that it will enhance the development plans for the Development if the Issuer and the Administration District exercise the powers, privileges and authority shared by each of the Districts as the same relates to the financing, operation and maintenance, as applicable, of Public Infrastructure.

T. Each District desires, by entering into this Agreement, to provide for the exercise of its separate constitutional and statutory duties, and, pursuant to the authority granted under Section 163.01, Florida Statutes, as amended and supplemented, to delegate to the Issuer and Administration District, as applicable, the authority to enter into contracts, undertake financings, perform services and otherwise take all actions necessary with respect to Public Infrastructure projects, subject to the terms and conditions hereof. Such delegation by each District to the Issuer and the Administration District, as applicable, is not intended to be an absolute permanent divestiture of the powers of each respective District, and such delegation shall cease and be of no force and effect upon the termination of this Agreement.

U. In furtherance of the foregoing, each Initial District has approved the initial retention of the Consulting Engineers, the Methodology Consultant and Bond Counsel.

V. The approval by all of the Districts, to the extent required with respect to any matters referenced herein to be approved or done by all of the Districts in the future, will be evidenced by proceedings of the respective Districts, each of which will separately and independently consider such matters, and, accordingly, such matters are subject to such proceedings being adopted by the Districts.

W. To facilitate development of the Development: (i) one or more Future Districts with jurisdiction over all or any portion of the Expanded Property may be established by the City or other applicable governmental authorities; (ii) the boundaries of one or more of the Initial Districts may be modified to include parts of the Expanded Property; and/or (iii) portions of the Expanded Property that are part of the Development may be located outside the boundaries of any District. If, and when a Future District is established, such Future District may become a party hereto by executing a Joinder, in such form and content as reasonably acceptable to general counsel to the Administration District. Upon execution of a Joinder by a Future District and the Administration District, on behalf of all other Districts such Future District shall become a party to this Agreement and the City/District Interlocal Agreement and shall be bound by all of the terms and provisions hereof and thereof.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and other considerations contained herein, and intending to be legally bound hereby, agree as follows:

ARTICLE I

RECITATIONS; AUTHORITY FOR THIS AGREEMENT AND DEFINITIONS

Section 1.01 Recitations; Authority. The recitations and findings set forth in the above Preliminary Statement are true and correct and are hereby incorporated herein by reference. The Districts are entering into this Agreement pursuant to the authority granted to each by the Act, the ordinances of the City establishing the Districts, Chapter 163, Part I, Florida Statutes and other applicable provisions of law.

Section 1.02 Definitions. In this Agreement (except as otherwise expressly provided or unless the context otherwise requires) the following terms shall have the meanings specified below:

“Act” shall mean the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended and supplemented.

“Administration District” shall mean initially, District No. 1 or any successor to or replacement of District No. 1 in the capacity of “Administration District,” as more fully provided for in this Agreement, including by Section 2.01(b) hereof.

“Annual Assessment Levy” shall mean the annual installments of Public Infrastructure Assessments to be levied on specially benefited Community Property (which excludes the Existing Development in the case of Community Infrastructure Assessments) and/or District Lands within each District to pay debt service on Public Infrastructure Indebtedness.

“Annual Budget” shall mean the final annual budget adopted by the Administration District for each Fiscal Year with respect to the Community O&M Infrastructure, which provides for the payment of anticipated operating and maintenance expenses.

“Annual District Maintenance and Administration Assessment Levy” shall mean the annual installments of District Maintenance and Administration Assessments to be levied on specially benefited District Lands in a Delegating District in accordance with the District Infrastructure Annual Budget adopted by the Delegating District and then in effect, taking into account any rates, fees, charges or other revenues generated by the District Infrastructure that may be available for that purpose.

“Bond Counsel” shall mean Greenspoon Marder, P.A. or any successor or substitute entity or firm as may be designated from time to time by the Issuer, on behalf of all the Districts, in which event it shall mean such successor or substitute.

“CIP” means the capital improvement program for Public Infrastructure to be adopted from time to time by the Districts, including by adoption of the Master Engineer’s Report, as same may be supplemented and amended from time to time.

“City” shall mean the City of Port St. Lucie, Florida.

“City/District Interlocal Agreement” shall mean that certain City/District Development Interlocal Agreement (Southern Grove) dated as of September 11, 2012, as same may be amended from time to time, entered into by the City and the Initial Districts and any Future District that executes a Joinder pursuant to which, among other matters, the City has currently granted to (i) each of the Districts the authority to exercise the powers granted to such district by the Act with respect to its own District Infrastructure project located outside of its boundaries (and outside the boundaries of any of the Districts), consistent with the Act and the local government comprehensive plan of the City and (ii) District No. 1 the authority to exercise the powers granted to such District by the Act with respect to any Community Infrastructure and District Infrastructure project located outside of its boundaries (and outside the boundaries of any of the Districts), consistent with the Act and the local government comprehensive plan of the City.

“Community Infrastructure” shall mean the infrastructure, facilities and services sized and planned to serve all of the developable Community Property, other than the Existing Development which does not specially benefit from such Community Infrastructure, as described in the Master Engineer’s Report.

“Community Infrastructure Annual Maintenance Assessment Levy” shall mean the annual installments of Community O&M Infrastructure Maintenance Assessments, not in excess of the Community Infrastructure Maximum Annual O&M Cost, to be levied on specially

benefited Community Property (which excludes the Existing Development) in accordance with the Community Infrastructure O&M Methodology and the Annual Budget adopted by the Administration District and then in effect, taking into account any rates, fees, charges or other revenues generated by the Community O&M Infrastructure that may be available for that purpose.

“Community Infrastructure Assessments” shall mean the non-ad valorem special assessments levied by the Districts on the developable Community Property specially benefited by the Community Infrastructure in connection with Community Infrastructure Indebtedness pursuant to the Community Infrastructure Assessment Proceedings (which excludes the Existing Development, which is not specially benefited by the Community Infrastructure).

“Community Infrastructure Assessment Proceedings” shall mean the proceedings required by applicable law, including approval of the Master Engineer’s Report and the Master Assessment Report, to impose non-ad valorem special assessments on the Community Property specially benefited by the Community Infrastructure (which excludes the Existing Development).

“Community Infrastructure Bonds” shall mean bonds issued by the Issuer from time to time on behalf of the Districts to finance and refinance the Community Infrastructure, secured by and payable from the revenues pledged thereto as described in a Public Infrastructure Master Indenture.

“Community Infrastructure Indebtedness” shall mean, collectively, the Community Infrastructure Bonds and any bonds or other obligations issued by the Issuer from time to time on behalf of the Districts to finance or refinance the Community Infrastructure.

“Community O&M Infrastructure Maintenance Assessments” shall mean the non-ad valorem assessments levied by the Districts on District Lands within their respective boundaries included in the Community Property and specially benefited by the Community O&M Infrastructure (which excludes the Existing Development).

“Community Infrastructure Maximum Allocation” shall mean the maximum amount of the Community Infrastructure Assessments allocated to the District Lands included in the Community Property (excluding the Existing Development which does not specially benefit from the Community Infrastructure) on a per acre basis, based upon the total cost of the Community Infrastructure, as set forth in the Master Assessment Report and any other applicable assessment methodologies relating to the Community Infrastructure.

“Community Infrastructure Maximum Annual O&M Cost” shall mean the estimated maximum aggregate annual cost of operating and maintaining the Community O&M Infrastructure (which cost may also include the annual administrative costs of the Districts).

“Community Infrastructure O&M Cost Report” shall mean the report prepared by the Consulting Engineers and updated from time to time describing the estimated Community Infrastructure Maximum Annual O&M Cost of operating and maintaining the Community O&M Infrastructure.

“Community O&M Infrastructure” shall mean that portion of the Community Infrastructure which the Districts, as opposed to other entities, will own and be responsible for operating and maintaining.

“Community Infrastructure O&M Methodology” shall mean the report prepared by the Methodology Consultant and updated from time to time describing the method for allocating the Community Infrastructure Maximum Annual O&M Cost to the District Lands included in the Community Property specially benefited by the Community O&M Infrastructure (which excludes the Existing Development).

“Community Property” shall mean, collectively, the developable District Lands in all of the Districts specially benefited by the Community Infrastructure, as such District Lands are described in the Master Engineer’s Report and Master Assessment Report (and which currently includes all of the developable District Lands in the Initial Districts other than the Existing Development, which does not specially benefit from the Community Infrastructure).

“Consulting Engineers” shall mean Arcadis US, Inc., or any successor or substitute engineers or firm as may be designated from time to time by the Issuer, on behalf of all the Districts, in which event it shall mean such successor or substitute.

“County” shall mean St. Lucie County, Florida.

“County’s Property Appraiser and Tax Collector” shall mean the Property Appraiser and Tax Collector of the County.

“County’s Tax Collector” shall mean the Tax Collector of the County.

“Delegating District” shall mean any District that may, from time to time and for specific periods of time, delegate to the Administration District the responsibility for operating and maintaining all or any portion of the District Infrastructure within the boundaries of the Delegating District.

“Delegation Infrastructure” shall mean, collectively, the Community O&M Infrastructure and any District Infrastructure for which operation and maintenance responsibility has been delegated to the Administration District in accordance herewith.

“Delegation Notice” shall mean the written notice from a Delegating District to the Administration District describing the District Infrastructure, or portions thereof, to be operated and maintained by the Administration District, the date on which such delegation shall commence and the date on which it shall terminate (which date maybe at any time upon reasonable notice from the Administration District).

“Development” or “Southern Grove” shall mean the mixed-use community within the boundaries of the Initial Districts or any Future District.

“District” shall mean one of the Initial Districts or Future Districts.

“Districts” shall mean, collectively, the Initial Districts and any Future Districts.

“District No. 1” shall mean Southern Grove Community Development District No. 1, established pursuant to the Act by the City.

“District No. 2” shall mean Southern Grove Community Development District No. 2, established pursuant to the Act by the City.

“District No. 3” shall mean Southern Grove Community Development District No. 3, established pursuant to the Act by the City.

“District No. 4” shall mean Southern Grove Community Development District No. 4, established pursuant to the Act by the City.

“District No. 5” shall mean Southern Grove Community Development District No. 5, established pursuant to the Act by the City through merger.

“District No. 6” shall mean shall mean Southern Grove Community Development District No. 6, established pursuant to the Act by the City.

“District Infrastructure” shall mean infrastructure, facilities and services sized and planned to serve only the District Lands within the boundaries of a specific District, as described in the Master Engineer’s Report.

“District Infrastructure Annual Budget” shall mean the final annual budget approved by each Delegating District for each Fiscal Year which provides for the payment of anticipated operating and maintenance expenses of the District Infrastructure within its boundaries and may also include the annual administration costs of the Delegating District.

“District Infrastructure Assessments” shall mean non-ad valorem special assessments levied on the developable District Lands in a District Infrastructure District in connection with the implementation of District Infrastructure and shall be deemed to include any non-ad valorem special assessments levied by any District Infrastructure District in connection with District Infrastructure Indebtedness.

“District Infrastructure Bonds” shall mean bonds issued by the Issuer from time to time, on behalf of a District Infrastructure District, or by a specific District Infrastructure District, to finance and refinance the related District Infrastructure project, secured by and payable from the revenues pledged thereto as described in a Public Infrastructure Master Indenture.

“District Infrastructure District” shall mean, individually, any of the Initial Districts that hereafter determines to implement District Infrastructure and any Future District that determines to implement District Infrastructure and executes a Joinder.

“District Infrastructure Districts” shall mean, collectively, each District Infrastructure District.

“District Infrastructure Indebtedness” shall mean, collectively, the District Infrastructure Bonds and any bonds or other obligations issued by the Issuer from time to time, on behalf of the applicable District Infrastructure District, or by a specific District Infrastructure District, to finance or refinance a particular District Infrastructure project.

“District Lands” shall mean, with respect to a District, the land within the boundaries of that District.

“District Maintenance and Administration Assessments” shall mean the non-ad valorem assessments levied on District Lands within a Delegating District as provided herein and in the District Infrastructure Annual Budget.

“Expanded Property” shall mean lands hereafter added to the Southern Grove community that are within the boundaries of one or more Future Districts or included in the boundaries of one or more of the Initial Districts.

“Existing Development” shall mean that portion of the District Lands currently within the boundaries of District No. 5 defined and described as the “Existing Development” in the Master Assessment Report and the Master Engineer’s Report.

“Fiscal Year” shall mean the period commencing on October 1 of each year and ending on the following September 30.

