

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The District has deemed this Preliminary Limited Offering Memorandum "final," except for permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED MARCH 21, 2024

NEW ISSUE - BOOK-ENTRY ONLY  
LIMITED OFFERING

NOT RATED

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2024 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes, except as otherwise described herein under the caption "TAX MATTERS" and (b) not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2024 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

\$30,000,000\*  
SALTLEAF COMMUNITY DEVELOPMENT DISTRICT  
(LEE COUNTY, FLORIDA)  
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2024

Dated: Date of Issuance

Due: As set forth below

The Saltleaf Community Development District Capital Improvement Revenue Bonds, Series 2024 (the "Series 2024 Bonds") are being issued by the Saltleaf Community Development District (the "District") only in fully registered form, without coupons, in denominations of \$5,000 and any integral multiple thereof.

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

Proceeds of the Series 2024 Bonds will be applied to: (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Capital Improvement Plan (as defined herein); (ii) pay certain costs associated with the issuance of the Series 2024 Bonds; (iii) make a deposit into the Series 2024 Reserve Account to be held for the benefit of all of the Series 2024 Bonds; and (iv) pay a portion of the interest to become due on the Series 2024 Bonds. See "ESTIMATED SOURCES AND USES OF SERIES 2024 BOND PROCEEDS" herein.

The District, which is the issuer of the Series 2024 Bonds, is a local unit of special purpose government of the State of Florida (the "State"), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and established by Ordinance No. 23-16 of the Board of County Commissioners of Lee County, Florida (the "County"), adopted on June 20, 2023 and effective on June 21, 2023, as amended by Ordinance No. 23-31 adopted by the County on December 5, 2023 and effective on December 6, 2023 (collectively, the "Ordinance"). The Series 2024 Bonds are being issued pursuant to the Act, Resolution Nos. 2023-26 and 2024-08 adopted by the Board of Supervisors of the District (the "Board") on July 13, 2023 and March 8, 2024, respectively, and a Master Trust Indenture dated as of April 1, 2024 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of April 1, 2024 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and the Trustee. The Series 2024 Bonds are equally and ratably secured by the Series 2024 Trust Estate, without preference or priority of one Series 2024 Bond over another. The Series 2024 Pledged Revenues consist of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2024 Assessments (the "Series 2024 Pledged Revenues") and the Series 2024 Pledged Funds consist of all of the Funds and Accounts (except for the Series 2024 Rebate Account) established under the First Supplemental Indenture (the "Series 2024 Pledged Funds") which together shall constitute the Trust Estate securing the Series 2024 Bonds (the "Series 2024 Trust Estate"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS."

The Series 2024 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2024 BONDS - Redemption Provisions" herein.

NEITHER THE SERIES 2024 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE. THE SERIES 2024 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE 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 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 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 SERIES 2024 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2024 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2024 PLEDGED REVENUES AND THE SERIES 2024 PLEDGED FUNDS PLEDGED TO THE SERIES 2024 BONDS, ALL AS PROVIDED IN THE SERIES 2024 BONDS AND IN THE INDENTURE.

The Series 2024 Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Underwriter named below is limiting this offering to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2024 Bonds. The Series 2024 Bonds are not credit enhanced or rated and no application has been made for credit enhancement or a rating with respect to the Series 2024 Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2024 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

\$ _____	- _____%	Series 2024 Term Bond due May 1, 20__	, Yield _____%	, Price _____	CUSIP # _____	**
\$ _____	- _____%	Series 2024 Term Bond due May 1, 20__	, Yield _____%	, Price _____	CUSIP # _____	**
\$ _____	- _____%	Series 2024 Term Bond due May 1, 20__	, Yield _____%	, Price _____	CUSIP # _____	**

The Series 2024 Bonds are offered for delivery when, as and if issued by the District and subject to the receipt of the approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida, for the Landowners by their counsel, Gunster, Yoakley & Stewart, P.A., Tampa, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Series 2024 Bonds will be delivered in book-entry form through the facilities of DTC on or about April \_\_, 2024.



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

\* Preliminary, subject to change.

\*\* The District is not responsible for the CUSIP numbers, nor is any representation made as to their correctness. The CUSIP numbers are included solely for the convenience of the readers of this Limited Offering Memorandum.

## **SALTLEAF COMMUNITY DEVELOPMENT DISTRICT**

### **BOARD OF SUPERVISORS**

Susan H. Watts\*\*, Chairperson  
Craig Klingensmith\*, Vice-Chairperson  
A.J. Stamoulis\*, Assistant Secretary  
Ray Piacente\*, Assistant Secretary  
Brian Simper\*, Assistant Secretary

\* Employee of, or affiliated with, the Landowners (as defined herein)

\*\* Consultant to London Bay (as defined herein)

### **DISTRICT MANAGER/METHODOLOGY CONSULTANT**

Wrathell, Hunt & Associates, LLC  
Boca Raton, Florida

### **DISTRICT COUNSEL**

Kutak Rock LLP  
Tallahassee, Florida

### **BOND COUNSEL**

Nabors, Giblin & Nickerson, P.A.  
Tampa, Florida

### **DISTRICT ENGINEER**

Barraco and Associates, Inc.  
Fort Myers, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2024 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2024 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE LANDOWNERS (AS HEREINAFTER DEFINED), THE DISTRICT, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED 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 LANDOWNERS OR IN THE STATUS OF THE DEVELOPMENT OR THE CAPITAL IMPROVEMENT PLAN (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2024 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2024 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE CITY OF BONITA SPRINGS, FLORIDA, LEE COUNTY, FLORIDA, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2024 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

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

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

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

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM) AND [WWW.EMMA.MSRB.ORG](http://WWW.EMMA.MSRB.ORG). THIS LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY IF IT IS PRINTED IN ITS ENTIRETY DIRECTLY FROM EITHER OF SUCH WEBSITES.

THIS PRELIMINARY LIMITED OFFERING MEMORANDUM IS IN A FORM DEEMED FINAL BY THE DISTRICT FOR PURPOSES OF RULE 15C2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).



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## **LIMITED OFFERING MEMORANDUM**

**\$30,000,000\***

**SALTLEAF COMMUNITY DEVELOPMENT DISTRICT  
(LEE COUNTY, FLORIDA)  
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2024**

### **INTRODUCTION**

The purpose of this Limited Offering Memorandum, including the cover page and appendices attached hereto, is to set forth certain information in connection with the offering for sale by the Saltleaf Community Development District (the "District") of its \$30,000,000\* Capital Improvement Revenue Bonds, Series 2024 (the "Series 2024 Bonds").

THE SERIES 2024 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2024 BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF CHAPTER 517, FLORIDA STATUTES, AND THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2024 BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2024 BONDS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

The District, which is the issuer of the Series 2024 Bonds, is a local unit of special purpose government of the State of Florida (the "State"), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and established by Ordinance No. 23-16 of the Board of County Commissioners of Lee County, Florida (the "County"), adopted on June 20, 2023 and effective on June 21, 2023, as amended by Ordinance No. 23-31 adopted by the County on December 5, 2023 and effective on December 6, 2023 (collectively, the "Ordinance"). The District was created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands (as hereinafter defined) and has previously determined to undertake, in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the District Lands. The Act authorizes the District to issue bonds for the purposes of, among others, financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, or equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, street lights and other basic infrastructure projects within or without the boundaries of the District as provided in the Act.

The District currently contains approximately 209.32 gross acres of land (the "District Lands"), of which approximately 119 acres are intended for development, located partially in the City of Bonita Springs, Florida (the "City") with the remainder in an unincorporated portion of the County. The District Lands, along with certain adjacent lands, are planned to contain a residential community to be known as "Saltleaf" (the "Development"). The Development is located east of Estero Bay, west of South Tamiami Trail (U.S. 41) and north of Coconut Road. See "THE DEVELOPMENT" herein for more information.

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\* Preliminary, subject to change.

The Series 2024 Bonds are being issued in order to finance a portion of the Capital Improvement Plan (as defined herein), which consists of the public infrastructure improvements associated with the Development. The Series 2024 Bonds will be secured by the Series 2024 Assessments. The Series 2024 Assessments will initially be assigned to the approximately 119 developable acres in the District and subsequently assigned to units upon the recordation of plats and declarations of condominium. The District is currently zoned for 1,044 units; however, the Developer anticipates rezoning the Development to add an additional 488 units for a total of 1,532 planned units. Approximately 84 of these additional units are expected to be built on approximately 13.38 acres within the Expansion Area (as defined herein). See "THE DISTRICT – General" and "THE DEVELOPMENT - Development Approvals" herein.

It is anticipated that the District will issue an additional Series of Bonds in the future in order to finance additional portions of the Capital Improvement Plan. Such Bonds, when issued, will be secured by special assessments levied on the same lands subject to the Series 2024 Assessments on a co-equal lien status with the Series 2024 Assessments. If the land in the District is not expanded to include the Expansion Area and rezoned for the additional units, then the District is expected to issue approximately \$14,530,000\* million in aggregate principal amount of additional Bonds. If the land in the District is expanded to include the Expansion Area and rezoned for the additional units, then the District is expected to issue \$35,095,000\* in aggregate principal amount of additional Bonds. In either scenario, the Series 2024 Assessments securing the Series 2024 Bonds and the Assessments securing the additional Bonds will overlap on the same District Lands on a co-equal lien status and, upon assignment to units, each unit is expected to pay a net special assessment equal to \$3,500 per annum per unit. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein for more information.

LB Raptor Investments, LLC, a Florida limited liability company (the "Developer"), is the developer and is the primary owner of certain land planned for the Development, along with its affiliates, LB Estero Bay Investments, LLC, a Florida limited liability company ("LB Estero Bay"), Kersey Smoot Investments, LLC, a Florida Limited Liability Company ("Kersey Smoot"), Saltleaf Investments I, LLC, a Florida limited liability company ("Saltleaf Investments"), and Saltleaf Marina Investments, LLC, a Florida limited liability company ("Saltleaf Marina", and together with the Developer, LB Estero Bay, Kersey Smoot, and Saltleaf Investments, the "Landowners"). The Landowners are all ultimately affiliated with London Bay Development Group, LLC (the "London Bay Group" and together with its affiliated entities, "London Bay"). See "THE DEVELOPMENT" and "THE LANDOWNERS" herein for additional information.

The Series 2024 Bonds are being issued pursuant to the Act, Resolution Nos. 2023-26 and 2024-08 adopted by the Board of Supervisors of the District (the "Board") on July 13, 2023 and March 8, 2024, respectively, and a Master Trust Indenture dated as of April 1, 2024 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of April 1, 2024 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture. See "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" hereto.

The Series 2024 Bonds are equally and ratably secured by the Series 2024 Trust Estate, without preference or priority of one Series 2024 Bond over another. The Series 2024 Pledged Revenues consist of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2024 Assessments (the "Series 2024 Pledged Revenues") and the Series 2024 Pledged Funds consist of all of the Funds and Accounts (except for the

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\* Preliminary, subject to change.

Series 2024 Rebate Account) established under the First Supplemental Indenture (the "Series 2024 Pledged Funds") which together shall constitute the Trust Estate securing the Series 2024 Bonds (the "Series 2024 Trust Estate"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS."

Proceeds of the Series 2024 Bonds will be applied to: (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Capital Improvement Plan (hereinafter defined); (ii) pay certain costs associated with the issuance of the Series 2024 Bonds; (iii) make a deposit into the Series 2024 Reserve Account to be held for the benefit of all of the Series 2024 Bonds; and (iv) pay a portion of the interest to become due on the Series 2024 Bonds. See "ESTIMATED SOURCES AND USES OF SERIES 2024 BOND PROCEEDS."

There follows in this Limited Offering Memorandum a brief description of the District, the Capital Improvement Plan, the Development, the Landowners, and summaries of the terms of the Series 2024 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such document and statute, and all references to the Series 2024 Bonds are qualified by reference to the form thereof and the information with respect thereto contained in the Indenture. The proposed forms of the Master Indenture and First Supplemental Indenture appear as APPENDIX B hereto.

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

## **DESCRIPTION OF THE SERIES 2024 BONDS**

### **General Description**

The Series 2024 Bonds are being issued only in fully registered form, in denominations of \$5,000 and any integral multiple thereof; provided, however, if any initial Beneficial Owner does not purchase at least \$100,000 of the Series 2024 Bonds at the time of initial delivery of the Series 2024 Bonds, such Beneficial Owner must either execute and deliver to the District and the Underwriter on the date of delivery of the Series 2024 Bonds an investor letter substantially in the form attached to the First Supplemental Indenture or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended. The Series 2024 Bonds will initially be sold only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules promulgated thereunder by the Florida Department of Financial Services. The limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2024 Bonds.

Each Series 2024 Bond shall be dated the date of initial delivery. Each Series 2024 Bond shall also bear its date of authentication. Each Series 2024 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 Series 2024 Bond has been paid, in which event such Series 2024 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2024 Bonds, in which event such Series 2024 Bond shall bear interest from its date. Interest on the Series 2024 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2024 and shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2024 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2024 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2024 Bond shall be registered in the registration books kept by the Bond 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 First Supplemental Indenture, all of the Outstanding Series 2024 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC. See "DESCRIPTION OF THE SERIES 2024 BONDS - Book-Entry Only System" herein.