“Future District” shall mean an additional community development district that may hereafter be established by the City or other appropriate governmental entity pursuant to the Act with jurisdiction over specified portions of the Expanded Property.

“Initial Districts” shall mean, collectively, District No. 1, District No. 2, District No. 3, District No. 4, District No. 5 and District No. 6.

“Issuer” shall mean, initially, District No. 5 or any successor to or replacement of District No. 5 in the capacity of “Issuer,” as more fully provided for in this Agreement, including by Section 2.01(b) hereof.

“Joinder” shall mean if, and when a Future District is established, the written instrument between such Future District and the Administration District, pursuant to which such Future District may become a party hereto.

“Master Assessment Report” shall mean that certain Amended and Restated Master Assessment Methodology Report for Public Infrastructure prepared by Fishkind & Associates, Inc., as Methodology Consultant, and approved by the Districts, as amended or supplemented from time to time.

“Master Engineer’s Report” shall mean that certain Amended and Restated Master Engineer’s Report for Public Infrastructure prepared by Arcadis US, Inc., as Consulting Engineers, and approved by the Districts, as amended or supplemented from time to time.

“Methodology Consultant” shall mean Fishkind & Associates, Inc. or any successor or substitute analysts or firm as may be designated from time to time by the Issuer, on behalf of all the Districts, in which event it shall mean such successor or substitute.

“Public Infrastructure” shall mean, collectively, the Community Infrastructure and the District Infrastructure.

“Public Infrastructure Assessments” shall mean, collectively, the Community Infrastructure Assessments and District Infrastructure Assessments.

“Public Infrastructure Indebtedness” shall mean, collectively, the Community Infrastructure Indebtedness and District Infrastructure Indebtedness.

“Public Infrastructure Master Indenture” shall mean, collectively, (i) one or more Master Trust Indentures between the Issuer (including as assignee of a District previously serving as the Issuer hereunder) and the trustee named therein pursuant to which the Issuer will issue Community Infrastructure Bonds and District Infrastructure Bonds from time to time, as same may be amended, and as same will be supplemented to evidence the issuance of particular series of Community Infrastructure Bonds and/or District Infrastructure Bonds; and (ii) one or more Master Trust Indentures between a District Infrastructure District and the trustee named therein, pursuant to which the District Infrastructure District will issue its District Infrastructure Bonds from time to time, as same may be amended, and as same will be supplemented to evidence the issuance of particular series of District Infrastructure Bonds.

“Qualified Self Insurance” shall mean insurance maintained through a program of self insurance or insurance maintained with a company or association in which the Administration District has a material interest or of which the Administration District has control, either singly or with others and which is permitted by applicable provisions of the financing documents relating to Public Infrastructure Indebtedness.

“Term” shall mean the term of this Agreement.

ARTICLE II DELEGATION

Section 2.01 Certain Matters Relating to Community Infrastructure and Community Infrastructure Assessments.

(a) Subject to the terms and conditions hereof, the Districts hereby delegate to (i) the Issuer the authority to implement all matters relating to the financing and refinancing, acquisition and construction of the Community Infrastructure and to otherwise take all actions necessary or desirable with respect thereto, and (ii) the Administration District the authority to implement all matters relating to the collection and enforcement of the Community Infrastructure Assessments,

and to otherwise take all actions necessary or desirable with respect thereto. The foregoing shall include the delegation to the Administration District of the authority to administer the distribution of County or City impact fees and/or impact fee credits arising from the Community Infrastructure Improvements in accordance with the methodology approved by the Districts and the authority to accept payments and prepayments of Community Infrastructure Assessments and/or Community O&M Infrastructure Maintenance Assessments made directly by, or on behalf of, owners of specific parcels of benefited Community Property.

(b) The Districts hereby agree that District No. 5 shall initially serve as the Issuer for all purposes hereof. Such designation of District No. 5, and any subsequent designation of another District as the Issuer within the meaning of this Agreement, may be modified to designate another District as the Issuer by a written instrument executed on behalf of at least a majority of the Districts. In the event a District other than District No. 5 is designated as the Issuer in the manner as aforesaid, such District shall automatically be deemed to have the powers and authority delegated to, and obligations imposed on, the Issuer hereunder. In the event a District other than District No. 5 is subsequently designated as the Issuer with respect to Public Infrastructure Indebtedness, such District may assume the duties and obligations of District No. 5 under any Public Infrastructure Master Indenture executed by District No. 5 relating to outstanding Community Infrastructure Indebtedness and/or shall execute and deliver a separate Public Infrastructure Master Indenture with respect to any Public Infrastructure Indebtedness to be issued by such District. The Districts hereby agree that District No. 1 shall initially serve as the Administration District for all purposes hereof. Such designation of District No. 1, and any subsequent designation of another District as the Administration District within the meaning of this Agreement, may be modified to designate another District as the Administration District by a written instrument executed on behalf of at least a majority of the Districts. In the event a District other than District No. 1 is designated as the Administration District in the manner as aforesaid, such District shall automatically be deemed to have the powers and authority delegated to, and obligations imposed on, the Administration District hereunder.

(c) This Agreement shall serve as a grant to each of the Districts of the authority to exercise the powers granted to such District by the Act with respect to any Community Infrastructure and District Infrastructure projects located outside of its boundaries but within the boundaries of any of the other Districts, consistent with the Act and the local government comprehensive plan of the City. If it is necessary to facilitate the exercise by the Issuer (when other than District No. 1) of the powers granted to it by the Act outside the boundaries of any of the Districts, such Issuer, with the cooperation of the other Districts, shall seek to have the City/District Interlocal Agreement amended to grant to it the necessary authority, consistent with the Act and the local government comprehensive plan of the City.

(d) To facilitate the issuance of Public Infrastructure Bonds to finance and refinance Community Infrastructure, the Districts other than the Issuer hereby agree that they shall automatically be deemed to have joined in each Public Infrastructure Master Indenture, as supplemented by each Public Infrastructure Supplemental Indenture relating to Community Infrastructure Indebtedness, to the same extent as if they had executed a written joinder thereto, in order to assent to the terms and conditions of, and agree to be bound by, such Public Infrastructure Master Indenture, as supplemented in connection Community Infrastructure Indebtedness.

Section 2.02 Operation and Maintenance of Community Infrastructure. Subject to the terms and conditions hereof, the Districts hereby delegate to the Administration District the authority to implement all matters relating to the operation and maintenance of the Community Infrastructure, including entering into contracts, levying and collecting non-ad valorem assessments, performing services and otherwise taking all actions necessary or desirable with respect to the operation and maintenance of the Community Infrastructure, and by execution hereof, the Administration District is deemed to accept such delegation. Notwithstanding anything to the contrary herein, amounts payable to the Administration District hereunder for the costs related to the operation and maintenance of Community Infrastructure will include only payment for actual and direct expenses paid by the Administration District to unrelated parties (including for this purpose employees), and will not include amounts representing a profit.

Section 2.03 District Infrastructure Districts.

(a) Subject to the terms and conditions hereof, each of the District Infrastructure Districts hereby delegate to the Issuer the authority to implement all matters relating to the financing, refinancing, acquisition and construction of District Infrastructure to serve District Lands in its boundaries, and by execution of this Agreement, the Issuer is deemed to accept such delegation, subject to the reserved rights of each District to implement its own District Infrastructure. The determination by any District to finance or refinance District Infrastructure to serve its District Lands shall be evidenced by separate proceedings of the applicable District (including approval of related or supplemental engineer's reports and assessment methodologies and adoption of related or supplemental assessment resolutions as required by law) and written notice to the Issuer, if it is intended for the Issuer to issue District Infrastructure Indebtedness to finance or refinance such District Infrastructure.

(b) In addition to the foregoing, pursuant to Article VI hereof, any District may elect to delegate to the Administration District the responsibility to operate and maintain District Infrastructure projects relating to that District, subject to the acceptance of such delegation by the Administration District. The foregoing shall include the delegation to the Administration District of the authority to administer the distribution of County or City impact fees and/or impact fee credits arising from applicable District Infrastructure projects in accordance with a methodology approved by the District in which such District Infrastructure projects are located.

(c) Notwithstanding the terms of this Agreement, the governing body of any District may elect to construct, acquire, finance, refinance, operate and maintain any District Infrastructure project for the District itself.

(d) Notwithstanding any other provision of this Agreement to the contrary, in connection with the financing and refinancing of District Infrastructure relating to a particular District by the Issuer and the operation and maintenance of District Infrastructure relating to a particular District by the Administration District, this Agreement shall constitute a separate interlocal agreement under Section 163.01, Florida Statutes, as amended and supplemented between such District and the Issuer and the Administration District, respectively.

Section 2.04 Consultants.

(a) The Issuer, on its own behalf and on behalf of the other Districts, is hereby authorized and directed, throughout the Term of this Agreement, to continuously retain, at the expense of the Districts, individuals or firms to serve as Consulting Engineers, Methodology Consultant and Bond Counsel to the Districts, which individuals or firms shall be authorized to take all action delegated to such individuals or firms in this Agreement, a Public Infrastructure Master Indenture, or in any similar document authorizing and evidencing indebtedness of the Districts or as directed by the Issuer.

(b) The Districts will share in the payment of the fees and expenses of retaining such consultants, to the extent related to the Community Infrastructure, Community Infrastructure Indebtedness and/or the Community Infrastructure Assessments, proportionately, in accordance with the Community Infrastructure Assessment Proceedings. The Districts will share in the payment of the fees and expenses of retaining such consultants, to the extent related to the operation and maintenance of the Community Infrastructure, proportionately, in accordance with the Community Infrastructure Maximum Annual O&M Cost allocated to each of the Districts as described in Article V hereof.

(c) Each District, alone, will be responsible for the fees and expenses for the services of the Consulting Engineers, Methodology Consultant and/or Bond Counsel which relate to the financing of District Infrastructure by such District (whether by the Issuer or a specific District Infrastructure District) and which relate to the operation and maintenance of District Infrastructure for such District (whether by the Administration District or a specific District Infrastructure District).

ARTICLE III OWNERSHIP OF PUBLIC INFRASTRUCTURE: ACQUISITION, CONSTRUCTION AND FINANCING OF PUBLIC INFRASTRUCTURE

Section 3.01 Ownership of Public Infrastructure. The Issuer is hereby deemed to declare (and, to the extent such action may be required, is hereby deemed to agree to undertake all assignments, conveyances, grants, and transfers necessary to accomplish such declaration) that any and all Public Infrastructure that is financed or refinanced by Public Infrastructure Indebtedness issued by the Issuer and (a) is not owned by governmental entities other than the Issuer, (b) is physically located within the District Lands of a District other than the Issuer, and (c) is dedicated, assigned, conveyed, or otherwise transferred to or in the name of the Issuer, shall be deemed held by the Issuer for the beneficial ownership, use, and benefit of the District in which such Public Infrastructure is physically located. Each District Infrastructure District is hereby deemed to declare (and, to the extent such action may be required, is hereby deemed to agree to undertake all assignments, conveyances, grants, and transfers necessary to accomplish such declaration) that any and all District Infrastructure that is financed or refinanced by District Infrastructure Indebtedness issued by the applicable District Infrastructure District and (a) is not owned by governmental entities other than the Issuer, (b) is physically located within the District Lands of a District other than the Issuer, and (c) is dedicated, assigned, conveyed, or otherwise

transferred to or in the name of the Issuer, shall be deemed held by the Issuer for the beneficial ownership, use and benefit of the applicable District Infrastructure District. No further dedication, rededication, assignment, reassignment, conveyance, grant, transfer, or retransfer shall be necessary to give effect to this provision. In the event the District boundaries of any of the Districts are modified, then, without further action by any District, all Public Infrastructure financed or refinanced by the Issuer and all District Infrastructure financed or refinanced by a District Infrastructure District shall be deemed held by the Issuer or District Infrastructure District, as applicable, for the beneficial ownership, use, and benefit of the District in which such Public Infrastructure is physically located following such boundary modification. Subject to the first sentence of this Section 3.01, each District shall be entitled to record, as an asset on its balance sheet, the allocation of the cost of the Public Infrastructure to the District Lands within its respective boundaries, as such allocation is set forth in the applicable assessment methodologies.

Section 3.02 Power and Authority of Issuer.

(a) The Districts hereby delegate to the Issuer the power and authority, on behalf of itself and the other Districts, to finance, refinance, acquire (on behalf of the applicable District) and construct the Public Infrastructure, and to take all actions deemed necessary and appropriate by the Issuer to accomplish the same, subject in all respects to the specific delegation of authority set forth in Article II hereof with respect to the Community Infrastructure and the District Infrastructure, as applicable. By way of example and not limitation, such power and authority shall include, in addition to the power and authority elsewhere delegated in this Agreement, the following:

(i) the hiring of a project manager or managers to supervise the planning, permitting, design and construction of all or any portion of the Public Infrastructure;

(ii) the letting of contracts related to the planning, permitting, design, and construction of the Public Infrastructure and the hiring of all consultants and professionals in connection therewith;

(iii) the determination of the phasing of construction of the Public Infrastructure and the times at which construction of the Public Infrastructure and all components thereof shall be commenced and be completed;

(iv) the determination to acquire Public Infrastructure pursuant to one or more purchase and sale agreements to be entered into between the owner thereof and the Issuer and/or the determination of taking assignments from such owner of construction contracts initially entered into for the construction of certain Public Infrastructure, in either case, on behalf of itself and the other applicable Districts, consistent with this Agreement. The Districts each agree to join in the applicable purchase and sale agreements and/or assignments at the request of the Issuer;

(v) the sale, lease, license, encumbrance or other disposition of all or any portion of the Public Infrastructure, subject to applicable restrictions in any financing documents or instruments relating to the Public Infrastructure Indebtedness;

(vi) the approval, upon advice of the Consulting Engineers, of modifications to the Master Engineer's Report to ensure that the same accurately describes the Community Infrastructure and the District Infrastructure needed to serve the District Lands through build-out or which the Issuer otherwise determines is in the best interests of the Districts and District Lands and/or the applicable District Infrastructure District and related District Lands, including, without limitation, revised cost estimates, changed construction phasing and timing, or additions or deletions of components of the Community Infrastructure and/or District Infrastructure, subject to the applicable provisions of Section 7.01 and Section 7.02 hereof;

(vii) whether to finance or refinance all or any portion of the Community Infrastructure through Community Infrastructure Indebtedness and, in connection therewith, to establish one or more subsidiary entities, to retain trustees, investment bankers, underwriters, credit enhancers, disclosure counsel, insurers, accountants, and other persons or entities and to take all such other acts as deemed necessary or helpful in connection with any such financing;

(viii) at the written direction of a District Infrastructure District, the financing or refinancing of all or any portion of the District Infrastructure through District Infrastructure Indebtedness and, in connection therewith, whether to establish one or more subsidiary entities, to retain trustees, investment bankers, underwriters, credit enhancers, disclosure counsel, insurers, accountants, and other persons or entities and to take all such other acts as deemed necessary or helpful in connection with any such financing;

(ix) the times at which the Issuer shall issue Public Infrastructure Indebtedness;

(x) whether to issue Public Infrastructure Indebtedness in one or more series;

(xi) the security to be pledged to the Public Infrastructure Indebtedness, which may include Special Assessments or Benefit Special Assessments (in each case, as authorized and defined by the Act and applicable law) levied on the applicable portions of specially benefited Community Property and/or District Lands as a result of all or a portion of the Public Infrastructure, in the manner provided for herein, including by Article IV below (subject to the consent of the applicable District Infrastructure District, in the case of District Infrastructure);

(xii) the entering into assignment and acquisition agreements, indentures of trust, credit enhancement agreements, continuing disclosure agreements, and any other documents or instruments the Issuer deems necessary or desirable in connection with such Public Infrastructure Indebtedness. To the extent applicable consistent herewith, each District agrees to enter into financing documents and instruments at the request of the Issuer; and

(xiii) the approval, in consultation with the Methodology Consultant, the Issuer's general counsel and Bond Counsel, of such modifications to any of the financing documents and instruments theretofore entered into by the Issuer and/or the other Districts in connection with the Public Infrastructure Indebtedness that the Issuer determines is in the best interests of the applicable Districts and the applicable Community Property and/or District Lands, as the case may be (subject to the consent of the applicable District Infrastructure District, in the case of District Infrastructure). To the extent applicable consistent herewith, each District agrees to enter into any written modifications to such financing documents and instruments at the request of the Issuer.

ARTICLE IV

LEVY AND COLLECTION OF ASSESSMENTS FOR PUBLIC INFRASTRUCTURE INDEBTEDNESS

Section 4.01 Community Infrastructure Assessments.

(a) Each of the Districts represents that it has taken all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 170, Florida Statutes and Chapter 197, Florida Statutes, to provide for the levy of the Community Infrastructure Assessments on District Lands within its boundaries specially benefited by the Community Infrastructure (which excludes the Existing Development) for the purpose of paying all or any portion of the principal of, interest on, and redemption price, if any, of the Community Infrastructure Indebtedness secured, all or in part, by revenues derived from Community Infrastructure Assessments issued to finance and refinance the Community Infrastructure.

(b) Community Infrastructure Assessments shall be levied by each of the Districts in an aggregate amount equal to the Community Infrastructure Maximum Allocation. For purposes of determining the "Community Infrastructure Maximum Allocation," the total cost of the Community Infrastructure shall be deemed to include the estimated cost of the Community Infrastructure described in the Master Engineer's Report, together with any financing costs described in the Master Assessment Report, inclusive of all "costs," as defined in Section 190.003(7) of the Act.

(c) Although each of the Districts shall thus determine and generally authorize Community Infrastructure Assessments for the Community Infrastructure Maximum Allocation, the Districts each hereby delegate to the Issuer the power, as it issues Community Infrastructure Indebtedness from time to time, to determine certain matters with respect to Community Infrastructure Assessments, the revenues derived from which are pledged to such Community Infrastructure Indebtedness, including, without limitation, the power to determine the portion of the Community Infrastructure Maximum Allocation to be collected, the annual installments, if any, in which such sums may be collected, the prepayment provisions, discounts, collection fees, interest rates, and other matters necessary or useful in connection therewith. In addition, the Districts each hereby delegate to the Administration District the power to determine certain other matters relating to the collection and enforcement of Community Infrastructure Assessments,

including, without limitation, the power to determine the portion of the Community Infrastructure Maximum Allocation to be allocated to Planned Uses actually developed within the Community Property (excluding the Existing Development), subdivision adjustment and other matters necessary or useful in connection with the allocation, collection and enforcement of Community Infrastructure Assessments.

(d) In furtherance of the foregoing, contemporaneously with its issuance of any Community Infrastructure Indebtedness, the Issuer shall notify the Administration District in writing of the issuance thereof and promptly provide the Administration District with a transcript of the proceedings relating thereto, including any supplements to the Master Assessment Report and Master Engineer's Report, the applicable Public Infrastructure Master Indenture and any other information required or reasonably requested by the Administration District in order to effectuate its allocation, collection and enforcement of the Community Infrastructure Assessments. The Administration District agrees to assist the Issuer in complying with the applicable requirements of each Public Infrastructure Master Indenture pertaining to Community Infrastructure Assessments to be collected by the Administration District, including, without limitation, by remitting to the Issuer or the trustee named in the applicable Public Infrastructure Master Indenture (with a written accounting to the Issuer) any Community Infrastructure Assessments it collects (including through enforcement of collection of delinquent Community Infrastructure Assessments) with respect to specific Community Infrastructure Indebtedness.

(e) If any Community Infrastructure Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if any of the Districts shall be satisfied that Community Infrastructure Assessments levied by it are so irregular or defective that the same cannot be enforced or collected, or any of the Districts shall have omitted to make such Community Infrastructure Assessments when it might have done so, such District shall either (1) take all necessary steps to cause new Community Infrastructure Assessments to be made by it, or (2) in its sole discretion, make up the amount of such Community Infrastructure Assessments from its legally available moneys, which moneys shall be remitted to the Administration District for deposit to the applicable funds and accounts established for the Community Infrastructure Indebtedness by the instruments providing for the issuance of the same. In case such second Community Infrastructure Assessments shall be annulled, the applicable District shall obtain and make Community Infrastructure Assessments until valid Community Infrastructure Assessments shall be made.

Section 4.02 District Infrastructure Assessments.

(a) Each of the District Infrastructure Districts represents that it has taken all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 170, Florida Statutes and Chapter 197, Florida Statutes, to provide for the levy of the District Infrastructure Assessments on District Lands within its boundaries specially benefited by its District Infrastructure for the purpose of paying all or any portion of the principal of, interest on, and redemption price, if any, of the District Infrastructure Indebtedness secured, all or in part, by revenues derived from District Infrastructure Assessments issued to finance and refinance the applicable District Infrastructure.

(b) District Infrastructure Assessments shall be levied by the applicable District Infrastructure District in accordance with the applicable assessment proceedings relating to such District Infrastructure Assessments. Although the District Infrastructure District imposing District Infrastructure Assessments shall thus determine and generally authorize such District Infrastructure Assessments, the applicable District Infrastructure District shall be deemed to delegate to the Issuer, subject to its reserved rights, the implementation of certain matters relating to such District Infrastructure Assessments from time to time, including, without limitation, the power to determine, at the time it issues District Infrastructure Indebtedness, the annual installments, if any, in which such sums may be collected, the prepayment provisions, discounts, collection fees, interest rates, subdivision adjustments and other matters necessary or useful to the collection of District Infrastructure Assessments related to District Infrastructure Indebtedness, in all cases, in a manner consistent with the applicable assessment proceedings relating to such District Infrastructure Assessments and the Master Assessment Report. In addition, each District Infrastructure District is hereby deemed to delegate to the Administration District, subject to its reserved rights, the power to determine certain matters relating to the collection and enforcement of District Infrastructure Assessments relating to District Infrastructure Indebtedness, including, without limitation, the power to determine the portion of the District Infrastructure Assessments to be allocated to Planned Uses actually developed within the Community Property in a District Infrastructure District, in a manner consistent with the applicable assessment proceedings relating to such District Infrastructure Assessments and the Master Assessment Report.

(c) If any District Infrastructure Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if any of the Districts shall be satisfied that its District Infrastructure Assessments are so irregular or defective that the same cannot be enforced or collected, or any of the Districts shall have omitted to make such District Infrastructure Assessments when it might have done so, such District Infrastructure District shall either (1) take all necessary steps to cause new District Infrastructure Assessments to be made by it, or (2) in its sole discretion, make up the amount of such District Infrastructure Assessments from its legally available moneys, which moneys shall be remitted to the Administration District, if applicable, to be applied, or otherwise applied by the District Infrastructure District, for deposit to the applicable funds and accounts established for the District Infrastructure Indebtedness by the instruments providing for the issuance of the same. In case such second District Infrastructure Assessments shall be annulled, the applicable District Infrastructure District shall obtain and make new District Infrastructure Assessments until valid District Infrastructure Assessments shall be made.

Section 4.03 Public Infrastructure Assessments. Subject to the Community Infrastructure Assessment Proceedings, including the Community Infrastructure Maximum Allocation, and the applicable proceedings undertaken by the District Infrastructure Districts with respect to the District Infrastructure Assessments levied in their respective boundaries, in addition to the power and authority delegated elsewhere herein to the Issuer and the Administration District, as applicable, the Districts hereby delegate to the Issuer and the Administration District, as applicable, the power and authority to provide for the levy, allocation, collection and enforcement of the Public Infrastructure Assessments, so that the Public Infrastructure Assessments and any other revenues pledged to Public Infrastructure Indebtedness are received as and when needed to pay the principal of, interest on, and redemption price, if any,

of the indebtedness to which such Public Infrastructure Assessments and/or other revenues are pledged, and to take all other actions necessary and desirable in connection therewith. Such power and authority shall include, by way of example and not limitation, the following:

(a) in the case of the Issuer, the power and authority to determine whether to levy the Public Infrastructure Assessments from time to time as either non-ad valorem special assessments or non-ad valorem benefit assessments or a combination of the foregoing;

(b) in the case of the Issuer, as the Issuer issues Public Infrastructure Indebtedness from time to time to fund one or more Public Infrastructure projects, the power and authority to determine the security to be pledged thereto and related debt service requirements, the adoption of necessary assessment resolutions establishing the total Public Infrastructure Assessments for that project, and the prepayment provisions, discounts, collection fees, interest rates and other matters necessary or useful to the levy of the Public Infrastructure Assessments and/or the issuance of Public Infrastructure Indebtedness;

(c) in the case of the Administration District, the power and authority, in connection with Public Infrastructure Indebtedness, to determine the portion of Public Infrastructure Assessments to be allocated to Planned Uses actually developed within the Community Property (excluding the Existing Development), the Annual Assessment Levy, subdivision adjustments and other matters necessary or useful to the levy and collection of the Public Infrastructure Assessments, in each case consistent with the Master Assessment Report;

(d) in the case of the Administration District, the power and authority to decide to bill and collect all or any portion of the Public Infrastructure Assessments from time to time directly by the Administration District or on the tax bill pursuant to the Uniform Method of Collection provided by the Act and Chapter 197, Florida Statutes or pursuant to a combination of the foregoing methods and the entering into of agreements with the Property Appraiser and Tax Collector for the County in connection therewith;

(e) in the case of the Administration District, the power and authority to enforce remedies provided by the Act and other applicable law with respect to the collection of delinquent Public Infrastructure Assessments relating to applicable District Lands, including the decision to purchase tax certificates relating to applicable District Lands on which delinquent Public Infrastructure Assessments remain due and owing and the enforcement of remedies provide by the Act and other applicable law with respect to the collection of other revenues securing Public Infrastructure Indebtedness; and

(f) in the case of the Issuer, the approval of such modifications to the Master Assessment Report and additional methodology reports relating to the Community Infrastructure and District Infrastructure as the Issuer determines, in consultation on with the Methodology Consultant, Issuer's general counsel and Bond Counsel, are in the best interests of the Districts and the applicable District Lands, including to conform to modifications of the Master Engineer's Report, and any additional reports of the Consulting Engineers, as applicable, relating thereto and made in accordance herewith, consistent with the allocation methodology set forth in the Master Assessment Report and subject to the Community Infrastructure Maximum Allocation and subject to Section 7.01 and Section 7.02 hereof.