The First Supplemental Indenture provides that, with respect to Series 2024 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant.

U.S. Bank Trust Company, National Association is the Trustee, Bond Registrar and Paying Agent for the Series 2024 Bonds.

## **Redemption Provisions**

### **Optional Redemption**

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

### **Mandatory Sinking Fund Redemption**

The Series 2024 Bonds maturing May 1, 20[\_\_\_], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments 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><b>Year</b></u>	<u><b>Amortization Installment</b></u>
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\$

\*

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\* Maturity

[Remainder of page intentionally left blank.]



The Series 2024 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments 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>Year</u>	<u>Amortization Installment</u>
	\$

\*

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\* Maturity

The Series 2024 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments 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>Year</u>	<u>Amortization Installment</u>
	\$

\*

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\* Maturity

As more particularly set forth in the Indenture, any Series 2024 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 Installment of Series 2024 Bonds. Amortization Installments are also subject to recalculation, as provided in the First Supplemental Indenture, as the result of the redemption of Series 2024 Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2024 Bonds as set forth in the First Supplemental Indenture.

### **Extraordinary Mandatory Redemption**

The Series 2024 Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Redemption Date at the Redemption Price of one hundred percent (100%) of the principal amount thereof, without premium, together with accrued interest to the Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(i) on or after the Date of Completion of the Capital Improvement Plan, by application of moneys transferred from the Series 2024 Acquisition and Construction Account to the Series 2024 Prepayment Subaccount as provided for in the Indenture; or

(ii) from amounts, including Series 2024 Prepayments, required by the Indenture to be deposited into the Series 2024 Prepayment Subaccount; or

(iii) from amounts transferred from the Series 2024 Reserve Account to the Series 2024 Prepayment Subaccount resulting from a reduction in the Series 2024 Reserve Account Requirement as provided for in the Indenture; or

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

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

### **Notice of Redemption**

Notice of each redemption of Series 2024 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2024 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond 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 Series 2024 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2024 Bonds or such portions thereof on such date, interest on such Series 2024 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2024 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2024 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 Bond 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.

Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor 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.

### **Purchase of Series 2024 Bonds**

Subject to the provisions of the Indenture, the District may purchase the Series 2024 Bonds in the open market at a price no higher than the highest Redemption Price (including premium) for the Series 2024 Bond to be so purchased with any funds legally available therefor and any such Series 2024 Bonds so purchased shall be credited to the amounts otherwise required to be deposited for the payment of the Series 2024 Bonds as provided in the Indenture. See "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE."

## **Book-Entry Only System**

THE INFORMATION IN THIS CAPTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND NEITHER THE DISTRICT NOR THE 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 Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2024 Bonds and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are

credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2024 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent for the Series 2024 Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2024 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR

THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

## **SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS**

### **General**

NEITHER THE SERIES 2024 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE. THE SERIES 2024 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE 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 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 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 SERIES 2024 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2024 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2024 PLEDGED REVENUES AND THE SERIES 2024 PLEDGED FUNDS PLEDGED TO THE SERIES 2024 BONDS, ALL AS PROVIDED IN THE SERIES 2024 BONDS AND IN THE INDENTURE.

The Series 2024 Bonds are equally and ratably secured by the Series 2024 Trust Estate, without preference or priority of one Series 2024 Bond over another. The Series 2024 Trust Estate consists of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2024 Assessments (the "Series 2024 Pledged Revenues") and the Funds and Accounts (except for the Series 2024 Rebate Account) established under the First Supplemental Indenture (the "Series 2024 Pledged Funds") which shall constitute the Trust Estate securing the Series 2024 Bonds (the "Series 2024 Trust Estate"). The "Series 2024 Assessments" are the non-ad valorem special assessments imposed, levied and collected by the District in accordance with the Series 2024 Assessment Proceedings. The Series 2024 Bonds will be secured by the Series 2024 Assessments levied on certain assessable land within the District.

Non-ad valorem assessments are not based on millage and are not taxes, but can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Series 2024 Assessments will constitute a lien against the land as to which the Series 2024 Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

### **Covenant to Levy the Series 2024 Assessments**

The District will covenant in the Indenture to comply with the terms of the Series 2024 Assessment Proceedings heretofore adopted with respect to the Series 2024 Assessments, including the Assessment Methodology (as defined herein), and to levy Series 2024 Assessments and collect any required true-up payments set forth in the Assessment Methodology in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2024 Bonds when due.

If any Series 2024 Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Series 2024 Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to

make such Series 2024 Assessment when it might have done so, the District has additionally covenanted to either (i) take all necessary steps to cause a new Series 2024 Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement, or (ii) in its sole discretion, make up the amount of such Series 2024 Assessment from legally available moneys, which moneys shall be deposited into the Series 2024 Revenue Account. See "BONDOWNERS' RISKS" herein. In case any such subsequent Series 2024 Assessment shall also be annulled, the District shall obtain and make other Series 2024 Assessments until a valid Series 2024 Assessment shall be made.

### **Prepayment of Series 2024 Assessments**

Pursuant to the Series 2024 Assessment Proceedings, the Series 2024 Assessments may be prepaid in full at any time, or a portion of the remaining balance up to two times, if there is also paid an amount equal to the interest that would otherwise be due on such balance on the next succeeding Interest Payment Date for the Series 2024 Bonds, or, if prepaid during the forty-five (45) day period preceding such Interest Payment Date, on the second succeeding Interest Payment Date.

Pursuant to the Act and the Series 2024 Assessment Proceedings, an owner of property subject to the levy of Series 2024 Assessments may pay the entire balance of the Series 2024 Assessments remaining due, without interest, within thirty (30) days after the Capital Improvement Plan has been completed or acquired by the District, and the Board has adopted a resolution accepting the Capital Improvement Plan pursuant to Chapter 170.09, Florida Statutes. The Landowners, as the sole owners of the property within the District, will waive this right with respect to the property in the District pursuant to Declaration of Consents. Such declarations will be recorded in the public records of the County, and the covenants contained therein are binding on their successors in interest. See "BONDOWNERS' RISKS – Prepayment and Redemption Risk" herein.

The Series 2024 Bonds are subject to extraordinary mandatory redemption as indicated under "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions – Extraordinary Mandatory Redemption" from optional prepayments of Series 2024 Assessments by property owners. See "APPENDIX E: ASSESSMENT METHODOLOGY" attached hereto.

### **Limitation on Issuance of Additional Obligations**

Pursuant to the First Supplemental Indenture, other than Refunding Bonds issued to refund the then Outstanding Series 2024 Bonds, the issuance of which results in net present value Debt Service savings, the District shall not, while any Series 2024 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2024 Trust Estate. The District will further covenant and agree that so long as the Series 2024 Bonds are Outstanding, it will not impose Assessments for capital projects on any lands subject to the Series 2024 Assessments without the written consent of the Majority Owners, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely; provided, however, that the District may impose Assessments for capital projects on lands subject to the Series 2024 Assessments without the written consent of the Majority Owners if either (a) such Assessments proposed to be allocated to entitled units, together with the Series 2024 Assessments, do not exceed the Maximum Assessment Level, or (b) the Series 2024 Assessments have been Fully Absorbed. Notwithstanding the immediately preceding sentence, the District may impose Assessments on property subject to the Series 2024 Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District without the consent of the Majority Owners. "Maximum Assessment Level" is defined in the First Supplemental Indenture to mean a \$3,500 per unit annual net debt service assessment level as set forth in the Assessment Methodology and as shall be evidenced by a Maximum Assessment Level Certification, as defined in the First Supplemental Indenture. "Fully Absorbed" is defined in the First Supplemental

Indenture to mean the date on which the principal amount of the Series 2024 Assessments equaling one hundred percent (100%) of the then Outstanding principal amount of the Series 2024 Bonds is levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

The District and/or other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2024 Assessments without the consent of the Owners of the Series 2024 Bonds. The District is expected to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the Series 2024 Assessments, on the same lands upon which the Series 2024 Assessments are imposed, to fund the maintenance and operation of the District. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" and "BONDOWNERS' RISKS" herein.

### **Series 2024 Acquisition and Construction Account**

Pursuant to the First Supplemental Indenture, there is established within the Acquisition and Construction Fund held by the Trustee a Series 2024 Acquisition and Construction Account. Amounts on deposit in the Series 2024 Acquisition and Construction Account shall be applied to pay Costs of the Capital Improvement Plan upon compliance with the requisition provisions set forth in the Master Indenture and on the form attached to the First Supplemental Indenture. The Trustee shall have no duty to verify that any requested disbursement from the Series 2024 Acquisition and Construction Account is for a Cost of the Capital Improvement Plan. The Consulting Engineer shall establish a Date of Completion for the Capital Improvement Plan, and any balance remaining in the Series 2024 Acquisition and Construction Account after such Date of Completion (taking into account the moneys then on deposit therein to pay any accrued but unpaid Costs of the Capital Improvement Plan which are required to be reserved in the Series 2024 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2024 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2024 Bonds in accordance with the First Supplemental Indenture and in the manner prescribed in the form of Series 2024 Bond attached as an exhibit to the First Supplemental Indenture. Notwithstanding the foregoing, the District shall not establish a Date of Completion until after the Reserve Account Release Conditions have been satisfied and moneys have been transferred from the Series 2024 Reserve Account to the Series 2024 Acquisition and Construction Account as a result of such satisfaction pursuant to the First Supplemental Indenture. At such time as there are no amounts on deposit in the Series 2024 Acquisition and Construction Account, such Account shall be closed.

In accordance with the provisions of the Indenture, the Series 2024 Bonds are payable solely from the Series 2024 Pledged Revenues and the Series 2024 Pledged Funds held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District acknowledges that (i) the Series 2024 Pledged Funds includes, without limitation, all amounts on deposit in the Series 2024 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2024 Bonds, the Series 2024 Pledged Funds may not be used by the District (whether to pay Costs of the Capital Improvement Plan or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Capital Improvement Plan and payment is for such work, regardless of whether the District, prior to the occurrence of the Event of Default, has submitted a requisition for such Costs of the Capital Improvement Plan or obtained the approval therefor from the Consulting Engineer, and (iii) upon the occurrence of an Event of Default with respect to the Series 2024 Bonds, the Series 2024 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the

Capital Improvement Plan that will cause the expenditure of additional funds from the Series 2024 Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

### **Series 2024 Reserve Account**

The First Supplemental Indenture establishes a Series 2024 Reserve Account within the Reserve Fund for the Series 2024 Bonds, which shall be held for the benefit of all of the Series 2024 Bonds, without distinction as to Series 2024 Bonds and without privilege or priority of one Series 2024 Bond over another. The Series 2024 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2024 Reserve Account Requirement. "Series 2024 Reserve Account Requirement" is defined in the First Supplemental Indenture to mean an amount equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2024 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions are met, at which time and thereafter, Series 2024 Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2024 Bonds, as of the time of any such calculation. On the date of initial issuance of the Series 2024 Bonds, the Series 2024 Reserve Account Requirement shall be \$\_\_\_\_\_.

"Reserve Account Release Conditions" shall mean, collectively, that (a) all residential units within the District subject to the Series 2024 Assessments have received a certificate of occupancy, (b) all Series 2024 Assessments are being collected pursuant to the Uniform Method, and (c) there are no Events of Default occurring or continuing under the Master Indenture. The District Manager shall provide a written certification to the District and the Trustee certifying that the events in clauses (a) through (b) have occurred, and affirming clause (c), on which certifications the Trustee may conclusively rely.

Except as otherwise provided in the Indenture, amounts on deposit in the Series 2024 Reserve Account shall be used only for the purpose of making payments into the Series 2024 Interest Account and the Series 2024 Sinking Fund Account to pay Debt Service on the Series 2024 Bonds, when due, without distinction as to Series 2024 Bonds and without privilege or priority of one Series 2024 Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2024 Reserve Account shall consist only of cash and Series 2024 Investment Obligations.

Anything in the Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business Day preceding such forty-fifth (45th) day), the Trustee is authorized and directed to recalculate the Series 2024 Reserve Account Requirement. Following such recalculation, the Trustee shall promptly notify the District of any excess on deposit in the Series 2024 Reserve Account whereupon the District shall direct the Trustee in writing to transfer such excess on deposit in the Series 2024 Reserve Account (a) resulting from Prepayments of Series 2024 Assessments into the Series 2024 Prepayment Subaccount and applied as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel subject to such Prepayment and thereafter applied to the extraordinary mandatory redemption of the Series 2024 Bonds, (b) resulting from a reduction of the Series 2024 Reserve Account Requirement as the result of the Reserve Account Release Conditions being met into the Series 2024 Acquisition and Construction Account and used for the purposes of such Account, or (c) resulting from investment earnings as provided in the First Supplemental Indenture.