Section 4.04 Annual Assessment Levy. Subject to Article VIII hereof, the Districts agree that, although the delegation herein is intended to confer complete authority for the Issuer and Administration District, as applicable, to levy, collect and enforce the Annual Assessment Levy without further action by the other Districts, if requested by the Issuer and/or the Administration District, the Districts shall promptly take all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 170, Florida Statutes and Chapter 197, Florida Statutes, to provide for the levy, in accordance with the applicable assessment methodologies, of the Annual Assessment Levy on District Lands within its boundaries specially benefited by the applicable Public Infrastructure.

Section 4.05 Nonpayment of Public Infrastructure Assessments. The Districts agree that if the uniform method of levy and collection of the Public Infrastructure Assessments is not utilized, and if any District Lands shall be offered for sale for the nonpayment of any Public Infrastructure Assessments, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Public Infrastructure Assessments (principal, interest, penalties and costs, plus attorney's fees, if any), the District within which such District Lands are located shall be obligated to use its legally available funds, if any, to purchase such District Lands for an amount equal to the balance due on the applicable Public Infrastructure Assessments (principal, interest, penalties and costs, plus attorney's fees, if any). Upon a failure to make such purchase, any of the other Districts may, but, shall not be obligated to, use their legally available funds, if any, to purchase, individually or jointly, on a pro rata basis among the purchasing Districts, such District Lands for an amount equal to the balance due on the Public Infrastructure Assessments (principal, interest, penalties and costs, plus attorney's fees, if any). In either case, the purchasing District(s) shall thereupon receive in its corporate name the title to the property purchased solely for the purpose of collecting the applicable delinquent assessments either through lease or sale. If purchased by one or more of the Districts, the Districts hereby delegate to the Administration District the authority, either through its own actions or actions caused to be done through an agent, to use its best efforts to lease or sell such District Lands, whether or not then owned by the Administration District, and to deposit all of the net proceeds of any such lease or sale into the appropriate funds and accounts created under the financing documents authorizing the issuance of the indebtedness to which such Public Infrastructure Assessments were pledged.

ARTICLE V

OPERATION AND MAINTENANCE OF COMMUNITY INFRASTRUCTURE: LEVY OF COMMUNITY O&M INFRASTRUCTURE MAINTENANCE ASSESSMENTS

Section 5.01 Operation and Maintenance of Community Infrastructure.

(a) Pursuant to Article II hereof, the Administration District shall implement all matters relating to the operation and maintenance of the Community Infrastructure. In furtherance thereof, the Districts shall instruct the (i) Consulting Engineers to prepare and, as appropriate, to from time to time update, the Community Infrastructure O&M Cost Report

describing the Community Infrastructure Maximum Annual O&M Cost with respect to the Community O&M Infrastructure and (ii) Methodology Consultant to prepare and, as appropriate, to from time to time update, a Community Infrastructure O&M Methodology describing the method for allocating the Community Infrastructure Maximum Annual O&M Cost to the District Lands specially benefited by the Community O&M Infrastructure (which excludes the Existing Development). The Community Infrastructure Maximum Annual O&M Cost, as determined by the Community Infrastructure O&M Cost Report, may include an automatic annual fixed percentage increase or an annual increase pegged to an index, to take into account the impact of inflation. In the absence of such Community Infrastructure O&M Report and Community Infrastructure O&M Methodology, the Administration District shall determine the Community Infrastructure Maximum Annual O&M Cost for each of the Districts based on a fair and proportional allocation, subject in all cases to approval of such allocation by all Districts so affected.

(b) The Districts may each review the Community Infrastructure O&M Cost Report and Community Infrastructure O&M Methodology, discuss any questions, comments or objections they may have with respect thereto with the Consulting Engineers and Methodology Consultant, and cause the Consulting Engineers and Methodology Consultant to make such changes to their reports as the Administration District, in consultation with the Consulting Engineers and Methodology Consultant, deems necessary and advisable. The Consulting Engineer and Methodology Consultant shall notify the Districts whenever it has determined that the Community Infrastructure O&M Cost Report and Community Infrastructure O&M Methodology are in a form suitable for approval and acceptance by the Districts. Each of the Districts agrees to thereafter promptly consider the Community Infrastructure O&M Cost Report and Community Infrastructure O&M Methodology for approval.

(c) The cost of operating and maintaining the Community O&M Infrastructure, including reasonable reserves for periodic repairs, renovations and renewals, shall be paid from Community O&M Infrastructure Maintenance Assessments levied and collected by the Districts on District Lands (excluding the Existing Development) and any rates, fees, charges or other revenue generated from such Community O&M Infrastructure, to the extent available for such purpose. In furtherance thereof; each of the Districts agrees that it will take all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 197, Florida Statutes, to provide for the perpetual annual levy of the Community O&M Infrastructure Maintenance Assessments on District Lands in its boundaries (excluding the Existing Development) in an amount equal to the proportionate share of the Community Infrastructure Maximum Annual O&M Cost allocated to such District Lands by the Community Infrastructure O&M Methodology. Although each of the Districts shall thus generally authorize the annual levy of Community O&M Infrastructure Maintenance Assessments in an amount not to exceed that District's proportionate share of the Community Infrastructure Maximum Annual O&M Cost, the Districts intend that the Administration District, pursuant to the delegation described in Section 5.02 below, will annually determine the actual budget for operating and maintaining the Community O&M Infrastructure, not in excess of the Community Infrastructure Maximum Annual O&M Cost, will determine the portion thereof to be paid from Community O&M Infrastructure Maintenance Assessments and will levy and collect such amounts from the District Lands (excluding the Existing Development), in accordance with the Community Infrastructure O&M Methodology.

(d) The Districts agree, upon the request of the Administration District, to promptly take all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 170, Florida Statutes and Chapter 197, Florida Statutes, to provide for the levy, in accordance with the Community Infrastructure O&M Methodology and the Annual Budget, of the Community Infrastructure Annual Maintenance Assessment Levy on District Lands in its boundaries (excluding the Existing Development). The foregoing shall not be construed as limiting the Administration District's authority to take action on behalf of itself and the other Districts pursuant to this Agreement, including this subsection.

Section 5.02 Delegation to Administration District. Each of the Districts hereby delegates to the Administration District the power and authority, on behalf of itself and the other Districts, to operate and maintain the Community O&M Infrastructure, and to collect and enforce the Community O&M Infrastructure Maintenance Assessments in connection therewith, and to take all action necessary or desirable in connection therewith. Such power and authority shall include, by way of example and not limitation, the following:

(a) the retention of third parties to operate, maintain and manage all or any portion of the Community O&M Infrastructure;

(b) the determination of the level of service at which the Community O&M Infrastructure and any portions thereof will be operated and maintained;

(c) the development of rules, regulations, policies and procedures, including setting rates, fees and charges, for use of the Community O&M Infrastructure;

(d) the development and approval of an Annual Budget, in consultation with the Consulting Engineers, for the Community O&M Infrastructure;

(e) the adoption of assessment resolutions establishing the Community Infrastructure Annual Maintenance Assessment Levy in accordance with the Community Infrastructure O&M Methodology and the Annual Budget adopted by the Administration District and then in effect, which Community Infrastructure Annual Maintenance Assessment Levy shall allocate to each of the Districts 100% of the cost of operating and maintaining each such District's allocable share of the cost of operating and maintaining the Community Infrastructure that is part of the Community O&M Infrastructure, as such allocable share is established by the Community Infrastructure O&M Methodology;

(f) the decision to bill and collect all or any portion of the Community O&M Infrastructure Maintenance Assessments from time to time directly by the Administration District or on the tax bill pursuant to the Uniform Method of collection provided by the Act and Chapter 197, Florida Statutes or pursuant to a combination of the foregoing methods and the entering into of agreements with the County's Property Appraiser and Tax Collector in connection therewith; and

(g) the enforcement of remedies provided by the Act and other applicable law with respect to the collection of delinquent Community O&M Infrastructure Maintenance

Assessments relating to Community Property, including the decision to purchase tax certificates relating to Community Property on which delinquent Community O&M Infrastructure Maintenance Assessments remain due and owing.

ARTICLE VI DISTRICT INFRASTRUCTURE

Section 6.01 Operation and Maintenance of District Infrastructure. Each Delegating District may, from time to time and for specific periods of time, delegate to the Administration District the responsibility for operating and maintaining all or any portion of the District Infrastructure within the boundaries of the Delegating District. Such election shall be evidenced by the delivery of a Delegation Notice to the Administration District by a Delegating District. The acceptance or rejection by the Administration District of such delegation shall be in the sole discretion of the Administration District and shall be evidenced in writing to the Delegating District. In the event that the Administration District accepts such delegation, the provisions of Section 6.02, 6.03 and 6.04 below shall apply.

Section 6.02 District Infrastructure Annual Budget. On or before October 1 of each year, each Delegating District shall adopt a final District Infrastructure Annual Budget for the upcoming Fiscal Year which provides for the payment of anticipated operating and maintenance expenses of the District Infrastructure within its boundaries and may also include the annual administration costs of the Delegating District. A copy of the District Infrastructure Annual Budget shall be supplied promptly upon the approval thereof to the Administration District. If for any reason a Delegating District shall not have adopted its District Infrastructure Annual Budget on or before the first day of any Fiscal Year, the District Infrastructure Annual Budget for the preceding Fiscal Year shall, until the adoption of a new District Infrastructure Annual Budget, be deemed in force for the ensuing Fiscal Year. Each Delegating District may at any time adopt an amended or supplemental District Infrastructure Annual Budget for the remainder of the current Fiscal Year, subject to any contractual commitments made in reliance upon a previously approved District Infrastructure Annual Budget and when such amended or supplemental District Infrastructure Annual Budget is approved it shall be treated as the official District Infrastructure Annual Budget hereunder. Copies of any amended or supplemental District Infrastructure Annual Budget shall be filed with the Administration District.

Section 6.03 District Maintenance and Administration Assessments. Each Delegating District hereby delegates to the Administration District the power and authority, on behalf of itself, to operate and maintain the District Infrastructure described in the Delegation Notice, and to collect and enforce District Maintenance and Administration Assessments in connection therewith on District Lands within the Delegating District as provided herein and in the District Infrastructure Annual Budget, and to take all action necessary or desirable in connection therewith. Such power and authority shall include, by way of example and not limitation, the following:

(a) the retention of third parties to operate, maintain and manage all or any portion of the District Infrastructure described in the Delegation Notice;

(b) the determination of the level of service, consistent with the District Infrastructure Annual Budget, at which the District Infrastructure described in the Delegation Notice will be operated and maintained;

(c) the development of rules, regulations, policies and procedures, including for the collection of rates, fees and charges consistent with the District Infrastructure Annual Budget, for use of the District Infrastructure described in the Delegation Notice;

(d) the adoption of assessment resolutions establishing the Annual District Maintenance and Administration Assessment Levy, taking into account any rates, fees, charges or other revenues generated by the District Infrastructure that may be available for that purpose;

(e) the decision to bill and collect all or any portion of the District Maintenance and Administration Assessments from time to time directly by the Administration District or on the tax bill pursuant to the Uniform Method of collection provided by the Act and Chapter 197, Florida Statutes or pursuant to a combination of the foregoing methods and the entering into of agreements with the County's Property Appraiser and Tax Collector in connection therewith; and

(f) the enforcement of remedies provided by the Act and other applicable law with respect to the collection of delinquent District Maintenance and Administration Assessments relating to District Lands within the Delegating District, including the decision to purchase tax certificates relating to such District Lands on which delinquent District Maintenance and Assessment Assessments remain due and owing.