On the earliest date on which there is on deposit in the Series 2024 Reserve Account sufficient moneys, after taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2024 Bonds, together with accrued interest and redemption premium, if any, on such Series 2024



Bonds to the earliest Redemption Date permitted therein and in the First Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2024 Reserve Account into the Series 2024 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2024 Bonds on the earliest Redemption Date permitted for redemption therein and in the First Supplemental Indenture.

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in the Series 2024 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

### **Deposit and Application of the Series 2024 Pledged Revenues**

Pursuant to the First Supplemental Indenture, the Trustee is authorized and directed to deposit any and all amounts required to be deposited in the Series 2024 Revenue Account by the Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2024 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.

The Trustee shall deposit into the Series 2024 Revenue Account (i) Series 2024 Assessment Revenues other than Series 2024 Prepayments (which Series 2024 Prepayments shall be identified by the District to the Trustee as such in writing upon deposit, upon which certification the Trustee may conclusively rely, and which shall be deposited into the Series 2024 Prepayment Subaccount), (ii) Series 2024 Prepayment Interest, and (iii) any other revenues required by other provisions of the Indenture to be deposited into the Series 2024 Revenue Account.

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

On May 1 and 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 first transfer from the Series 2024 Capitalized Interest Account to the Series 2024 Interest Account the lesser of (x) the amount of interest coming due on the Series 2024 Bonds on such May 1 or November 1, less the amount already on deposit in the Series 2024 Interest Account, or (y) the amount remaining in the Series 2024 Capitalized Interest Account. Following the foregoing transfer, on such 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 amounts on deposit in the Series 2024 Revenue Account to the Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2024 Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2024 Bonds then Outstanding on such May 1 or November 1, and (i) the amount transferred from the Series 2024 Capitalized Interest Account in accordance with the First Supplemental Indenture and (ii) the amount already on deposit in the Series 2024 Interest Account not previously credited;

SECOND, on May 1, 20[ ] and on each May 1 thereafter, to the Series 2024 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2024 Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2024 Sinking Fund Account not previously credited;

THIRD, to the Series 2024 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2024 Reserve Account Requirement with respect to the Series 2024 Bonds; and

FOURTH, the balance shall first be deposited into the Series 2024 Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating to the Series 2024 Bonds, and then the balance shall be retained in the Series 2024 Revenue Account.

On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2024 Revenue Account to the Series 2024 Rebate Account the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Arbitrage Certificate.

Amounts on deposit in the Series 2024 Capitalized Interest Account shall, until and including May 1, 2027, be transferred into the Series 2024 Interest Account and applied to the payment of interest first coming due on the Series 2024 Bonds in accordance with the First Supplemental Indenture, and thereafter transferred into the Series 2024 Acquisition and Construction Account, whereupon the Series 2024 Capitalized Interest Account shall be closed.

## **Investments**

Anything in the Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2024 Bonds shall be invested only in Series 2024 Investment Obligations. Earnings on investments in the Series 2024 Acquisition and Construction Account, the Series 2024 Interest Account and the Series 2024 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2024 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2024 Revenue Account and used for the purpose of such Account.

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

(i) if there was no deficiency (as defined in the Master Indenture) in the Series 2024 Reserve Account as of the most recent date on which amounts on deposit in the Series 2024 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2024 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2024 Reserve Account shall be deposited into the Series 2024 Capitalized Interest Account through May 1, 2027, and thereafter shall be deposited into the Series 2024 Revenue Account and used for the purpose of such Account; or

(ii) if there was a deficiency (as defined in the Master Indenture) in the Series 2024 Reserve Account as of the most recent date on which amounts on deposit in the Series 2024 Reserve Account were

valued by the Trustee, or if after such date withdrawals have been made from the Series 2024 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2024 Reserve Account shall be retained in the Series 2024 Reserve Account until the amount on deposit therein is equal to the Series 2024 Reserve Account Requirement, and then earnings on investments in the Series 2024 Reserve Account shall be deposited into the Series 2024 Capitalized Interest Account through May 1, 2027, and thereafter shall be deposited into the Series 2024 Revenue Account and used for the purpose of such Account.

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2024 Reserve Account made pursuant to the First Supplemental Indenture.

### **Provisions Relating to Bankruptcy or Insolvency of Landowner**

The following provisions of the Master Indenture shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel, or tax parcels which are in the aggregate, subject to at least five percent (5%) of the Series 2024 Assessments pledged to the Series 2024 Bonds then Outstanding (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").

The District will acknowledge and agree in the Indenture that, although the Series 2024 Bonds were issued by the District, the Owners of the Series 2024 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 an Insolvent Taxpayer:

(a) the District will agree that it shall make a reasonable attempt to timely seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2024 Bonds then Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2024 Assessments relating to the Series 2024 Bonds then Outstanding, the Series 2024 Bonds then Outstanding or any rights of the Trustee under the Indenture (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2024 Bonds then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(b) the District will agree that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2024 Assessments relating to the Series 2024 Bonds then Outstanding, the Series 2024 Bonds then Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(c) the District will agree that it shall make a reasonable attempt to timely seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2024 Bonds then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(d) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2024 Assessments relating to the Series 2024 Bonds then Outstanding would have the right to pursue and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise 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 and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2024 Assessments relating to the Series 2024 Bonds then Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(e) the District shall not challenge the validity or amount of any claim submitted in good faith by the Trustee in such Proceeding or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the District's claim and rights with respect to the Series 2024 Assessments relating to the Series 2024 Bonds then Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District will agree that the Trustee shall have the right to (i) file a proof of claim with respect to the Series 2024 Assessments pledged to the Series 2024 Bonds then Outstanding, (ii) deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) defend any objection filed to said proof of claim.

The District will acknowledge and agree in the Indenture that it shall not be a defense to a breach of the foregoing covenants that it has acted on advice of counsel in not complying with the foregoing covenants.

Nothing in the Master Indenture shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such a claim for Operation and Maintenance Assessments in such manner as it shall deem appropriate in its sole and absolute discretion; provided, however, that such claim shall not seek to reduce the amount or receipt of Series 2024 Assessments. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2024 Assessments relating to the Series 2024 Bonds then Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (d) above.

### **Events of Default and Certain Remedies upon an Event of Default**

The Master Indenture provides that each of the following shall be an "Event of Default" under the Indenture with respect to the Series 2024 Bonds, but no other Series of Bonds unless otherwise provided in the Supplemental Indenture relating to such Series:

- (a) any payment of Debt Service on the Series 2024 Bonds is not made when due;
- (b) the District shall for any reason be rendered incapable of fulfilling its obligations under the Indenture;

(c) the District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the Capital Improvement Plan;

(d) the District is adjudged insolvent by a court of competent jurisdiction, or is adjudged bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;

(e) the District shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(f) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control;

(g) any portion of the Series 2024 Assessments shall have become Delinquent Assessments and, as the result thereof, the Indenture provides for the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in the Series 2024 Reserve Account to pay Debt Service on the Series 2024 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the Series 2024 Reserve Account to pay Debt Service on the Series 2024 Bonds);

(h) the District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Series 2024 Bonds or in the Indenture on the part of the District to be performed (other than a default in the payment of Debt Service on the Series 2024 Bonds when due, which is an Event of Default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2024 Bonds then Outstanding and affected by such default; and

(i) more than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to the Series 2024 Assessments are not paid by the date such are due and payable.

No Series of Bonds issued under the Master Indenture are subject to acceleration unless the Assessments securing such Bonds have been accelerated. Upon the happening and continuance of any Event of Default specified above with respect to the Series 2024 Bonds, the Trustee may protect and enforce the rights of the Owners of the Series 2024 Bonds under State law, and under the Indenture and the Series 2024 Bonds, by such proceedings in equity or at law, either for the specific performance of any covenant or agreement contained in the Master Indenture or in aid or execution of any power in the Indenture granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

The Majority Owners of the Series 2024 Bonds then Outstanding shall, subject to the requirements of the Master Indenture, 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

the Master Indenture, provided that such directions shall not be in conflict with any rule of law or the Master 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 the Series 2024 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. The Trustee may take any other action which is not inconsistent with any direction under this paragraph.

No Owner of the Series 2024 Bonds shall have any right to pursue any other remedy under the Master Indenture or the Series 2024 Bonds unless: (a) an Event of Default shall have occurred and is continuing; (b) the Majority Owners of the Series 2024 Bonds then Outstanding have requested the Trustee, in writing, to exercise the powers granted in the Master Indenture or to pursue such remedy in its or their name or names; (c) the Trustee has been offered indemnity satisfactory to it against costs, expenses and liabilities reasonably anticipated to be incurred; (d) the Trustee has declined to comply with such request, or has failed to do so, 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 Majority Owners of the Series 2024 Bonds then Outstanding. The exercise of such rights is further subject to the provisions of the Master Indenture. No Owner or Owners of the Series 2024 Bonds shall have any right in any manner whatsoever to enforce any right under the Master Indenture, except in the manner provided in the Master Indenture.

The District will covenant and agree in the Master Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, the provisions for the foreclosure of liens of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2024 Bonds. Notwithstanding anything to the contrary in the Master Indenture, and unless otherwise directed by the Majority Owners of the Series 2024 Bonds and allowed pursuant to federal or State law, the District acknowledges and agrees that (y) upon failure of any property owner to pay an installment of Assessments collected directly by the District when due, that the entire Assessment on the tax parcel as to which such Delinquent Assessment appertains, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within 120 days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel and (z) 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. See "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" attached hereto for more information.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2024 Bonds is the collection of the Series 2024 Assessments imposed on the District Lands that are specially benefited by the Capital Improvement Plan pursuant to the Series 2024 Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX E: ASSESSMENT METHODOLOGY" attached hereto.

The imposition, levy, and collection of Series 2024 Assessments must be done in compliance with the procedural requirements and guidelines provided by State law. Failure by the District, the Lee County Tax Collector (the "Tax Collector") or the Lee County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, the Series 2024 Assessments during any year. Such delays in the collection of the Series 2024 Assessments would have a material adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2024 Bonds. See "BONDOWNERS' RISKS." To the extent that landowners fail to pay the Series 2024 Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2024 Bonds. For the Series 2024 Assessments to be valid, the Series 2024 Assessments must meet two requirements: (1) the benefit from the Capital Improvement Plan to the lands subject to the Series 2024 Assessments must exceed or equal the amount of the Series 2024 Assessments, and (2) the Series 2024 Assessments must be fairly and reasonably allocated across all such benefitted properties.

Pursuant to the Act and the Series 2024 Assessment Proceedings, the District may collect the Series 2024 Assessments through a variety of methods. See "BONDOWNERS' RISKS." Initially, the District is expected to directly issue annual bills to the Landowners requiring payment of the Series 2024 Assessments, and will enforce that bill through foreclosure proceedings if necessary. As site plans and/or declarations of condominiums are recorded, the Series 2024 Assessments are expected to be added to the County tax roll and collected pursuant to the Uniform Method. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" and "APPENDIX E: ASSESSMENT METHODOLOGY." The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

### **Direct Billing & Foreclosure Procedure**

As noted above, and pursuant to Chapters 170 and 190 of the Florida Statutes, the District may directly levy, collect and enforce the Series 2024 Assessments. In this context, Section 170.10 of the Florida Statutes provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Series 2024 Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay the Series 2024 Assessments and the ability to foreclose the lien of such Series 2024 Assessments upon the failure to pay such Series 2024 Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Series 2024 Assessments. See "BONDOWNERS' RISKS."

### **Uniform Method Procedure**

Subject to certain conditions, and for developed lands (as described above), the District may alternatively elect to collect the Series 2024 Assessments using the Uniform Method. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements

and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2024 Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Series 2024 Assessments will be collected together with City, County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments – including the Series 2024 Assessments – are to be billed, and landowners in the District are required to pay, all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2024 Assessments. In other words, any partial prepayment by a landowner must be distributed in equal proportion to all taxing districts and levying authorities.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by State law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2024 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2024 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 Debt Service on the Series 2024 Bonds.

Under the Uniform Method, if the Series 2024 Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2024 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2024 Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2024 Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Series 2024 Assessment Proceedings to discharge the lien of the Series 2024 Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2024 Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2024 Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and



charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or struck off, to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2024 Assessments), interest, costs and charges on the real property described in the certificate.

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

For any holder other than the County, a tax certificate expires seven (7) years after the date of issuance if a tax deed has not been applied for and no other administrative or legal proceeding, including a bankruptcy, has existed of record. After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due (as well as any costs of resale, if applicable). If the County holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and all other costs to the applicant for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. The holder is also responsible for payment of any amounts included in the bid not already paid, including but not limited to, documentary stamp tax, recording fees, and, if property is homestead property, the moneys to cover the one-half value of the homestead. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, together with all subsequent unpaid taxes plus the costs and expenses of the application for deed, with interest on the total of such sums, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess

proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear. If the property is purchased for an amount in excess of the statutory bid of the certificate holder, but such excess is not sufficient to pay all governmental liens of record, the excess shall be paid to each governmental unit pro rata.

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

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

There can be no guarantee that the Uniform Method will result in the payment of Series 2024 Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2024 Assessments, which are the primary source of payment of the Series 2024 Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS."

### **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2024 Bonds offered hereby and are set forth below. Prospective investors in the Series 2024 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2024 Bonds and 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 Series 2024 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 Series 2024 Bonds.