Section 6.04 Cooperation of Delegating District. Each Delegating District agrees, upon the request of the Administration District, to promptly take all actions, including adopting all required resolutions and publishing all required notices, as required by the Act and applicable law, including Chapter 170, Florida Statutes and Chapter 197, Florida Statutes, to provide for the levy, in accordance with the District Infrastructure Annual Budget, of the Annual District Maintenance and Administration Assessment Levy on District Lands within its boundaries. The foregoing shall not be construed as limiting the Administration District's authority to take such actions on behalf of itself and the other Delegating Districts in accordance with Section 6.03.

Section 6.05 Termination of Operation and Maintenance Obligations. Notwithstanding anything to the contrary herein, the Administration District may choose at any time to terminate its responsibility for operating and maintaining any District Infrastructure, upon 90 days prior written notice to the applicable Delegating District, at which time the Administration District shall have no further obligations hereunder with respect to such District Infrastructure.

ARTICLE VII RETENTION OF CONSTITUTIONAL AND STATUTORY AUTHORITY

Section 7.01 Construction. It is the intention of each District to delegate authority to the Issuer and the Administration District, as applicable, to the greatest extent legally permissible and consistent with the terms hereof, as will assist in the most efficient acquisition, financing, refinancing, construction, ownership, operation and maintenance of the Public Infrastructure in accordance herewith. This Agreement should be liberally construed in favor of granting the maximum delegated authority to the Issuer and the Administration District, as applicable, consistent with the constitutional and statutory limits placed on such delegations of authority. It is the intention of each District and each District's governing body that it and they have properly retained their respective constitutional and statutory duties and responsibilities by each separately legislatively approving:

(a) in the case of the Districts, the Master Engineer's Report and any additional engineer's reports specifying the Community Infrastructure and the total estimated cost thereof (excluding financing and related costs identified in the related assessment methodologies);

(b) in the case of the District Infrastructure Districts, the Master Engineer's Report and any additional engineer's reports specifying the applicable District Infrastructure for their respective District Lands and the total estimated cost thereof (excluding financing and related costs identified in the related assessment methodologies);

(c) in the case of the Districts, the Community Infrastructure Assessment Proceedings, including the Master Assessment Report and any additional assessment methodology reports establishing the total estimated cost of the Community Infrastructure, including financing and related costs, and specifying the Community Infrastructure Maximum Allocation to each of the Districts and the method by which the Community Infrastructure Assessments that will be allocated to the District Lands, together with any additional assessment methodologies related thereto, thus assuring that each of the Districts has approved the allocation of the Community Infrastructure Assessments to District Lands in its boundaries (excluding the Existing Development);

(d) in the case of the Districts, if applicable, the Community Infrastructure O&M Cost Report setting forth the plans for operating and maintaining the Community O&M Infrastructure and establishing the Community Infrastructure Maximum Annual O&M Cost;

(e) in the case of the Districts, if applicable, the Community Infrastructure O&M Methodology specifying the manner in which the Community Infrastructure Maximum Annual O&M Cost will be allocated, first, to each of the Districts and, then, within the District Lands within each of the Districts (excluding the Existing Development), thus assuring that each of the Districts has approved the percentage of the Community O&M Infrastructure Maintenance Assessments that will become part of that District's Community Infrastructure Annual Maintenance Assessment Levy;

(f) in the case of the Districts, the approval of this Agreement and amendments thereto;

(g) in the case of the Districts and District Infrastructure Districts, the form of the Public Infrastructure Master Indenture and/or other master financing documents pursuant to which the Community Infrastructure Indebtedness and District Infrastructure Indebtedness will be issued;

(h) in the case of the District Infrastructure Districts, the final pricing terms of any District Infrastructure Indebtedness issued to finance and refinance any District Infrastructure project; and

(i) record-keeping and reporting with respect to the Public Infrastructure, Public Infrastructure Assessments, Community O&M Infrastructure Maintenance Assessments, and Public Infrastructure Indebtedness.

Section 7.02 Approval of Districts Required for Certain Matters. Consistent with each District's retained powers described in Section 7.01(a) above, but without negating the general intent to delegate authority to the Issuer and the Administration District, as applicable, to the extent permissible as set forth above, no District as described below shall be bound by any of the following unless such District has, through its governing body, approved same:

(a) in the case of the Districts, a change in the scope of the projects that materially alters the nature or location of the Community Infrastructure unless such change is either: (1) authorized or required by a development order issued by a local government pursuant to Section 380.06 or 380.061, Florida Statutes; or (2) is the subject of an agreement between the Issuer and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located;

(b) in the case of the District Infrastructure Districts, a change in the scope of the District Infrastructure for a specific District that materially alters the nature or location of the applicable District Infrastructure project unless such change is either: (1) authorized or required by a development order issued by a local government pursuant to Section 380.06 or 380.061, Florida Statutes; or (2) is the subject of an agreement between the Issuer or District Infrastructure District and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located;

(c) any increase in the total cost, including financing and related costs, of the Community Infrastructure, if such increase, together with any other increases implemented after the date hereof, would result in increasing the Community Infrastructure Assessments that may be levied against the Community Property in excess of the applicable maximum amount approved by the Districts or any increase in the total cost, including financing and related costs, of the District Infrastructure for a District, as applicable, if such increase, together with any other increases implemented after the date hereof, would result in increasing the District Infrastructure Assessments in a specific District that may be levied against the Community Property in that District in excess of the applicable maximum amount approved by such District;

(d) any increase in the Community Infrastructure Assessments in excess of the Community Infrastructure Maximum Allocation to Community Property or any increase in the District Infrastructure Assessments levied by any District with respect to District Infrastructure;

(e) in the case of the Districts, any increase in the allocation of Community O&M Infrastructure Maintenance Assessments to any District to operate and maintain Community O&M Infrastructure in excess of that District's proportionate share as established pursuant to the Community Infrastructure O&M Methodology;

(f) in the case of the Districts, any increase in the Community Infrastructure Maximum Annual O&M Cost of the Community O&M Infrastructure if such increase, together with any other increases implemented after the date hereto would result in increasing the Community O&M Infrastructure Maintenance Assessments that may be levied each year against Community Property by an amount, in the aggregate, in excess of ten percent (10%) more than the Community Infrastructure Maximum Annual O&M Cost established by the Community Infrastructure O&M Cost Report (i.e., 10% above the fixed or index pegged increases to adjust for inflation);

(g) any decision to incur obligations on behalf of the Districts with respect to the planning, permitting, design, acquisition and construction of any Public Infrastructure other than from proceeds of Public Infrastructure Indebtedness or funds provided by third parties;

(h) any increase in an Annual District Maintenance and Administration Assessment Levy in excess of the amount approved in the District Infrastructure Annual Budget then in effect as approved by the Delegating District;

(i) the replacement of any of the firms initially selected as identified herein to act as Consulting Engineers, Methodology Consultant and Bond Counsel to the Districts if, as to any District, the replacement firm could not be selected by a majority of the governing body of that District because same would constitute a conflicting contractual relationship pursuant to Section 112.313(7), Florida Statutes;

(j) any change in the terms of the District Infrastructure Indebtedness relating to the financing of District Infrastructure on behalf of a requesting District Infrastructure without the express written consent of such District; or

(k) any amendment to, or early termination of, the City/District Interlocal Agreement (other than the automatic amendments contemplated by such instruments to make each Future District executing a Joinder a party thereto and the amendment contemplated by Section 2.01(c)) and any amendment to this Agreement.

ARTICLE VIII
COVENANTS AND AGREEMENTS OF THE DISTRICTS

Section 8.01 Covenants of Issuer and Administration District. Subject to Article VII and Section 8.01(b), the Issuer and the Administration District, as applicable, is hereby deemed to make the following covenants and agreements with the other Districts:

(a) the Administration District shall establish and enforce reasonable rules and regulations, in accordance with the Act, governing the use and operation of the Delegation Infrastructure. The Administration District shall operate, use (on a non-exclusive basis) and maintain the Delegation Infrastructure in accordance with the Act and all other applicable federal and State laws, rules and regulations, shall maintain and operate the Delegation Infrastructure in an efficient and economical manner, shall at all times maintain the same in good repair and in sound operating condition, and shall make all necessary repairs, renewals and replacements. Notwithstanding the foregoing, the permitted use by the Administration District of the Delegation Infrastructure shall in no way impede the use and enjoyment of such Delegation Infrastructure by the other Districts.

(b) Except as otherwise provided in this subsection (b), the Administration District will carry or cause to be carried, in respect of the Delegation Infrastructure, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth herein. At all times, to the extent commercially available, the Administration District shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the Administration District determines will afford adequate protection against loss caused by damage to or destruction of any component of Delegation Infrastructure. All policies providing the insurance coverages required by this subsection (b) shall designate the Administration District as the loss-payee and shall be made payable to the Administration District. All net proceeds received from property damage or casualty insurance and all net proceeds received from the condemnation of Delegation Infrastructure or any part thereof; to the extent pledged as security for Public Infrastructure Indebtedness, shall be deposited at the option of the Administration District, but subject to the limitations hereinafter described, either (i) into a separate fund to be established for such purpose, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) in accordance with requirements of the financing documents relating to the Public Infrastructure Indebtedness. The Administration District shall be entitled to provide all or a portion of the insurance coverage required by this subsection through Qualified Self Insurance, provided that the requirements hereinafter set forth in this subsection (b) are satisfied. In the event that the financing documents relating to Public Infrastructure Indebtedness provide other requirements with respect to any portion of the Public Infrastructure, such requirements shall be automatically deemed to supersede the requirements of this subsection (b) with respect to such portion of the Public Infrastructure. If insurance proceeds or condemnation awards received by the Administration District as a result of damage, destruction or condemnation of Delegation Infrastructure are not governed, as to its disposition, by either the financing documents related to

Public Infrastructure Indebtedness and are not governed by the terms of any Qualified Self Insurance or other insurance policy, the Administration District shall disburse such proceeds allocably to the Districts, in the same proportions in which each District contributed toward the payment of such infrastructure.

(c) The Administration District shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Delegation Infrastructure, the Community Infrastructure Assessments, the District Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, the Community O&M Infrastructure Maintenance Assessments, any District Maintenance and Administration Assessments, the Community Infrastructure Indebtedness, and any District Infrastructure Indebtedness, which, together with all other books and records of the Administration District, including, without limitation, insurance policies relating to the Delegation Infrastructure, shall at all times be subject to the inspection of the other Districts during regular business hours. The Administration District covenants that all such books of record and account will be kept according to Generally Accepted Accounting Principles for governmental accounting consistently applied.

(d) The reports and budget of the Administration District hereunder shall relate to the Fiscal Year of the Districts unless and until, in accordance with applicable law, a different Fiscal Year is established for the Districts. On or before the first day of each Fiscal Year, the Administration District shall adopt a final Annual Budget for such Fiscal Year with respect to the Community O&M Infrastructure, which provides for the payment of anticipated operating and maintenance expenses. A copy of the Annual Budget shall be supplied promptly upon the approval thereof to the other Districts. If for any reason the District shall not have adopted the Annual Budget on or before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the new Annual Budget, be deemed in force for the ensuing Fiscal Year. The Administration District may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it shall be treated as the official Annual Budget hereunder. Copies of such amended or supplemental Annual Budget shall be filed with the other Districts.

(e) No later than 365 days after the end of each Fiscal Year, the Administration District will cause an audit to be made by an independent firm of certified public accountants selected as provided in Section 11.45, Florida Statutes, covering all Public Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, Community O&M Infrastructure Maintenance Assessments and District Maintenance and Administration Assessments received by the Administration District. Copies of such audit reports shall be filed with the applicable Districts.

(f) The Administration District shall annually, within 365 days after the close of each Fiscal Year, file with the other Districts, a copy of an annual report for such year, prepared in accordance with generally accepted accounting principles by a firm of Independent (as defined in the Public Infrastructure Master Indenture) certified public accountants, relating to its operations and including, without limitation, statements in reasonable detail of financial condition as of the end of such Fiscal Year and income and expenses for such Fiscal Year relating to the Delegation

Infrastructure, and a summary of the receipts of Public Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, Community Infrastructure Assessments, District Infrastructure Assessments, Community O&M Infrastructure Maintenance Assessments, District Maintenance and Administration Assessments, and disbursements thereof during such Fiscal Year, and the amounts held in any fund or account of the Administration District and any funds and accounts established under any financing instrument relating to Public Infrastructure Indebtedness at the end of such Fiscal Year.

(g) The Administration District shall file with the other Districts annually within 365 days after the close of each Fiscal Year a certificate of an officer of the Administration District setting forth (i) a description in reasonable detail of the insurance then in effect pursuant to the requirements hereof and that the Administration District has complied in all material respects with such requirements, (ii) whether during such year any material part of the Delegation Infrastructure has been damaged or destroyed or taken through condemnation and, if so, the amount of insurance proceeds covering such loss or damage or condemnation award covering such taking and specifying the reasonable and necessary replacement costs, and (iii) whether or not to the knowledge of the signatory, the Administration District is in default with respect to any of the covenants, agreements or conditions on its part contained herein, and if so, the nature of such default.

(h) The Administration District shall provide for or otherwise require the Delegation Infrastructure and all parts thereof to be (i) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the District Lands specially benefited thereby; and (ii) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

(i) The Issuer shall comply, and the Administration District shall assist the Issuer in complying, to the extent practicable, with all covenants and agreements of the Issuer in any financing documents relating to Public Infrastructure Indebtedness.

(j) The Issuer and the Administration District, as applicable, shall apply Public Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, Community O&M Infrastructure Maintenance Assessments, and District Maintenance and Administration Assessments received by it only for the purposes provided herein and shall not enter into any contract or contracts or take any action inconsistent with the provisions hereof.

(k) The Issuer and the Administration District covenant to each of the Districts that any power, duty, obligation, service or responsibility delegated to it, as applicable, by any of the Districts shall be effected only in accordance with applicable constitutional and statutory law.

Section 8.02 Covenants of Districts. The Districts hereby covenant and agree with one another as follows:

(a) In the event that any District other than the Administration District collects any Public Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, Community O&M Infrastructure Maintenance Assessments, and District Maintenance and Administration Assessments, to the extent they are within the scope of this Agreement, including

any delinquencies thereof, it shall immediately remit such amounts to the Administration District to permit the Issuer to discharge its obligations with respect to the Public Infrastructure Indebtedness to which such assessments are pledged and the Administration District to discharge its obligations hereunder to maintain the Delegation Infrastructure.

(b) The Districts agree to levy non-ad valorem assessments on District Lands within their respective boundaries (excluding the Existing Development) in amounts sufficient to pay their proportionate share, in accordance with the allocation of operation and maintenance costs set forth in the Community Infrastructure O&M Methodology, of all municipal or governmental charges lawfully levied or assessed upon all or any part of the Community O&M Infrastructure when the same shall become due, upon request from the Administration District with accompanying invoices, and to promptly remit such amounts to the Administration District.

(c) Each District Infrastructure District agrees to levy non-ad valorem assessments on District Lands within their respective boundaries in amounts sufficient to pay their share of all municipal or governmental charges lawfully levied or assessed upon all or any part of the District Infrastructure included in the Delegation Infrastructure when the same shall become due, upon request from the Administration District with accompanying invoices, and to promptly remit such amounts to the Administration District.

(d) Except as otherwise permitted herein or by any financing document or instrument relating to Public Infrastructure Indebtedness, no District shall create or suffer to be created any lien or charge upon the Public Infrastructure or upon non-ad valorem assessments, to the extent they are within the scope of this Agreement, except the lien and charge of the Public Infrastructure Indebtedness to which such assessments are pledged.

(e) The Districts agree that none of the Public Infrastructure Assessments, any revenues securing Public Infrastructure Indebtedness, Community O&M Infrastructure Maintenance Assessments, and District Maintenance and Administration Assessments, levied and/or collected by them shall be used for any purpose other than as provided herein and no contract or contracts shall be entered into or any action taken by any District which will be inconsistent with the provisions hereof.

(f) The fees and expenses for all goods and services, including the fees payable consultants, professionals, and experts, incurred by the Issuer and/or the Administration District in connection with this Agreement or in connection with Public Infrastructure Indebtedness and/or the City/District Interlocal Agreement and the expenses incurred by the Issuer and the Administration District in fulfilling its obligations hereunder or in connection therewith, including with respect to maintaining any insurance policies required hereby or by the financing documents relating to Public Infrastructure Indebtedness, shall, to the extent the same are treated for accounting purposes as operating expenses as opposed to capital be shared on a proportionate basis by the Districts. Accordingly to the extent such fees and expenses relate to (i) the Community Infrastructure (which shall be deemed to include matters relating to this Agreement and the City/District Interlocal Agreement) and/or Community Infrastructure Indebtedness, they shall be shared on a proportionate basis by the Districts in accordance with the allocation set forth in the Community Infrastructure O&M Methodology; or (ii) District Infrastructure or District Infrastructure Indebtedness, they shall be borne by the applicable District Infrastructure

District. The other Districts shall remit their share of such fees and expenses to the Administration District promptly upon receipt of invoices for such costs in accordance with the foregoing.

(g) For so long as any Public Infrastructure Indebtedness is outstanding, unless otherwise provided by the Act, each District for which such Public Infrastructure Indebtedness relates shall maintain its corporate existence as a local unit of special purpose government under the Act.

(h) The Districts agree to take such further action as may be required to carry out the purposes of this Agreement, to permit the Issuer to comply with its obligations under any financing documents relating to Public Infrastructure Indebtedness and to comply with its obligations under the City/District Interlocal Agreement and to permit the Issuer and the Administration District, as applicable, to comply with any requirements of the City imposed in connection with any development orders relating to Southern Grove that can be satisfied by any of the Districts.

ARTICLE IX

TERM: TERMINATION

Section 9.01 Term of this Agreement. The Term shall commence on the date on which the Districts execute this Agreement, and, unless extended or earlier terminated as provided herein, shall terminate on the date that is last to occur of (a) fifty years from the date hereof, and (b) the date on which all Public Infrastructure Indebtedness used to finance or refinance all or part of any Public Infrastructure, including refinancings thereof, are no longer deemed Outstanding as defined in the financing documents related to such Public Infrastructure Indebtedness. The Term may be extended for additional successive one-year terms upon the written consent of all of the Districts provided no later than sixty (60) days prior to the expiration of the then current Term.

Section 9.02 Termination of Term. The Term may be terminated as follows:

(a) Upon the failure of the Issuer or the Administration District, as applicable, to cure, or to be actively taking steps to cure, any default in its obligations hereunder within 180 days following receipt of written notice from all of the other Districts specifying the default and describing the steps required to be taken to remedy such default; or

(b) Upon the written consent of all of the Districts.

Section 9.03 Effect of Termination Upon Delegation Infrastructure. Upon the termination of the Term, the Administration District and any Delegating District may elect to continue to have the Administration District operate and maintain the Delegation Infrastructure of such Delegating District pursuant to a separate agreement.

ARTICLE X MISCELLANEOUS

Section 10.01 Validation. This Agreement is subject to validation by the Circuit Court in and for St. Lucie County, Florida pursuant to a final judgment.

Section 10.02 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement.

Section 10.03 Agreement Not Debt. This Agreement shall not constitute a debt, liability, or obligation of the State of Florida, the City, the County or any of the Districts, nor shall this Agreement constitute a pledge of the full faith, credit or taxing power of the State of Florida, the City, the County or any of the Districts.

Section 10.04 Notices. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with any of the Districts shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed to the applicable District as follows:

Southern Grove Community Development Districts
c/o Fishkind & Associates, Inc.
12051 Corporate Boulevard
Orlando, Florida 32817
Attention: District Manager

Any of the foregoing may, by notice sent to each of the other Districts, designate a different or additional address to which notices under this Agreement are to be sent.

Section 10.05 Approvals. Each party warrants and represents, with respect to itself, that neither the execution nor the performance of this Agreement requires any consent, vote or approval which has not been obtained, or at the appropriate time shall not have been given or obtained, nor shall it result in or constitute a breach or default under any indenture, contract or other commitment or restriction to which it is a party or by which it is bound.

Section 10.06 Cooperation. Whenever any review or approval is required by any party, such party agrees that such review or approval will be promptly conducted and concluded. Moreover, each party agrees that it will act reasonably in exercising its review and approval functions hereunder and no approval shall be unreasonably delayed nor withheld.

Section 10.07 Further Assurances. The parties hereto agree to execute any and all further instruments and documents and to take all such actions as may be reasonably required to carry out the terms of this Agreement and the transactions contemplated herein.

Section 10.08 Rights Cumulative. All rights, powers, remedies, benefits and privileges available to any party hereunder is in addition to and cumulative of any and all rights, powers, remedies, benefits and privileges available to such party under all other provisions of this Agreement, at law and in equity.

Section 10.09 Exhibits. All exhibits referred to in this Agreement and attached hereto are incorporated herein in full by this reference as if each exhibit were set forth in the body of this Agreement and duly executed by the parties hereto; provided, however, that when an exhibit is comprised of a separate agreement, only the signatories to such agreement shall be deemed to be parties to that agreement and the provisions of this section shall not be construed so as extend any rights to non-signatories of such agreement.

Section 10.10 No Partnership or Joint Venture. Nothing set forth in this Agreement shall be deemed or construed as creating a legal partnership nor a legal joint venture between the parties hereto nor any other party, nor shall it cause any party to be responsible in any way for the debts and obligations of any other party.

Section 10.11 Beneficiaries. This Agreement has been entered into for the sole benefit and protection of the parties hereto and no other person or entity shall have any right of action under the Agreement; provided, however, that the holders of Public Infrastructure Indebtedness shall be express third party beneficiaries of the covenants of the Districts herein relating to the levy, collection and enforcement of the Public Infrastructure Assessments pledged to Public Infrastructure Indebtedness owned by such holders.

Section 10.12 Governing Law. This Agreement shall be interpreted under the laws of the State of Florida and any legal proceeding arising out of or in connection with this Agreement shall be brought in the Circuit Court of St. Lucie County, Florida.

Section 10.13 Conflict Resolution. Prior to initiating any litigation under any of the covenants of this Agreement, the parties shall submit the dispute to the conflict resolution procedures provided by the Florida Governmental Conflict Resolution Act, Chapter 164, Florida Statutes.

Section 10.14 Legal Fees. In the event of any dispute hereunder or of any action to interpret or enforce this Agreement, any provision hereof or any matter arising herefrom, the prevailing party shall be entitled to recover its reasonable costs, fees and expenses, including, but not limited to, witness fees, expert fees, consultant fees, attorney, paralegal and legal assistant fees, costs and expenses and other professional fees, costs and expenses whether suit be brought or not, and whether in settlement, in any declaratory action, in mediation, arbitration, bankruptcy or administrative proceeding, or at trial or on appeal.

Section 10.15 No Waiver. No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligation specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof

Section 10.16 Assignment. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, personal representatives, successors and assigns. Notwithstanding the foregoing, this Agreement shall not be assignable by any party hereto without the express consent of all remaining parties to this Agreement, which consent may be withheld in the sole discretion of any such party.

Section 10.17 Headings. The headings inserted at the beginning of each paragraph are for convenience only and do not add to or subtract from the meaning of the contents of each paragraph.

Section 10.18 Time is of the Essence. Time is of the essence of this Agreement. Whenever under the terms and provisions of this Agreement the time for performance falls upon a Saturday, Sunday, or legal holiday, such time for performance shall be extended to the next business day.

Section 10.19 Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

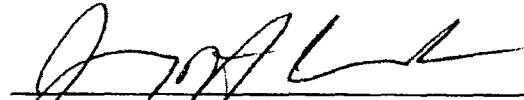
Section 10.20 Entire Agreement. This Agreement contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Any amendment to this Agreement shall not be binding upon any of the parties hereto unless such amendment is in writing and executed by the parties hereto.