#### **Concentration of Land Ownership**

As of the date hereof, the Landowners own all of the assessable lands within the District, which are the lands that will be subject to the Series 2024 Assessments securing the Series 2024 Bonds. Payment of the Series 2024 Assessments is primarily dependent upon their timely payment by the Landowners and the

other future landowners in the District. Non-payment of the Series 2024 Assessments by any of the landowners could have a substantial adverse impact upon the District's ability to pay Debt Service on the Series 2024 Bonds. See "THE LANDOWNERS" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" herein.

### **Bankruptcy and Related Risks**

In the event of the institution of bankruptcy or similar proceedings with respect to the Landowners or any other owner of benefited property, delays could occur in the payment of Debt Service on the Series 2024 Bonds, as such bankruptcy could negatively impact the ability of: (i) the Landowners and any other landowner to pay the Series 2024 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2024 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2024 Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2024 Bonds 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, the remedies specified by federal, state and local law and in the Indenture and the Series 2024 Bonds, including, without limitation, enforcement of the obligation to pay Series 2024 Assessments and the ability of the District to foreclose the lien of the Series 2024 Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Series 2024 Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer. The Master Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an "Insolvent Taxpayer" (as previously defined). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Provisions Relating to Bankruptcy or Insolvency of Landowner" herein. The District cannot express any view whether such delegation would be enforceable.

### **Series 2024 Assessments Are Non-Recourse**

The principal security for the payment of the principal and interest on the Series 2024 Bonds is the timely collection of the Series 2024 Assessments. The Series 2024 Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Landowners or subsequent landowners will be able to pay the Series 2024 Assessments or that they will pay such Series 2024 Assessments even though financially able to do so. Neither the Landowners nor any other subsequent landowners have any personal obligation to pay the Series 2024 Assessments. Neither the Landowners nor any subsequent landowners are guarantors of payment of any Series 2024 Assessments, and the recourse for the failure of the Landowners or any subsequent landowner to pay the Series 2024 Assessments is limited to the collection proceedings against the land

subject to such unpaid Series 2024 Assessments, as described herein. Therefore the likelihood of collection of the Series 2024 Assessments may ultimately depend on the market value of the land subject to the Series 2024 Assessments. While the ability of the Landowners or subsequent landowners to pay the Series 2024 Assessments is a relevant factor, the willingness of the Landowners or subsequent landowners to pay the Series 2024 Assessments, which may also be affected by the value of the land subject to the Series 2024 Assessments, is also an important factor in the collection of Series 2024 Assessments. The failure of the Landowners or subsequent landowners to pay the Series 2024 Assessments could render the District unable to collect delinquent Series 2024 Assessments and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the Series 2024 Bonds.

### **Regulatory and Environmental Risks**

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

The value of the land within the District, the success of the Development, the development of the District and the likelihood of timely payment of principal and interest on the Series 2024 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the lands within the District and the likelihood of the timely payment of the Series 2024 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. See "THE DEVELOPMENT – Environmental" for information on environmental site assessments obtained or received. Such information is being provided solely for informational purposes, and nothing herein or in such assessments grants any legal rights or remedies in favor of the Series 2024 Bondholders in the event any recognized environmental conditions are later found to be present on District Lands. Nevertheless, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the lands in the District.

The value of the lands subject to the Series 2024 Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and interest on the Series 2024 Bonds. The Series 2024 Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

## **Economic Conditions and Changes in Development Plans**

The successful development of the District and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Landowners. Moreover, the Landowners have the right to modify or change plans for development of the Development from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with and subject to the provisions of the Act, to contract or expand the boundaries of the District.

## **Other Taxes and Assessments**

The willingness and/or ability of an owner of benefited land to pay the Series 2024 Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the City, the County or any other local special purpose or general purpose governmental entities. 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 Series 2024 Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2024 Assessments. In addition, lands within the District may also be subject to assessments by property owners' and homeowners' associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" herein for additional information.

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2024 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2024 Assessment, even though the landowner is not contesting the amount of the Series 2024 Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem assessments and at least 75% of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

## **Limited Secondary Market for Series 2024 Bonds**

The Series 2024 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2024 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2024 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2024 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2024 Bonds, depending on the progress of development of the Development and the lands within the District, as applicable, existing real estate and financial market conditions and other factors.

## **Inadequacy of Reserve Account**

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2024 Assessments, may not adversely affect the timely payment of Debt Service on the Series 2024 Bonds because of the Series 2024 Reserve Account. The ability of the Series 2024 Reserve Account to fund deficiencies caused by delinquencies in the payment of the Series 2024 Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Series 2024 Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in such Series 2024 Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2024 Assessments, the Series 2024 Reserve Account would be rapidly depleted and the ability of the District to pay Debt Service on the Series 2024 Bonds could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Series 2024 Reserve Account and such other Funds, Accounts and subaccounts created under the Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the Series 2024 Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2024 Assessments in order to provide for the replenishment of the Series 2024 Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Series 2024 Reserve Account" herein for more information about the Series 2024 Reserve Account.

## **Legal Delays**

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2024 Assessments that are not being collected pursuant to the Uniform Method, such landowner and/or its mortgagee(s) may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Holders of the Series 2024 Bonds to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Internal Revenue Code of 1986, as amended (the "Code"), there are limitations on the amounts of proceeds from the Series 2024 Bonds that can be used for such purpose.

## **IRS Examination and Audit Risk**

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on

April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

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

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within the timeframe established by the applicable state law or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all of the members of the Board of the District were elected by the landowners and none were elected by qualified electors. The Developer will certify as to its expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act. Such certification by the Developer does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Series 2024 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable State or federal law.

Owners of the Series 2024 Bonds are advised that, if the IRS does audit the Series 2024 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2024 Bonds may have limited rights to participate in those

proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2024 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2024 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2024 Bonds would adversely affect the availability of any secondary market for the Series 2024 Bonds. Should interest on the Series 2024 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2024 Bonds be required to pay income taxes on the interest received on such Series 2024 Bonds and related penalties, but because the interest rate on such Series 2024 Bonds will not be adequate to compensate Owners of the Series 2024 Bonds for the income taxes due on such interest, the value of the Series 2024 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2024 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2024 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2024 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2024 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2024 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

### **Loss of Exemption from Securities Registration**

The Series 2024 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for securities issued by political subdivisions. It is possible that federal or state regulatory authorities could in the future determine that the District is not a political subdivision for purposes of federal and state securities laws, including without limitation as the result of a determination by the IRS, judicial or otherwise, of the District's status for purposes of the Code. In such event, the District and purchasers of Series 2024 Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2024 Bonds would need to ensure that subsequent transfers of the Series 2024 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and applicable state securities laws.

### **Federal Tax Reform**

Various legislative proposals are mentioned from time to time by members of Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of challenging the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2024 Bonds, by eliminating or changing the tax-exempt status of interest on such bonds. Whether any such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2024 Bonds cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation. See also "TAX MATTERS" herein.



## **State Tax Reform**

It is impossible to predict what new proposals may be presented regarding tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renewed requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2024 Bonds. It should be noted that Section 190.016(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders."

## **Insufficient Resources or Other Factors Causing Failure to Complete Development**

The cost to finish the Capital Improvement Plan will exceed the net proceeds from the Series 2024 Bonds. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the Capital Improvement Plan, that the District will be able to raise, through the issuance of additional bonds or otherwise, the moneys necessary to complete the Capital Improvement Plan. Further, the Indenture sets forth certain limitations on the issuance of additional bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Limitation on Issuance of Additional Obligations" for more information.

Although the Landowners will agree to fund or cause to be funded the completion of the Capital Improvement Plan regardless of the insufficiency of proceeds from the Series 2024 Bonds and will enter into a completion agreement with the District as evidence thereof, there can be no assurance that the Landowners will have sufficient resources to do so. Such obligation of the Landowners is an unsecured obligation, and the Landowners are special-purpose entities whose assets consist primarily of their respective interests in the Development. See "THE LANDOWNERS" herein for more information.

There are no assurances that the Capital Improvement Plan and any other remaining development work associated with the District will be completed. Further, even if development of the District is completed, there are no assurances that all of the planned units will be constructed and sold within the District. See "THE DEVELOPMENT" herein for more information.

## **Pandemics and Other Public Health Emergencies**

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

## **Cybersecurity**

The District relies on a technological environment to conduct its operations. The District, its agents and other third parties the District does business with or otherwise relies upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that any such attack(s) will not materially impact the operations or finances of the District, which could impact the timely payment of Debt Service on the Series 2024 Bonds.

## **Prepayment and Redemption Risk**

In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2024 Bonds are subject to extraordinary mandatory redemption, including, without limitation, as a result of prepayments of the Series 2024 Assessments by the Landowners or subsequent owners of the property within the District. Any such redemptions of the Series 2024 Bonds would be at the principal amount of such Series 2024 Bonds being redeemed plus accrued interest to the date of redemption. In such event, owners of the Series 2024 Bonds may not realize their anticipated rate of return on the Series 2024 Bonds and owners of any Premium Bonds (as defined herein) may receive less than the price they paid for the Series 2024 Bonds. See "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions," "– Purchase of Series 2024 Bonds" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Prepayment of Series 2024 Assessments" herein for more information.

## **Payment of Series 2024 Assessments after Bank Foreclosure**

In the event a bank forecloses on property because of a default on a mortgage in favor of such bank on any of the assessable lands within the District, and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2024 Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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## ESTIMATED SOURCES AND USES OF SERIES 2024 BOND PROCEEDS

### Source of Funds

Principal Amount of Series 2024 Bonds	\$ _____
[Plus/Less: Net Original Issue Premium/Discount]	_____
Total Sources	\$ _____

### Use of Funds

Deposit to Series 2024 Acquisition and Construction Account	\$ _____
Deposit to Series 2024 Capitalized Interest Account <sup>(1)</sup>	_____
Deposit to Series 2024 Reserve Account	_____
Costs of Issuance, including Underwriter's Discount <sup>(2)</sup>	_____
Total Uses	\$ _____

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(1) Interest is being capitalized through at least May 1, 2027.

(2) Costs of issuance include, without limitation, legal fees and other costs associated with the issuance of the Series 2024 Bonds.

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## DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled Debt Service on the Series 2024 Bonds:

Period Ending <u>November 1</u>	Principal ( <u>Amortization</u> )	<u>Interest</u>	<u>Total Debt Service</u>
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### TOTALS

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\* The final maturity of the Series 2024 Bonds is May 1, 20\_\_.

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## THE DISTRICT

### General Information

The District, which is the issuer of the Series 2024 Bonds, is a local unit of special purpose government of the State, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 23-16 of the Board of County Commissioners of Lee County, Florida (the "County"), adopted on June 20, 2023 and effective on June 21, 2023 as amended by Ordinance No. 23-31, adopted on December 5, 2023 and effective on December 6, 2023 (collectively, the "Ordinance"). The District encompasses approximately 209.32 gross acres that are located within the County and the City of Bonita Springs (the "City"). The District is located east of Estero Bay, west of South Tamiami Trail (U.S. 41) and north of Coconut Road.

The District anticipates undertaking a boundary amendment to expand its boundaries to include an additional approximately 157.35 acres of land (the "Expansion Area") and to contract from its boundaries the approximately 20 acres of land where the 9-hole par three course and clubhouse are located. The Expansion Area is primarily comprised of conservation areas, but also includes an approximately 13.38-acre developable parcel. The District anticipates that the boundary amendment will be completed in the second quarter of 2025. In the event the boundary amendment is completed as planned, the District will contain approximately 346.62 gross acres of land, of which approximately 131.95 acres will be developable and not be subject to conservation easements.

### Legal Powers and Authority

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

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

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

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any bondholders to pursue any remedy for enforcement of any lien or pledge of the District in connection with its bonds, including the Series 2024 Bonds.

### **Board of Supervisors**

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

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

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

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

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

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Susan H. Watts**	Chairperson	November 2028
Craig Klingensmith*	Vice-Chairperson	November 2028
A.J. Stamoulis*	Assistant Secretary	November 2026
Ray Piacente*	Assistant Secretary	November 2026
Brian Simper*	Assistant Secretary	November 2026

\* Employee of, or affiliated with, the Landowners.

\*\* Consultant to London Bay.

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

### **The District Manager and Other Consultants**

The chief administrative official of the District is the District Manager (as hereinafter defined). The Act provides that a district manager has charge and supervision of the works of the District and is responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, for maintaining and operating the equipment owned by the District, and for performing such other duties as may be prescribed by the Board.

The District has retained Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, to serve as its district manager ("District Manager"). The District Manager's office is located at 2300 Glades Rd., Ste. #410W, Boca Raton, Florida 33431.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; Barraco and Associates, Inc., Fort Myers, Florida, as District Engineer; and Kutak Rock LLP, Tallahassee, Florida, as District Counsel. The Board has also retained Wrathell, Hunt & Associates, LLC, to serve as Methodology Consultant for the Series 2024 Bonds.