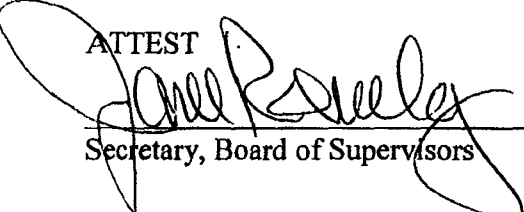
Section 10.21 Filing. This Agreement shall be filed with the Clerk of the Circuit Court of St. Lucie County, Florida for recording in the public records of the County and shall be deemed effective as of the date of such filing.

[Signatures on Following Page]

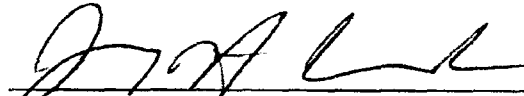
IN WITNESS WHEREOF, the parties have made and executed this Agreement on the respective dates under each signature through their respective Board of Supervisors, signing by and through their duly authorized representative.

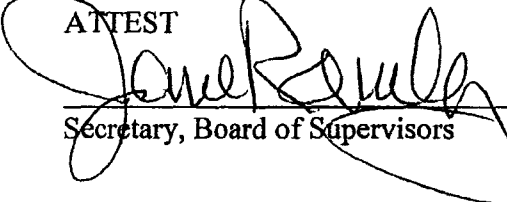
SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 1

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

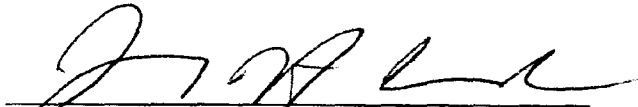
ATTEST

Secretary, Board of Supervisors

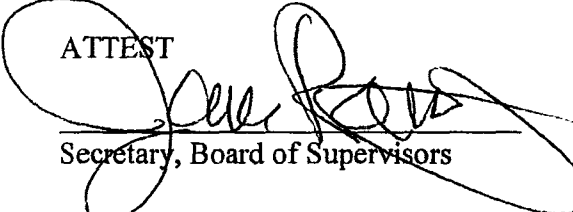
SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 2

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

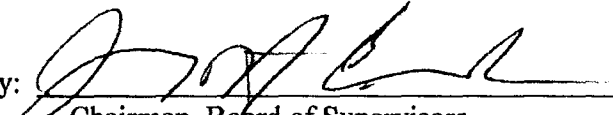
ATTEST

Secretary, Board of Supervisors

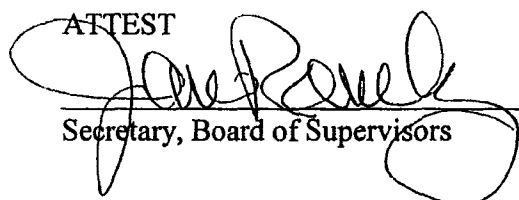
SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 3

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

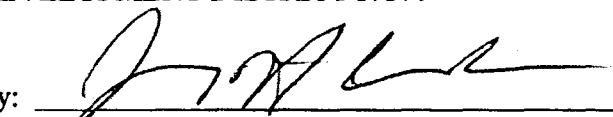
ATTEST

Secretary, Board of Supervisors

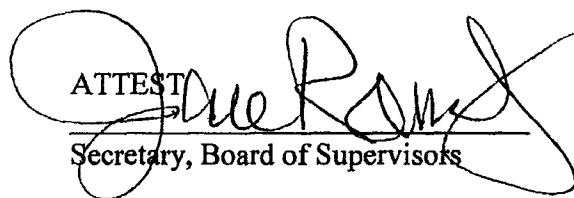
SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 4

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

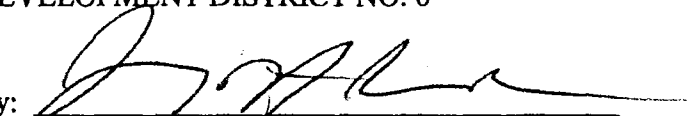
ATTEST

Secretary, Board of Supervisors

SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 5

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

ATTEST

Secretary, Board of Supervisors

SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT NO. 6

By: 
Chairman, Board of Supervisors
Date: July 9, 2013

ATTEST

Secretary, Board of Supervisors

FIRST AMENDMENT TO

**SECOND AMENDED AND RESTATED DISTRICT DEVELOPMENT
INTERLOCAL AGREEMENT**

BY AND AMONG

**SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 1,
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 2,
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 3,
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 4,
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5,
and
SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT
NO. 6**

**FIRST AMENDMENT TO SECOND AMENDED AND RESTATED
DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT**

This FIRST AMENDMENT TO SECOND AMENDED AND RESTATED DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT dated November 15, 2019 (this "First Amendment") amends the **SECOND AMENDED AND RESTATED DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT** amended and restated as of the 9th day of July, 2013 (the "District Development Interlocal Agreement") by and among **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 1** ("District No. 1"), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 2** ("District No. 2"), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 3** ("District No. 3"), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 4** ("District No. 4"), **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 5** ("District No. 5"), and **SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT NO. 6** ("District No. 6"), each a community development district established pursuant to Chapter 190, Florida Statutes (each of District No. 1, District No. 2, District No. 3, District No. 4, District No. 5, and District No. 6 are collectively referred to as the "Initial Districts" and such Initial Districts, together with any Future Districts that execute a Joinder [as such terms are defined in the District Development Interlocal Agreement], are sometimes hereinafter referred to individually as a "District" or, collectively, as the "Districts").

PRELIMINARY STATEMENT

A. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in Article I of the District Development Interlocal Agreement.

B. Each of the Initial Districts has heretofore adopted Resolution No. 2019-12, in the case of District No. 5, and joint Resolution No. 2019-14 in the case of the other Districts, which, among other matters, supplements the Community Infrastructure Assessment Proceedings to re-classify certain components of District Infrastructure for District No. 5 as Community Infrastructure, and, in the case of District No. 5, levies Community Infrastructure Assessments on the Existing Development, which was not subject to the Community Infrastructure Assessments previously levied by District No. 5 in connection with Community Infrastructure (the "Supplemental Community Infrastructure Assessment Proceedings").

C. In order to reflect the adoption of the Supplemental Community Infrastructure Assessment Proceedings, the Initial Districts desire to hereby amend the District Development Interlocal Agreement to modify the terms and conditions thereof as necessary to reflect that, as a result of the Supplemental Community Infrastructure Assessment Proceedings, including those undertaken by District No. 5, certain components of the District Infrastructure for District No. 5 have been re-classified as Community Infrastructure and, accordingly, the Existing Development will be subject to Community Infrastructure Assessments.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and other considerations contained herein, and intending to be legally bound hereby, agree as follows:

ARTICLE I

AMENDMENTS TO DISTRICT DEVELOPMENT INTERLOCAL AGREEMENT

Section 1.01. Amendments to District Development Interlocal Agreement. Notwithstanding anything to the contrary herein, the following provisions of the District Development Interlocal Agreement are hereby amended solely to reflect that the Existing Development is subject to Community Infrastructure Assessments and benefits from the Community Infrastructure, including the components of the District Infrastructure reclassified as Community Infrastructure pursuant to Resolution No. 2019-12 of District No. 5 adopted on August 1, 2019, and Joint Resolution No. 2019-14 adopted by District No. 1, District No. 2, District No. 3, District No. 4 and District No. 6 on August 1, 2019: (i) the findings set forth in Preliminary Statement paragraphs I, J, K, L, and M, (ii) the definitions set forth in Section 1.02 of Annual Assessment Levy, Community Infrastructure, Community Infrastructure Annual Maintenance Assessment Levy, Community Infrastructure Assessments, Community Infrastructure Assessment Proceedings, Community O&M Infrastructure Maintenance Assessments, Community Infrastructure Maximum Allocation, Community Infrastructure O&M Methodology, and Community Property, and (iii) Sections 4.01(a), 4.01(c), 4.03(c), 5.01(a), 5.01(c), 5.01(d), 7.01(c), 7.01(e), and 8.02(b). All provisions of the District Development Interlocal Agreement inconsistent with the foregoing are hereby superseded hereby and shall be of no further force and effect. Except as expressly amended hereby, the District Development Interlocal Agreement remains in full force and effect.

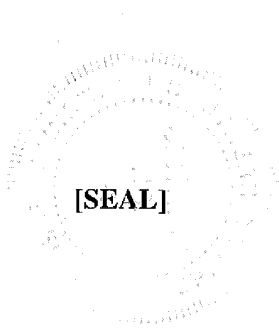
ARTICLE II

MISCELLANEOUS

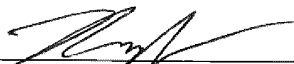
Section 2.01 Entire Agreement. This First Amendment contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect.

Section 2.02 Filing. This First Amendment shall be filed with the Clerk of the Circuit Court of St. Lucie County, Florida for recording in the public records of the County and shall be deemed effective as of the date of such filing.

IN WITNESS WHEREOF, the parties have made and executed this First Amendment on the respective dates under each signature through their respective Board of Supervisors, signing by and through their duly authorized representative.



**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT
DEVELOPMENT NO. 1**



Vice Chairman

ATTEST:



Asst. District Secretary



**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT
DEVELOPMENT NO. 2**

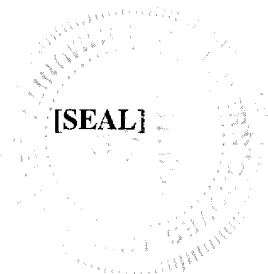


Chairman


ATTEST:



Asst. District Secretary



**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT
DEVELOPMENT NO. 3**

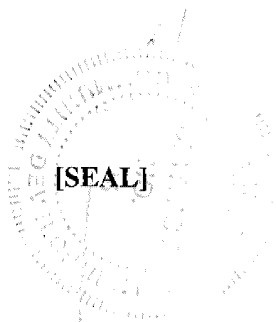


Chairman


ATTEST:



Asst. District Secretary

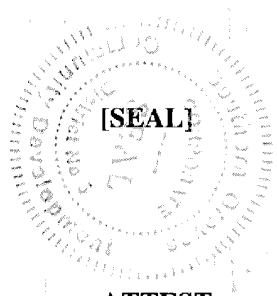


**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT
DEVELOPMENT NO. 4**


Vice Chairman

ATTEST:


District Secretary



**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT
DEVELOPMENT NO. 5**



Vice Chairman

ATTEST:


District Secretary



**SOUTHERN GROVE COMMUNITY
DEVELOPMENT DISTRICT
DEVELOPMENT NO. 6**


Vice Chairman

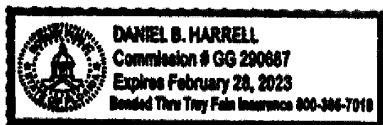
ATTEST:



District Secretary

STATE OF FLORIDA
COUNTY OF ST. LUISE

The foregoing First Amendment to Second Amended and Restated District Development Interlocal Agreement was acknowledged before me this 13th day of November, 2019, by David Russo and B. Frank Sakuma, Jr., as the Vice Chairman and Secretary of Southern Grove Community Development District Nos. 1, 2, 3, 4, 5, and 6, on behalf of the Districts. Both are personally known to me.

(SEAL)




Printed Name: DANIEL B. HARRELL
Notary Public-State of Florida
My Commission Expires: FEB. 28, 2023

APPENDIX G

AUDITED FINANCIAL STATEMENTS

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SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1
FINANCIAL STATEMENTS
September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southern Grove Community Development District 1
Port St. Lucie, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Southern Grove Community Development District 1 (the "District") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2022, on our consideration of Southern Grove Community Development District 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Southern Grove Community Development District 1's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated June 10, 2022 on our consideration of the District's compliance with requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation Standards established by the American Institute of Certified Public Accountants.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
June 10, 2022

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1 MANAGEMENT'S DISCUSSION AND ANALYSIS

The Southern Grove Community Development District 1 (the “District”) discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District’s financial activity and financial statements, (c) identify changes in the District’s financial position, (d) identify any material deviations from the District’s budget, and (e) identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current year’s activities, resulting changes and currently known facts, please read it in conjunction with the Auditor’s Report (beginning on page 1) and the District’s financial statements (beginning on page 5).

FINANCIAL HIGHLIGHTS

- Net position increased \$619,154.
- Total costs of all programs were \$37,402 in 2021 compared to \$75,555 in 2020.
- At September 30, 2021, the District’s governmental funds reported combined ending fund balance of 1,187,349.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities (pages 6 & 7) provide information about the activities of the District as a whole and present a longer-term view of the District’s finances. Fund Financial Statements begin on page 8. For governmental activities, these Statements tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the District’s operations in more detail by providing information about the District’s most significant funds.