### **No Outstanding Bond Indebtedness**

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

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## THE CAPITAL IMPROVEMENT PLAN

Barraco and Associates, Inc. (the "District Engineer") prepared an Engineer's Report, dated September 8, 2023, as amended and restated March 19, 2024 (as amended and restated, the "Engineer's Report"), which sets forth certain public infrastructure improvements necessary for the development of the District Lands (the "Capital Improvement Plan"). The District Lands currently consist of approximately 209.32 gross acres of land, of which approximately 119.07 acres are developable. In the event the District's boundary amendment is completed as planned, the District will contain approximately 346.62 gross acres of land, of which approximately 131.95 acres will be developable. The Series 2024 Assessments will initially be assigned to the developable acres and subsequently assigned to units upon the recordation of plats and declarations of condominium. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein for more information.

The District Lands are currently zoned for and planned to contain 1,044 for-sale residential units, with the planned unit mix as follows: (i) 6 high-rise condo buildings, (ii) 5 mid-rise condo buildings, (iii) 6 three-story buildings over parking, and (iv) 76 attached villa units. The District Lands are also planned to include a marina and 72 wet boat slips (12 of which will be public and owned by the District or other governmental entities), plus 25,000 square feet of commercial space, which is planned for two restaurants and a clubhouse. The Developer anticipates rezoning the Development to add an additional 488 units for a total of 1,532 planned units, of which approximately 84 of these additional units are expected to be built on the Expansion Area. See "THE DISTRICT" and "THE DEVELOPMENT – Development Approvals" for more information on the planned boundary amendment and rezoning.

The Series 2024 Bonds are being issued in order to finance a portion of the Capital Improvement Plan. It is anticipated that the District will issue an additional Series of Bonds in the future in order to finance additional portions of the Capital Improvement Plan. If the District Lands are not rezoned and expanded, then the District is expected to issue approximately \$14,530,000\* in aggregate principal amount of additional Bonds. If the District Lands are rezoned and expanded, then the District is expected to issue approximately \$35,095,000\* in aggregate principal amount of additional Bonds. In either scenario, the Series 2024 Assessments securing the Series 2024 Bonds and the Assessments securing the additional Bonds will overlap on the same District Lands on a co-equal lien status and, upon assignment to units, each unit will pay a net annual special assessment equal to \$3,500 per annum per unit. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Limitation on Issuance of Additional Obligations" and "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein for more information.

The District Engineer, in the Engineer's Report, estimated the total approximate cost of the District's Capital Improvement Plan to be \$52,537,200, as more particularly described in the following table and in the Engineer's Report attached hereto as Exhibit C.

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\* Preliminary, subject to change.



<b><u>Description</u></b>	<b><u>Total</u></b>
Onsite Roadway	\$ 5,100,000
Surface Water Management/Drainage/Environmental	10,700,000
Hardscape/Landscape/Trail System and Irrigation	6,300,000
Marina/Marine Facility/Parking	5,400,000
Offsite Improvements	4,600,000
Professional Fees/Permit Fees	5,100,000
Land Acquisition	6,581,000
Contingency (20%)	<u>8,756,200</u>
<b>Total:</b>	<b>\$52,537,200</b>

\* Approximately \$2,500,000 of the costs shown above are attributable to the proposed Expansion Area.

Land development for the Development commenced in April 2023 and is being phased. Land development for the marina, marina on-site parking and first two high-rise condo buildings are underway. Vertical construction for the first high-rise building is underway. The Developer estimates the total land development cost for the Development, excluding the constructed golf course, to be approximately \$58 million. As of March 1, 2024, approximately \$5.3 million has been spent by the Developer on land development of the marina, the remediation of wetlands and the construction of bridges thru conservation easements, along with soft costs. See "THE DEVELOPMENT" herein for more information, including the Developer's expenditures to date on the vertical construction of the first high rise tower.

The net proceeds from the Series 2024 Bonds to be deposited in the Series 2024 Acquisition and Construction Account will be approximately \$20.3 million\* and such proceeds will be used by the District towards the construction and/or acquisition of a portion of the Capital Improvement Plan from the Landowners. The Landowners will enter into a completion agreement at closing on the Series 2024 Bonds whereby they agree to complete the Capital Improvement Plan. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

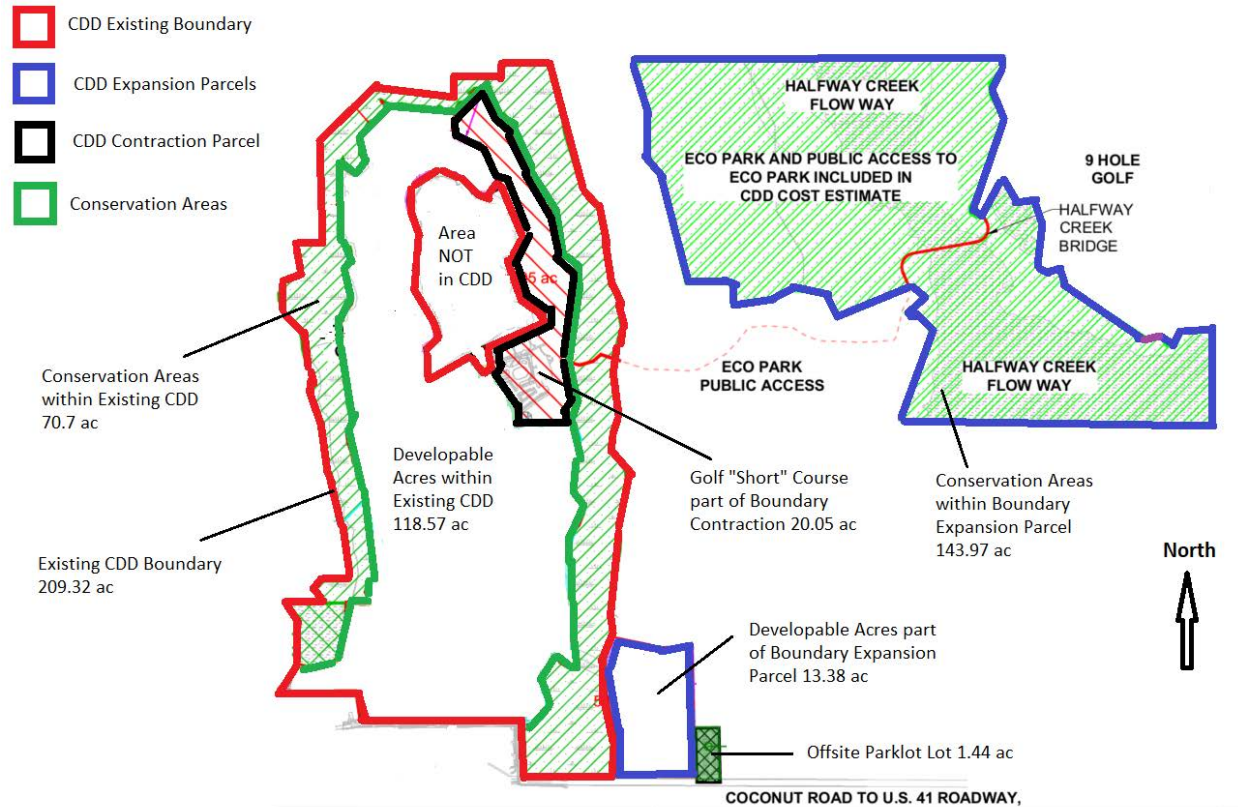
The District Engineer has indicated that all permits known to be required for construction of the Capital Improvement Plan's main infrastructure are either in effect or considered obtainable within the normal course of construction plan development, permit applications and processing. "APPENDIX C – ENGINEER'S REPORT" for more information regarding permits and the above improvements. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Development Approvals" for a more detailed description of the zoning and permitting status of the Development.

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\* Preliminary, subject to change.

Set forth below is a depiction of the current District Lands as well as the proposed Expansion Area and contraction parcel.



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## ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

Wrathell, Hunt & Associates, LLC, Boca Raton, Florida (the "Methodology Consultant"), has prepared the Master Special Assessment Methodology Report dated December 8, 2023 (the "Master Assessment Methodology"), as supplemented by the Preliminary First Supplemental Special Assessment Methodology Report dated March 14, 2024, both of which are included herein as APPENDIX E (the "Supplemental Assessment Methodology" and together with the Master Assessment Methodology, the "Assessment Methodology"). The Assessment Methodology sets forth an overall method for allocating the Series 2024 Assessments to be levied against the lands within the District benefited by the Capital Improvement Plan and collected by the District as a result thereof. Once the final terms of the Series 2024 Bonds are determined, the Supplemental Assessment Methodology will be revised to reflect such final terms. Once levied and imposed, the Series 2024 Assessments are a first lien on the land against which assessed until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District, including the operation and maintenance assessments, and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Series 2024 Bonds will be secured by the Series 2024 Assessments. The Series 2024 Assessments will initially be assigned to the approximately 119 developable acres in the District and subsequently assigned to units upon the recordation of plats and declarations of condominium. The District is currently zoned for 1,044 units; however, the Developer anticipates rezoning the Development to add an additional 488 units for a total of 1,532 planned units. Approximately 84 of these additional units are expected to be built on approximately 13.38 acres within the Expansion Area. See "THE DISTRICT – General" and "THE DEVELOPMENT - Development Approvals" herein.

It is anticipated that the District will issue an additional Series of Bonds in the future in order to finance additional portions of the Capital Improvement Plan. Such Bonds, when issued, will be secured by special assessments levied on the same lands subject to the Series 2024 Assessments on a co-equal lien status with the Series 2024 Assessments. If the land in the District is not expanded to include the Expansion Area and rezoned for the additional units, then the District is expected to issue approximately \$14,530,000\* million in aggregate principal amount of additional Bonds. If the land in the District is expanded to include the Expansion Area and rezoned for the additional units, then the District is expected to issue \$35,095,000\* in aggregate principal amount of additional Bonds. In either scenario, the Series 2024 Assessments securing the Series 2024 Bonds and the Assessments securing the additional Bonds will overlap on the same District Lands on a co-equal lien status and, upon assignment to units, each unit is expected to pay a net annual special assessment equal to \$3,500 per annum per unit.

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\* Preliminary, subject to change.

The following tables sets forth the expected ultimate assignment of the Series 2024 Assessments to units in the District both before and after the addition of the Expansion Area and the rezoning. See "APPENDIX E: ASSESSMENT METHODOLOGY" attached hereto for more information.

***Allocation with Existing Zoning***

<b>Product Type</b>	<b>No. of Units (Sq. Ft.)</b>	<b>Total ERU</b>	<b>Annual 2024 Assessments Per Unit*</b>	<b>Future Annual Assessments Per Unit*</b>	<b>Total Annual Assessments Per Unit*</b>	<b>Annual Series 2024 Principal Per Unit*</b>	<b>Additional Bonds Principal Per Unit*</b>	<b>Total Bonds Par Per Unit*</b>
Highrise Condo	704	704	\$2,288	\$1,212	\$3,500	\$28,396	\$13,753	\$42,149
Midrise Condo	264	264	\$2,288	\$1,212	\$3,500	\$28,396	\$13,753	\$42,149
Attached Villa	76	76	\$2,288	\$1,212	\$3,500	\$28,396	\$13,753	\$42,149
Commercial	<u>(25,000)</u>	12.5	\$2,288	\$1,212	\$3,500	\$28,396	\$13,753	\$42,149
<b>Total Residential</b>	<b>1,044</b>							
<b>Total Commercial</b>	<b>(25,000)</b>							

***Allocation after Rezoning and Addition of Expansion Area***

<b>Product Type</b>	<b>No. of Units (Sq. Ft.)</b>	<b>Total ERU</b>	<b>Annual 2024 Assessments Per Unit*</b>	<b>Future Annual Assessments Per Unit*</b>	<b>Total Annual Assessments Per Unit*</b>	<b>Annual Series 2024 Principal Per Unit*</b>	<b>Additional Bonds Principal Per Unit*</b>	<b>Total Bonds Par Per Unit*</b>
Highrise Condo	1,184	1,184	\$1,565	\$1,934	\$3,500	\$19,424	\$22,723	\$42,146
Midrise Condo	235	235	\$1,565	\$1,934	\$3,500	\$19,424	\$22,723	\$42,146
Attached Villa	113	113	\$1,565	\$1,934	\$3,500	\$19,424	\$22,723	\$42,146
Commercial	<u>(25,000)</u>	12.5	\$1,565	\$1,934	\$3,500	\$19,424	\$22,723	\$42,146
<b>Total Residential</b>	<b>1,532</b>							
<b>Total Commercial</b>	<b>(25,000)</b>							

\* Preliminary, subject to change. Totals may not foot due to rounding. The Assessments shown above do not include a gross up for estimated costs of collection or early payment discounts. It is anticipated that the District will issue an additional Series of Bonds in the future in order to finance additional portions of the Capital Improvement Plan. Such Bonds, when issued, will be secured by special assessments levied on all of the units planned for the District on a co-equal lien status with the Series 2024 Assessments. The First Supplemental Indenture sets a Maximum Assessment Level of \$3,500 per unit annual debt service assessment level prior to gross up for costs of collection and early payment discount. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Limitation on Issuance of Additional Obligations" herein for more information.

The District anticipates levying assessments to cover its operation and administrative costs that are initially expected to be approximately \$300 per year per residential unit, net of early payment discounts, which amount is subject to change. The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate applicable to lands within the District for 2023 was approximately 13.1622 mills, which millage rate is subject to change in future tax years. These taxes are payable in addition to the Series 2024 Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the City, the County and the Lee County School District each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year. See "THE

DEVELOPMENT – Taxes, Fees and Assessments" for more information, including proposed homeowners' associations' assessments.

*The information appearing below under the captions "THE DEVELOPMENT" and "THE LANDOWNERS" has been furnished by the Landowners for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by Bond Counsel, the District or its counsel, or the Underwriter or its counsel, and no persons other than the Landowners make any representation or warranty as to the accuracy or completeness of such information supplied by the Landowners. The following information is provided by the Landowners as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. Neither the Landowners nor any other party is guaranteeing payment of the Series 2024 Bonds or the Series 2024 Assessments.*

## **THE DEVELOPMENT**

### **General**

The District Lands encompass approximately 209.32 gross acres located partially within the City of Bonita Springs (the "City") with the remainder in unincorporated Lee County, Florida (the "County"). The District Lands along with certain adjacent lands are being developed as a highly amenitized waterfront high-rise development known as "Saltleaf" (the "Development"). The Development is generally located east of Estero Bay, west of South Tamiami Trail (US Highway 41), and north of Coconut Road. The Development lies on nearly a mile of one of Southwest Florida's last undeveloped stretches of waterfront, next to the State's very first aquatic preserve, Estero Bay. The Development borders an existing Hyatt hotel and a Hyatt Vacation Club, which contains four mid-rise timeshare buildings, an amenity center with a clubhouse building, pool, lazy river, and other ancillary uses. At buildout, the value of the Development is expected to exceed \$3.8 billion.

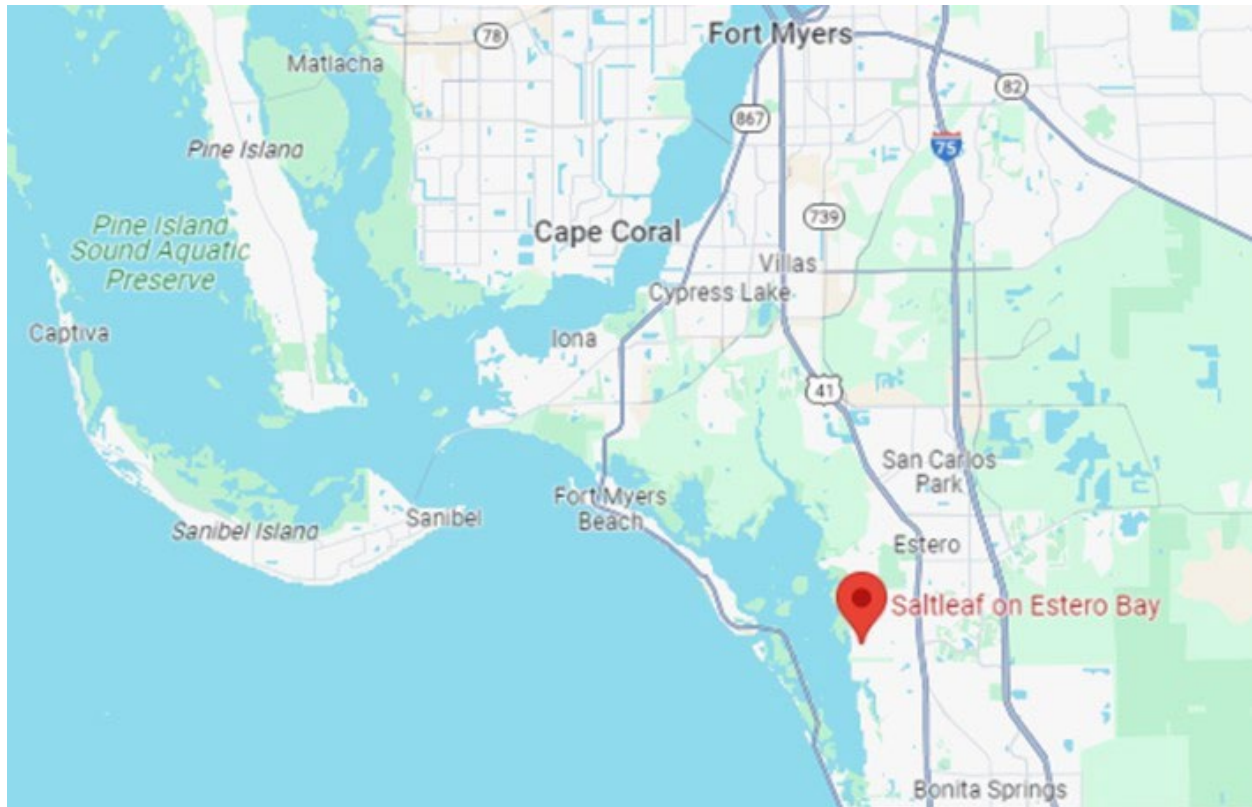
The Development is currently zoned for and planned to contain 1,044 for-sale residential units, with the planned unit mix as follows: (i) 6 high-rise condo buildings, (ii) 5 mid-rise condo buildings, (iii) 6 three-story buildings over parking, and (iv) 76 attached villa units. The Developer anticipates rezoning the land within the Development to increase the number of developable units in order to add an additional 488 units, consisting of 4 high-rise condo buildings and 4 mid-rise condo buildings. See "THE DEVELOPMENT – Development Approvals" herein for more information.

The first two high-rise buildings planned for the Development will be branded as Ritz-Carlton Residences, each of which will contain 112 condominium units. Sales for the first of two Ritz-Carlton Residences commenced in April 2022. As of March 18, 2024, approximately 95 units in the first high-rise building have been sold. Sales for the second high-rise building recently commenced in March 2024. Vertical construction of the first high-rise building commenced in September 2023, with completion and closings expected by March 2026.

The Development will be highly amenitized. The Development contains a completed golf facility which features (i) an 18-hole championship style golf course, (ii) a short 9-hole par three course, (iii) golf practice facilities, and (iv) an approximately 12,630 square foot clubhouse. The golf facilities are operational and currently open to the public. In addition, a 72-slip marina is planned for the Development and each building is expected to include amenities. The first tower under construction will be branded as the Ritz-Carlton Residences Estero Bay. With prices beginning at \$3 million, the Ritz-Carlton Residences Estero Bay will rise 22 stories with unobstructed sunset views of the state's oldest aquatic preserve, Estero Bay, and will contain numerous amenities includes a Wellness Center with fitness, yoga and Pilates studio, and an expansive, private dining room, a wine and whiskey room, and unique gathering destinations.

Surrounding the buildings will be enchanting gardens, three pools and pavilions within an expansive lagoon water feature.

Set forth below is a map which depicts the location of the Development.



[Remainder of page intentionally left blank.]

Set forth below is an aerial image of the Estero Bay aquatic preserve next to which the Development will be constructed.



Land development and vertical construction will be phased as sales progress. The Series 2024 Bonds are being issued in order to finance a portion of the Capital Improvement Plan. The Series 2024 Bonds will be secured by the Series 2024 Assessments. The Series 2024 Assessments will initially be assigned to the approximately 119 developable acres in the District and subsequently assigned to units upon the recordation of plats and declarations of condominium. It is anticipated that the District will issue an additional Series of Bonds in the future in order to finance additional portions of the Capital Improvement Plan. Such Bonds, when issued, will be secured by special assessments levied on the same lands subject to the Series 2024 Assessments on a co-equal lien status with the Series 2024 Assessments. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" and SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Limitation on Issuance of Additional Obligations" herein for more information.

The Development is being developed by entities owned, controlled by or affiliated with London Bay which is a high-end luxury developer and homebuilder that has been developing land and constructing luxury homes in Southwest Florida for more than 30 years. See "THE LANDOWNERS" herein for more information. London Bay plans to install the infrastructure improvements associated with the Development and construct and market the planned buildings in the Development. The Landowners may entertain in the future the prospect of selling off certain parcels within the Development to third party developers/builders.

The Developer estimates the prospective aggregate retail value at buildout for the Development will be approximately \$3.88 billion with regard to the current zoning allowance of 1,044 units, which would increase to approximately \$5.59 billion should the proposed zoning amendments get approved for 1,532 units, all based on an average sales price of \$4.5 million per unit for the Ritz-Carlton Residences Estero Bay units and \$3.5 million on the remaining units in the Development. See "Appraised Value" herein for more information.



The target customers for units within the Development are luxury buyers, move-up buyers, and retirees. See "Residential Product Offerings" herein for more information.

## Appraised Value

An Appraisal of Real Property (the "Appraisal Report") was prepared by Integra Realty Resources Southwest Florida, Inc., a Florida corporation (the "Appraiser"). As of January 27, 2024, the Appraiser estimated the current "As Is" fee simple market value for the lands within the District at the current development status to be approximately \$339.83 million.

<b>Parcel</b>	<b>Appraised Value</b>
Building 1 Parcel As Is	\$39,200,000
Buildings 2-6 Parcels As Is	\$246,400,000
Mid-rise/Villa Parcel As Is	\$51,000,000
Marina/Restaurant As Is	\$3,230,000
<b>Total As Is</b>	<b>\$339,830,000</b>

The Appraiser further estimates that if the proposed rezoning is approved, the "As Rezoned" fee simple market value for the lands within the District at the current development status would be approximately \$509.03 million. See "APPENDIX F: Appraisal of Real Property" attached hereto and "Development Approvals" below for more information.

<b>Parcel</b>	<b>Appraised Value</b>
Building 1 Parcel As Is	\$39,200,000
Buildings 2-10 Parcels As Rezoned	\$414,400,000
Mid-rise/Villa Parcel As Rezoned	\$52,200,000
Marina/Restaurant As Is	\$3,230,000
<b>Total As Rezoned</b>	<b>\$509,030,000</b>

Neither the District, the Landowners, nor the Underwriter make any representation as to the accuracy, completeness, assumptions, or information contained in the Appraisal Report. The assumptions or qualifications with respect to the Appraisal Report are contained therein. There can be no assurance that any such assumptions will be realized, and the District, the Landowners, and the Underwriter make no representation as to the reasonableness of such assumptions.

The Appraiser has consented to the inclusion of the Appraisal Report in this Limited Offering Memorandum. Prospective investors in the Series 2024 Bonds should read the Appraisal Report in its entirety. The Appraisal Report was provided by the Appraiser to the District for informational purposes and may not be relied upon by third parties other than the recipient thereof.

The Appraisal Report sets forth the methodology used to determine the value of the Landowners property in the District, but there can be no assurance that the Property Appraiser will use the same methodology to determine the assessed values of such lands. As noted above, the Appraisal Report makes certain assumptions and qualifications and there can be no assurance that any such assumptions will be realized. An appraisal is only an estimate of value, as of the specific date stated in the appraisal, and is subject to the assumptions and limiting conditions in the respective reports. As an opinion it is not a measure of realizable value and may not reflect the amount which would be realized if the property was sold.

The District and the Underwriter make no representation as to the accuracy of the Appraisal Report or the reasonableness of the assumptions contained therein.



## **Land Acquisition and Development and Vertical Finance Plan**

### ***Land Acquisition***

The Landowners acquired all of the land in the Development (including, without limitation, the marina and the golf course) in a series of transactions between 2018 and 2023 for an aggregate purchase price of approximately \$47 million. The Landowners' lands in the Development are subject to three loans secured by mortgages as described herein.

### ***Horizontal Land Development and Golf Course***

The total land development cost for the Development, excluding the constructed golf course, is expected to be approximately \$58 million. As of March 1, 2024, approximately \$5.3 million has been spent toward land development of the marina, the remediation of wetlands and the construction of bridges through conservation easements, along with soft costs.

A portion of the land development costs within the District are expected to be financed by the net proceeds of the Series 2024 Bonds in the approximate amount of \$20.3 million\* and from the net proceeds of additional Bonds, which net proceeds are expected to range from \$10 million to \$27 million depending upon the outcome of the proposed rezoning. The Landowners anticipate funding the remaining land development costs for the Development from equity, project cash flow and loan proceeds. The Landowners will enter into a completion agreement at closing on the Series 2024 Bonds whereby they agree to complete the Capital Improvement Plan. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

The cost to construct the golf course and clubhouse was approximately \$26 million. The golf course is located primarily outside the boundaries of the District and is not subject to any Assessments levied by the District. The Developer financed the construction of the golf course and clubhouse with a \$25 million loan provided by First Horizon Bank. The loan is subject to a mortgage on the golf course, clubhouse and approximately 55 developable acres in the District owned by the Developer. The loan is subject to an interest rate of 5.25% and monthly principal and interest payments on a 20 year amortization with a final maturity in November 2027.