REPORTING THE DISTRICT AS A WHOLE

Our analysis of the District as a whole begins on page 6. One of the most important questions asked about the District’s finances is, “Is the District as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These Statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used in most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two Statements report the District’s net position and changes in them. You can think of the District’s net position – the difference between assets and liabilities – as one way to measure the District’s financial health, or financial position. Over time, *increases* or *decreases* in the District’s net position, is one indicator of whether its *financial* health is improving or deteriorating.

Statement of Net Position

	2021	2020
Current assets	\$ 2,856,228	\$ 1,049,872
Capital assets	634,137	-
Total assets	<u>3,490,365</u>	<u>1,049,872</u>
Current liabilities	1,668,879	1,078,523
Deferred inflows of resources	1,230,983	-
Total liabilities	<u>2,899,862</u>	<u>1,078,523</u>
Net position		
Net invested in capital assets	(596,846)	-
Unrestricted	1,187,349	(28,651)
Total net position	<u>\$ 590,503</u>	<u>\$ (28,651)</u>

The District assets are made up of primarily current assets of \$634,137 and liabilities are mainly deferred inflows of resources in the amount of \$1,230,983.

Governmental Activities

In the Statement of Net Position and the Statement of Activities, the District has one activity. The changes in net position of governmental activities were \$619,154.

Change in Net Position

	2021	2020
Program revenues	\$ 655,490	\$ 20,486
General revenues	1,066	48,781
Total revenues	<u>656,556</u>	<u>69,267</u>
Expenses		
General government	37,402	77,555
Total expenses	<u>37,402</u>	<u>77,555</u>
Change in net position	619,154	(8,288)
Net position - beginning of year	(28,651)	(20,363)
Net position - end of year	<u>\$ 590,503</u>	<u>\$ (28,651)</u>

FUND FINANCIAL STATEMENTS

Governmental funds – all of the District’s services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs.

Governmental Type Funds

As of year-end, the governmental funds (as presented on page 8) reported a fund balance of \$1,187,349 compared to the beginning of the year (\$28,651). The General Fund experienced a net increase of \$1,216,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2021, the District had \$634,137 invested in construction in process. Construction in process has not completed as of September 30, 2021 and therefore is not depreciated to date. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Debt

As of September 30, 2021, the District had no debt.

ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND OTHER INFORMATION

For the fiscal year 2022, the District anticipates that the cost of general operations will remain fairly constant. In connection with the District's future infrastructure maintenance and replacement plan, the District Board has included in the budget, an estimate of those anticipated future costs and has assigned a portion of current available resources for that purpose.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and members with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District Finance Department at 2501A Burns Road, Palm Beach Gardens, Florida 33410.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF NET POSITION

September 30, 2021

ASSETS

Cash	\$ 2,832,952
Assessments Receivable	23,276
Capital Assets:	
Non-depreciable	<u>634,137</u>
TOTAL ASSETS	<u><u>\$ 3,490,365</u></u>

LIABILITIES AND NET POSITION

LIABILITIES

Accounts Payable	\$ 47,278
Due to Other Governments	719,198
Deferred Revenue	789,597
Deposits	<u>112,806</u>
TOTAL LIABILITIES	<u>1,668,879</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflow	<u>1,230,983</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u><u>2,899,862</u></u>

NET POSITION

Net Invested in Capital Assets	(596,846)
Unrestricted	<u>1,187,349</u>
TOTAL NET POSITION	<u><u>\$ 590,503</u></u>

The accompanying notes are an integral part of this financial statement

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1**STATEMENT OF ACTIVITIES****Year Ended September 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program</u>	<u>Net (Expense)</u>
		<u>Revenues</u>	<u>Revenues and</u>
		<u>Operating</u>	<u>Changes in Net</u>
		<u>Contributions</u>	<u>Position</u>
			<u>Governmental</u>
			<u>Activities</u>
Governmental Activities			
General Government	\$ 37,402	\$ 655,490	\$ 618,088
Total Governmental Activities	<u>\$ 37,402</u>	<u>\$ 655,490</u>	<u>618,088</u>
General Revenues:			
Investment Earnings			<u>1,066</u>
Total General Revenues			<u>1,066</u>
Change in Net Position			619,154
Net Position - October 1, 2020			<u>(28,651)</u>
Net Position - September 30, 2021			<u>\$ 590,503</u>

The accompanying notes are an integral part of this financial statement

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1

BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2021

ASSETS

Cash	\$ 2,832,952
Assessments Receivable	<u>23,276</u>
TOTAL ASSETS	<u><u>\$ 2,856,228</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 47,278
Due to Other Governments	719,198
Deferred Revenue	789,597
Deposits	<u>112,806</u>
TOTAL LIABILITIES	<u>1,668,879</u>

FUND BALANCE

Unassigned	<u>1,187,349</u>
TOTAL FUND BALANCE	<u>1,187,349</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 2,856,228</u></u>

The accompanying notes are an integral part of this financial statement

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2021

Total Governmental Fund Balances in the Balance Sheet, Page 8	\$ 1,187,349
Amount reported for governmental activities in the Statement of Net Position are different because:	
Deferred inflows are not financial resources and therefore are not reported in the governmental funds.	(1,230,983)
Capital asset used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Governmental capital assets	634,137
Net Position of Governmental Activities, Page 6	<u>\$ 590,503</u>

The accompanying notes are an integral part of this financial statement

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS
Year Ended September 30, 2021

REVENUE

Developer Contributions	\$ 1,865,120
On-Roll Assessments	21,353
Interest Income	<u>1,066</u>
TOTAL REVENUE	<u><u>1,887,539</u></u>

EXPENDITURES

General Government	37,402
Capital Outlay	<u>634,137</u>
TOTAL EXPENDITURES	<u><u>671,539</u></u>

**EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES**

1,216,000

FUND BALANCE

Beginning of Year	<u>(28,651)</u>
End of Year	<u><u>\$ 1,187,349</u></u>

The accompanying notes are an integral part of this financial statement

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS
Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds, Page 10	\$ 1,216,000
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Amount reported for governmental activities in the Statement of Activities
are different because:

Governmental funds do not recognize expenditures for deferred inflows from year to year. This is the change of the deferred inflows for the current period	(1,230,983)
--	-------------

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those assets
are depreciated over their estimated useful lives:

Capital outlay	634,137
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Change in Net Position of Governmental Activities, Page 7	<u>\$ 619,154</u>
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The accompanying notes are an integral part of this financial statement

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Southern Grove Community Development District 1 (the “District”) conform to generally accepted accounting principles as applicable to governments. The District was formerly known as Westchester Community Development District 1 and lawfully changed its name to Southern Grove Community Development District 1 effective August 14, 2006. The following is a summary of the more significant policies:

Reporting Entity

The District is an independent unit of special-purpose local government of the State of Florida created by law and established in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended by ordinance of St. Lucie County, Florida, effective on March 11, 2003 (date of inception) as amended. The Act provides for a five member Board of Supervisors to serve as the governing body of the District. The District has no component units. Its purpose is to manage and finance basic community development systems, facilities and services, including capital infrastructure.

Basis of Presentation

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and statement of activities, present information about the District as a whole. These statements include the nonfiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Major Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. All general tax revenue and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

Assessments

Assessments are non-ad valorem assessments on benefited lands within the District. Assessments are levied to pay for the operations and maintenance of the District. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments for operations are billed and collected by the County Tax Collector. The amounts remitted to the District are net of applicable discounts or fees and include interest on monies held from the day of collection to the day of distribution.

Equity Classifications

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change. Under GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are required to be reported according to the following classifications:

Non-Spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (continued)

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned Fund Balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Cash and Cash Equivalents

Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a “Qualified Public Depository,” which is a state insurance pool for banks and other financial institutions. The pool requires each bank to render as collateral a percentage of all state and local monies on deposit. Upon default of a particular financial institution within the pool, the pooled collateral is used to reinstate the state and local government deposits. This pool is additional insurance above the federal depository insurance. The District has cash deposits only with qualifying institutions as of September 30, 2021.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments (continued)

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

The District records all interest revenue related to investment activities in the respective funds and reports investments at fair value.

Credit Risk:

Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The District holdings are exempt from this requirement at September 30, 2021.

Interest Rate Risk:

Florida Statutes state that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. All holdings are currently liquid.

Concentration of Credit Risk:

GASB 40 requires disclosure when investments are more than 5% in any one issuer. All investments held by the District are exempt from this requirement.

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2021, the District is exempt from this requirement.

Fair Value Measurement - When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments (continued)

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- Level 1: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- Level 2: Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- Level 3: Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations (continued)

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

The statement of net position reports, as applicable, a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For example, the District would record deferred outflows of resources related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

The statement of net position reports, as applicable, a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For example, when an asset is recorded in the governmental fund financial statements, but the revenue is not available, the District reports a deferred inflow of resources until such times as the revenue becomes available.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Management Company

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE B - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

	Balance 10/1/2020	Increases	Decreases	Balance 09/30/2021
Governmental activities:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ -	\$ 634,137	\$ -	\$ 634,137
Total Capital Assets, not being Depreciated	-	634,137	-	634,137
Governmental Activities Capital Assets - Net	\$ -	\$ 634,137	\$ -	\$ 634,137

NOTE C - BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- Public hearings are conducted to obtain public comments.
- Prior to October 1, the budget is legally adopted by the District Board.
- All budget changes must be approved by the District Board.
- The budgets are adopted on a basis consistent with generally accepted accounting principles.
- Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE D - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and environmental remediation. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

The District is bound by an Inter-Local agreement where revenues and expenses are received and paid out of Southern Grove Community Development District 1 (SG 1), and revenues and expenses are allocated out of SG 1 to the other Districts (Southern Grove 2 through 6).

NOTE E – DEPENDENCY ON SUPPORT

The Districts activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District operations.

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL –
GENERAL FUND
Year Ended September 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUE				
Developer Contributions	\$ -	\$ 1,865,118	1,865,120	\$ 2
On-Roll Assessments	15,472	15,038	21,353	6,315
Interest Income	-	1,066	1,066	-
TOTAL REVENUE	<u>15,472</u>	<u>1,881,222</u>	<u>1,887,539</u>	<u>6,317</u>
EXPENDITURES				
Administrative	15,472	21,281	37,402	(16,121)
Capital Outlay	-	1,675,251	634,137	1,041,114
TOTAL EXPENDITURES	<u>15,472</u>	<u>1,696,532</u>	<u>671,539</u>	<u>1,024,993</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 184,690</u>	<u>\$1,216,000</u>	<u>\$ 1,031,310</u>

SOUTHERN GROVE COMMUNITY DEVELOPMENT DISTRICT 1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2021.

The variance between budgeted and actual general fund revenues is not considered significant. The actual general fund expenditures for the current fiscal year were lower than budgeted amounts due primarily to a decrease in costs during the current fiscal year.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

Board of Directors
Southern Grove Community Development District 1
Port St. Lucie, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Southern Grove Community Development District 1, as of September 30, 2021 and for the year ended, which collectively comprise the Southern Grove Community Development District 1's basic financial statements and have issued our report thereon dated June 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
June 10, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF
SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Directors
Southern Grove Community Development District 1
Port St. Lucie, Florida

We have examined the District's compliance with the requirements of Section 218.415, Florida Statutes with regards to the District's investments during the year ended September 30, 2021. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.



DiBartolomeo, McBee Hartley & Barnes, P.A.
Fort Pierce, Florida
June 10, 2022

Management Letter

Board of Directors
Southern Grove Development District 1
Port St. Lucie, Florida

Report on the Financial Statements

We have audited the financial statements of the Southern Grove Community Development District 1 as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 10, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those report, which are dated June 10, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Southern Grove Community Development District 1 reported:

- a. The total number of district employees compensated in the last pay period of the District's fiscal year as N/A.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 4.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as N/A.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$510,518.
- e. Each construction projects with a total cost of at least \$65,000 approved by the District that are scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$634,137.
- f. The District did not amend its final adopted budget under Section 189.016(6), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Southern Grove Community Development District 1 reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the District range from \$351 to \$625 per residential unit.
- b. The total amount of special assessments collected by or on behalf of the District as \$21,353.
- c. The total amount of outstanding bonds issued by the district as N/A.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



DiBartolomeo, McBee, Hartley & Barnes, P.A.

Fort Pierce, Florida

June 10, 2022

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APPENDIX H

MAPS OF PRIOR AND CURRENT BOUNDARIES

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