### ***Vertical Construction of Ritz Carlton Residences Estero Bay and Sales Center***

Vertical construction for first tower, the Ritz Carlton Residences Estero Bay, is being funded by a combination of (i) equity, (ii) deposits from sales of residential units, and (iii) proceeds from the Construction Loan (as defined herein). As of March 1, 2024, approximately \$62.5 million has been spent toward constructing the 112 unit Ritz Carlton Residences Estero Bay, which has been funded by sales deposits and equity.

LB Estero Bay has entered into a loan agreement with Bank OZK (the "Lender") in order to finance the cost of constructing the 22-story, 112-unit Ritz Carlton Residences Estero Bay (the "Construction Loan"). The Construction Loan is subject to a maximum principal amount of \$215 million, of which only \$1,000 has been draw on the Construction Loan at this time. The Developer anticipates Construction Loan draws will commence in the third quarter of 2024. The Construction Loan bears interest at an adjustable rate of an adjusted one-month SOFR as published by the CME Group Benchmark Administration plus 4.25% (minimum rate of 8.25%) with a maturity date of December 22, 2026, subject to two (2) extension options. Interest on the Construction Loan is payable monthly on the outstanding principal amount, with

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\* Preliminary, subject to change.

pre-negotiated partial release payments of principal due at certain times in connection with the sale of finished condominium units to end users, with any outstanding principal otherwise due at maturity. Future buildings are expected to be financed through similar financing agreements.

Additionally, an approximately 5,000 square foot sales center has been constructed with proceeds from a loan provided by Sanibel Captiva Community Bank to Saltleaf Investments in the aggregate loan amount of \$6,589,000. The loan was interest only for the first 24 months followed by monthly payments of principal and interest based on a 20 year amortization. The loan is subject to a fixed interest rate of 5% for the first five years of the term and then adjustable annually to a fixed per annum rate equal to the prime rate plus 0.75%. The loan matures in November 2032 and is secured by a mortgage on the approximately 10 acre tract that is planned for the sales gallery and 76 villa units.

### **Ritz-Carlton Residences Estero Bay**

The first two high-rise buildings planned for the Development will be branded as the Ritz-Carlton Residences Estero Bay, each of which will contain 112 condominium units. The branding for the remaining residential buildings and units has not been determined yet.

Sales for the Ritz-Carlton Residences Estero Bay commenced in April 2022. As of March 18, 2024, approximately 95 units in the first high-rise building have been sold. Sales for the second high-rise building recently commenced in March 2024. As of March 18, 2024, sales total approximately \$433 million, of which approximately \$146 million has been received to date in deposits. This equates to an approximate average sales price of \$4.54 million per unit. Deposits for the first high-rise building are paid as follows: 10% of the purchase price at contract signing, and an additional 30% of the purchase price 30 days after the effective date of the contract. The remaining 60% of the purchase price is due at closing. Deposits for the second high-rise building (and subsequent buildings) are generally paid as follows: 10% of the purchase price at contract signing; and additional 15% within 60 days after the effective date of the contract; and an additional 15% within 10 days after the Notice of Commencement for construction of the applicable building has been recorded and the contractor has mobilized on site. Vertical construction for the first tower commenced in September 2023, with completion and closings expected by March 2026. See "—Development Plan / Status" below for more information regarding the timing of sales, the commencement of vertical construction, and the anticipated timeline for condominium closings for each building planned for the Development.

The Ritz-Carlton Residences Estero Bay will rise 22 stories with unobstructed sunset views of the state's oldest aquatic preserve, Estero Bay, and contain numerous amenities including a Wellness Center with fitness, yoga and Pilates studio, and an expansive, private dining room, a wine and whiskey room, and unique gathering destinations. Surrounding the buildings will be enchanting gardens, three pools and pavilions within an expansive lagoon water feature. See "Amenities" below for more information and photos of the various amenity features planned for the Development.

### **Development Plan / Status**

Horizontal land development for the initial phase of the Development commenced in April 2023. Offsite improvements and master infrastructure installation is underway. Additional parcel phases and building pad site specific infrastructure installation will be designed, permitted and constructed with each parcel and/or each building pad phase. It is anticipated the Development will be constructed in approximately 16 to 22 phases over the next 8 to 12 years.

Set forth below is a chart which depicts the timing for sales, vertical construction, and closings with end users for each of the buildings currently planned for the Development.

<b><u>Product/Building</u></b>	<b><u># of Units</u></b>	<b><u>Sales Start</u></b>	<b><u>Vertical Start</u></b>	<b><u>Closing Start</u></b>
High-rise Building #1	112	April 2022	September 2023	March 2026
High-rise Building #2	112	March 2024	January 2025	May 2027
High-rise Building #3	120	January 2026	November 2027	February 2030
High-rise Building #4	120	January 2028	November 2029	February 2032
High-rise Building #5	120	January 2030	November 2031	February 2034
High-rise Building #6	120	January 2032	November 2033	February 2036
Villa Units	76	January 2025	June 2025	September 2026
Mid-rise Units	23	January 2026	November 2026	May 2028
3-Story Over Parking	241	January 2025	January 2026	July 2028

This anticipated absorption is based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance such absorption rate will occur or be realized in the time frame anticipated.

### **Residential Product Offerings**

The target market for residential units within the Development consists of luxury buyers, move-up buyers, and retirees coming from various locations, including second home buyers and international buyers. The following table reflects the Developer's current expectations for the residential units to be constructed within the Development, all of which are subject to change.

<b><u>Product Type</u></b>	<b><u>Square Footage</u></b>	<b><u>Beds/Baths</u></b>	<b><u>Starting Price Points</u></b>
High-rise Condominium	2,500 - 7,000	2-5 Bedrooms, 3-6 Baths	\$3 million - \$17 million
Mid-rise Condominium	2,200 - 3,500	2-4 Bedrooms, 3-5 Baths	\$2.5 million - \$5 million
Villa Units	3,000 - 5,000	3-5 Bedrooms, 4-6 Baths	\$3.5 million - \$5 million
3-Story Condominium	2,000 - 3,000	2-3 Bedrooms, 3-4 Baths	\$2 million - \$3 million

### **Development Approvals**

The District Lands are currently zoned to allow for the construction of 1,044 residential units as described herein. The Developer anticipates rezoning the Development to increase the number of developable units in order to add an additional 488 units, consisting of 4 high-rise buildings and 4 mid-rise buildings. The Developer anticipates the rezoning will be approved by the fourth quarter of 2024; provided however, there are no assurances that such rezoning will be approved. Approximately 84 of the mid-rise units are currently outside the District's boundaries and are expected to be annexed into the District by the second quarter of 2025. The area of the District where the Developer's initial vertical construction is underway are subject to zoning requirements that require the construction of a marina, boat ramp, kayak launch, passive park, ship store, 12 public wet boat slips, indoor bathrooms, standard and boat trailer parking spaces and shuttle services for the additional offsite parking lot.

Pursuant to various development agreements and approvals, the Landowners have certain onsite and offsite development obligations which are included within the Developer's estimated \$58 million budget for the Development (which amount excludes the cost of the already constructed golf course).

All permits known to be required for construction of the Development are either in effect or considered obtainable within the normal course of construction plan development, permit applications and processing. The Landowners have received all required building permits for Tower #1, and the building permits for Tower #2, the Ritz gatehouse and the on-site planned public restaurant are in process.

### **Environmental**

The Landowners obtained multiple Phase I Environmental Site Assessments between November 2017 and November 2023 (collectively, the "ESAs"), covering the land in the Development. The ESAs revealed no Recognized Environmental Conditions in connection with the Development. See "BONDOWNERS' RISK – Environmental and Regulatory Risks" herein for more information regarding potential environmental risks.

### **Amenities**

The Development will contain extensive amenities including a marina and golf course. Additionally, each building is expected to offer an extensive amenity package for its residents. For example, see "Ritz Carlton Residences Estero Bay" above for certain amenities planned for the Ritz Carlton Residences Estero Bay.

The Marina is planned for 72 wet boat slips, 12 of which will be for public use, including a designated wet slip for police and fire, that will provide residents of the Development and the general public access to Estero Bay. Construction of the sea wall for the marina is complete, the marina is expected to open to the public by the end of the first quarter of 2026.

The Development currently contains the Saltleaf Golf Preserve, which is an 18-hole public, championship-style golf course, a 9-hole par three course, practice facilities, and clubhouse. The clubhouse contains approximately 12,630 square feet of space. The golf holes intertwine with the preserve which borders Estero Bay in order to provide a natural aesthetic and challenging design. The clubhouse is equipped with a restaurant, a bar, a pro shop, and locker rooms. Both the 18-hole golf course and the 9-hole par three course are fully constructed and are currently open to the public. Memberships may be made available to both residents of the Development and the general public as determined by the Developer in the future. The Saltleaf Golf Preserve is not within the boundaries of the District, with the exception of the 9-hole par three course and clubhouse which are currently within the boundaries of the District but which is not subject to the Series 2024 Assessments. The 9-hole par three course and clubhouse are anticipated to be removed from the District boundaries pursuant to the boundary amendment.

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The following photos contain renderings of certain portions of the Development as well as an actual aerial photo of the golf course.



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## Utilities

Potable water and sanitary sewer services for the Development are expected to be provided by Bonita Springs Utilities, Inc. Electric power is expected to be provided by Florida Power & Light. All utility services are available to the Development.

## **Taxes, Fees and Assessments**

The Series 2024 Bonds will be secured by the Series 2024 Assessments. The Series 2024 Assessments will initially be assigned to the approximately 119 developable acres in the District and subsequently assigned to units upon the recordation of plats and declarations of condominium. The District is currently zoned for 1,044 units; however, the Developer anticipates rezoning the Development to add an additional 488 units for a total of 1,532 planned units. Approximately 84 of these additional units are expected to be built on approximately 13.38 acres within the Expansion Area. See "THE DISTRICT – General" and "THE DEVELOPMENT - Development Approvals" herein.

It is anticipated that the District will issue an additional Series of Bonds in the future in order to finance additional portions of the Capital Improvement Plan. Such Bonds, when issued, will be secured by special assessments levied on the same lands subject to the Series 2024 Assessments on a co-equal lien status with the Series 2024 Assessments. If the land in the District is not expanded to include the Expansion Area and rezoned for the additional units, then the District is expected to issue approximately \$14,530,000\* million in aggregate principal amount of additional Bonds. If the land in the District is expanded to include the Expansion Area and rezoned for the additional units, then the District is expected to issue \$35,095,000\* in aggregate principal amount of additional Bonds. In either scenario, the Series 2024 Assessments securing the Series 2024 Bonds and the Assessments securing the additional Bonds will overlap on the same District Lands on a co-equal lien status and, upon assignment to units, each unit is expected to pay a net annual special assessment equal to \$3,500 per annum per unit.

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\* Preliminary, subject to change.

The following tables sets forth the expected ultimate assignment of the Series 2024 Assessments to units in the District both before and after the addition of the Expansion Area and the rezoning. See "APPENDIX E: ASSESSMENT METHODOLOGY" attached hereto for more information.

***Allocation with Existing Zoning***

<b>Product Type</b>	<b>No. of Units (Sq. Ft.)</b>	<b>Total ERU</b>	<b>Annual 2024 Assessments Per Unit*</b>	<b>Future Annual Assessments Per Unit*</b>	<b>Total Annual Assessments Per Unit*</b>	<b>Annual Series 2024 Principal Per Unit*</b>	<b>Additional Bonds Principal Per Unit*</b>	<b>Total Bonds Par Per Unit*</b>
Highrise Condo	704	704	\$2,288	\$1,212	\$3,500	\$28,396	\$13,753	\$42,149
Midrise Condo	264	264	\$2,288	\$1,212	\$3,500	\$28,396	\$13,753	\$42,149
Attached Villa	76	76	\$2,288	\$1,212	\$3,500	\$28,396	\$13,753	\$42,149
Commercial	<u>(25,000)</u>	12.5	\$2,288	\$1,212	\$3,500	\$28,396	\$13,753	\$42,149
<b>Total Residential</b>	<b>1,044</b>							
<b>Total Commercial</b>	<b>(25,000)</b>							

***Allocation after Rezoning and Addition of Expansion Area***

<b>Product Type</b>	<b>No. of Units (Sq. Ft.)</b>	<b>Total ERU</b>	<b>Annual 2024 Assessments Per Unit*</b>	<b>Future Annual Assessments Per Unit*</b>	<b>Total Annual Assessments Per Unit*</b>	<b>Annual Series 2024 Principal Per Unit*</b>	<b>Additional Bonds Principal Per Unit*</b>	<b>Total Bonds Par Per Unit*</b>
Highrise Condo	1,184	1,184	\$1,565	\$1,934	\$3,500	\$19,424	\$22,723	\$42,146
Midrise Condo	235	235	\$1,565	\$1,934	\$3,500	\$19,424	\$22,723	\$42,146
Attached Villa	113	113	\$1,565	\$1,934	\$3,500	\$19,424	\$22,723	\$42,146
Commercial	<u>(25,000)</u>	12.5	\$1,565	\$1,934	\$3,500	\$19,424	\$22,723	\$42,146
<b>Total Residential</b>	<b>1,532</b>							
<b>Total Commercial</b>	<b>(25,000)</b>							

\* Preliminary, subject to change. Totals may not foot due to rounding. The Assessments shown above do not include a gross up for estimated costs of collection or early payment discounts. It is anticipated that the District will issue an additional Series of Bonds in the future in order to finance additional portions of the Capital Improvement Plan. Such Bonds, when issued, will be secured by special assessments levied on all of the units planned for the District on a co-equal lien status with the Series 2024 Assessments. The First Supplemental Indenture sets a Maximum Assessment Level of \$3,500 per unit annual debt service assessment level prior to gross up for costs of collection and early payment discount. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Limitation on Issuance of Additional Obligations" herein for more information.

The District anticipates levying assessments to cover its operation and administrative costs that are initially expected to be approximately \$300 per year per residential unit, net of early payment discounts, which amount is subject to change. In addition, residents of the Ritz-Carlton Residences Estero Bay are expected to pay condominium and homeowner association assessments of approximately \$15.96 per year per square foot, which amount is subject to change. Association assessments for future units have not yet been determined. The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate applicable to lands within the District for 2023 was approximately 13.1622 mills, which millage rate is subject to change in future tax years. These taxes are payable in addition to the Series 2024 Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the City, the County and the Lee County School District each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad



valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

### **Competition**

The following communities have been identified by the Developer as being competitive with the Development, because of their proximity to the Development, price ranges, product types, and target market for homebuyers: The Island at West Bay Club, Kalea Bay, and Infinity at the Colony.

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

### **Landowners Agreements**

The Landowners will enter into a completion agreement that will obligate the Landowners to complete the Capital Improvement Plan. In addition, the Landowners will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment"), pursuant to which the Landowners will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Landowners, development rights relating to the Capital Improvement Plan. However, the mortgagees may have certain development rights and other rights assigned to it under the terms of their mortgages relating to the Development, which may be superior to such rights that might otherwise be assigned to the District under the terms of the Collateral Assignment. See "Land Acquisition and Finance Plan" herein. Notwithstanding such Collateral Assignment, in the event the District forecloses on the lands subject to the Series 2024 Assessments as a result of a Landowner's or subsequent landowner's failure to pay such assessments, there is a risk that the District, or its designee, if any, will not have all of the permits and entitlements necessary to complete the Capital Improvement Plan or the Development. Finally, the Landowners will enter into a True-Up Agreement in connection with their obligations to pay true-up payments in the event that debt levels remaining on developable lands in the District that have not been subjected to a recorded declaration of condominium increase above the maximum debt levels set forth in the Assessment Methodology. See "APPENDIX D: ASSESSMENT METHODOLOGY" herein for additional information regarding the "true-up mechanism." Such obligations of the Landowners are unsecured obligations, and the Landowners are special-purpose entities whose assets consist primarily of their respective interests in the District. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" and "THE LANDOWNERS" herein for more information regarding the Landowners.

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## THE LANDOWNERS

LB Raptor Investments, LLC, a Florida limited liability company (the "Developer"), is the primary owner of the assessable lands within the District along with its affiliates LB Estero Bay Investments, LLC, a Florida limited liability company ("LB Estero Bay"), Kersey Smoot Investments, LLC, a Florida limited liability company ("Kersey Smoot"), Saltleaf Investments I, LLC, a Florida limited liability company ("Saltleaf Investments"), and Saltleaf Marina Investments, LLC, a Florida limited liability company ("Saltleaf Marina" together with the Developer, LB Estero Bay, Kersey Smoot and Saltleaf Investments, the "Landowners").

The Landowners are all ultimately affiliated with London Bay Development Group, LLC (the "London Bay Group" and together with its affiliated entities, "London Bay"). London Bay has been an award-winning homebuilder and developer in the Southwest Florida home market for more than three decades. London Bay builds custom single-family and multi-family homes priced from \$1 million to more than \$20 million in many of the region's most exclusive neighborhoods and communities.

England natives, Mark Wilson, and his wife Gemma, founded London Bay Homes in 1990. The company's vision has always been to build luxury residences. Today, the company is run by Mark Wilson, CEO and President, and his brother Stephen Wilson, CFO and Executive Vice President. Mark is a graduate of the University of Manchester with a degree in Building and Engineering and an MBA from Manchester Business School. Stephen is a graduate of the University of Bristol with a degree in Economics and Politics, and an Executive MBA from London Business School, as well as qualified as a chartered accountant.

London Bay employs more than 125 employees across all divisions, including in-house architecture and interior design, as well as renovation, homebuilding, and development. The multifaceted company offers prime homesites in some of Southwest Florida's most exclusive neighborhoods and along the waterfront as well as new development projects. Representative projects include the following:

- Eight custom-inspired, designer furnished showcase estates spanning 5,700 to almost 10,000 square feet under air on prime homesites with sought-after addresses are currently underway – from waterfront with quick Gulf of Mexico access in Port Royal to properties in Aqualane Shores, as well as Old Naples and Pelican Bay.
- In Mediterra, Naples' perennial, 15-time award-winning community of the year, London Bay offers an exclusive collection of custom homes underway coupled with two championship golf courses, a state-of-the-art clubhouse, sports club and private beach club.
- With 10 homes now sold or in various stages of construction, London Bay is welcoming its first residents to Cambridge Park at Orange Blossom, an intimate gated boutique enclave of only 17 estates in the heart of Naples.
- The company is also the developer of Moorings Park Grande Lake, an all-inclusive next-generation life plan community in Naples featuring spacious residences and lavish resort-inspired amenities, which will be an approximately \$650 million project at build-out, which is estimated to be completed in late 2026.
- Completed in fall 2023, London Bay is welcoming residents to Estero Island's newest luxury tower as the developer of Grandview at Bay Beach, an approximately \$100 million project. The coastal modern 11-story mid-rise offers resort-inspired on-site amenities, a walk-to-the-beach location and 58 residences with prices beginning at \$1 million and featuring panoramic views of the Gulf of Mexico and Estero Bay.

NEITHER THE LANDOWNERS NOR ANY OF THE OTHER ENTITIES LISTED ABOVE ARE GUARANTEEING PAYMENT OF THE SERIES 2024 BONDS OR THE SERIES 2024 ASSESSMENTS. NONE OF THE ENTITIES LISTED HEREIN, OTHER THAN THE LANDOWNERS, HAS ENTERED INTO ANY AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2024 BONDS.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Bond Counsel, the form of which is attached hereto as APPENDIX C, the interest on the Series 2024 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under existing statutes, regulations, rulings and court decisions; provided, however, with respect to certain corporations, interest on the Series 2024 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. Failure by the District to comply subsequent to the issuance of the Series 2024 Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (as previously defined, the "Code"), including but not limited to requirements regarding the use, expenditure and investment of Series 2024 Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2024 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2024 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

### **Internal Revenue Code of 1986**

The Code contains a number of provisions that apply to the Series 2024 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2024 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2024 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2024 Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

### **Collateral Tax Consequences**

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 Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should be aware that the ownership of the Series 2024 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2024 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2024 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2024 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2024 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2024 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES REFERRED TO ABOVE.

PROSPECTIVE SERIES 2024 BONDHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD.

### **Florida Taxes**

In the opinion of Bond Counsel, the Series 2024 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

### **Other Tax Matters**

Interest on the Series 2024 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2024 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2024 Bonds in their particular state or local jurisdictions.

The Inflation Reduction Act, H.R. 5376 (the "IRA"), was passed by both houses of the U.S. Congress and was signed by the President on August 16, 2022. As enacted, the IRA includes a 15 percent alternative minimum tax to be imposed on the "adjusted financial statement income", as defined in the IRA, of certain corporations. Interest on the Series 2024 Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing the corporate alternative minimum tax. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential tax consequences of owning the Series 2024 Bonds.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2024 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2024 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2024 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2024 Bonds.

On February 23, 2016, the Internal Revenue Service issued a notice of proposed rulemaking (the "Proposed Regulations") and notice of public hearing containing proposed regulations that provided guidance regarding the definition of political subdivision for purposes of the rules for tax-exempt bonds, including determinations of entities that are valid issuers of tax-exempt bonds. 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." The Proposed Regulations were officially withdrawn on October 20, 2017. See also "BONDOWNERS' RISKS – IRS Examination and Audit Risk" herein.

## **Original Issue Discount**

Certain of the Series 2024 Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. An initial purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

## **Bond Premium**

Certain of the Series 2024 Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

## **AGREEMENT BY THE STATE**

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2024 Bonds, that it will not limit or alter the rights of the District to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

## **LEGALITY FOR INVESTMENT**

The Act provides that bonds issued by community development districts 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 or voluntary statutory deposits.

## **SUITABILITY FOR INVESTMENT**

In accordance with applicable provisions of State law, the Series 2024 Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes and the rules promulgated thereunder. The limitation of the initial offering to "accredited investors" does not denote restrictions on transfers in any secondary market for the Series 2024 Bonds. Investment in the Series 2024 Bonds poses certain economic risks. No dealer, broker, salesperson 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.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the Owners of the Series 2024 Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Series 2024 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds 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**

### **The District**

There is no litigation of any nature now pending or, to the knowledge of the District threatened, against the District, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2024 Bonds, or in any way contesting or affecting (i) the validity of the Series 2024 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2024 Bonds, (iii) the existence or powers of the District or (iv) the validity of the Series 2024 Assessment Proceedings.

### **The Landowners**

The Landowners have represented that there is no litigation of any nature now pending or, to the knowledge of any of the Landowners, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of any of the Landowners to complete the development of the Capital Improvement Plan or the lands in the District as described herein, or materially and adversely affect the ability of any of the Landowners to pay the Series 2024 Assessments imposed against the land within the District owned by any of the Landowners.

## **CONTINGENT FEES**

The District has retained Bond Counsel, District Counsel, the District Engineer, the District Manager/Methodology Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's counsel), with respect to the authorization, sale, execution and delivery of the Series 2024 Bonds. Except for the payment of certain fees to District Counsel, the District Engineer and the District Manager, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2024 Bonds.

## **NO RATING**

No application for a rating for the Series 2024 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2024 Bonds would have been obtained if application had been made.

## **EXPERTS**

The Engineer's Report included in APPENDIX A to this Limited Offering Memorandum has been prepared by Barraco and Associates, Inc., Fort Myers, Florida, the District Engineer. APPENDIX A should be read in its entirety for complete information with respect to the subjects discussed therein. Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, as Methodology Consultant, has prepared the Assessment Methodology set forth as APPENDIX E hereto. APPENDIX E should be read in its entirety for complete information with respect to the subjects discussed therein. As a condition to closing, the District Engineer and Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum. Integra Realty Resources Southwest Florida, Inc. has prepared the Appraisal set forth as APPENDIX F. APPENDIX F should be read in its entirety for complete information with respect to the subjects discussed therein. Integra has consented to the inclusion of the Appraisal in this Limited Offering Memorandum.

## **FINANCIAL INFORMATION**

This District will covenant in the Disclosure Agreement (as defined herein), the proposed form of which is set forth in APPENDIX D hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX D, commencing with the audit for the District Fiscal Year ending September 30, 2024. The District does not have audited financial statements because the District has not yet met the threshold under State law requiring an audit. The District's unaudited financial statements for the period ending January 31, 2024 are attached hereto as APPENDIX G. The Series 2024 Bonds are not general obligation bonds of the District and are payable solely from the Series 2024 Trust Estate.

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

## **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business). The District has not previously issued any bonds or similar debt obligations and, therefore, is not and has never been in default as to principal and interest on its bonds or other debt obligations.

## **CONTINUING DISCLOSURE**

The District and the Landowners will enter into the Continuing Disclosure Agreement (the "Disclosure Agreement") in the proposed form of APPENDIX D, for the benefit of the Series 2024 Bondholders (including owners of beneficial interests in such Series 2024 Bonds), to provide certain financial information and operating data relating to the District and the Development by certain dates prescribed in the Disclosure Agreement (the "Reports") with the MSRB through the MSRB's EMMA system. The specific nature of the information to be contained in the Reports is set forth in "APPENDIX D: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District or the Landowners to comply with their respective obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Series 2024 Bondholders (including owners of beneficial interests in such Series 2024 Bonds) to bring an action for specific performance.

The District has not previously issued any bonds and has not previously entered into any continuing disclosure obligations pursuant to Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). The District anticipates satisfying all future disclosure obligations required pursuant to the Disclosure Agreement and the Rule. The District will appoint the District Manager as the dissemination agent in the Disclosure Agreement. The Landowners have not previously entered into any continuing disclosure obligations pursuant to the Rule. The Landowners anticipate satisfying all disclosure obligations required pursuant to the Disclosure Agreement and the Rule.

## **UNDERWRITING**

FMSbonds, Inc. (the "Underwriter") has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Series 2024 Bonds from the District at a purchase price of \$ \_\_\_\_\_ (representing the par amount of the Series 2024 Bonds [plus/less net original issue premium discount of \$ \_\_\_\_\_ and] less an Underwriter's discount of \$ \_\_\_\_\_). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2024 Bonds if any are purchased.

The Underwriter intends to offer the Series 2024 Bonds to accredited investors at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Series 2024 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.



## **VALIDATION**

Bonds issued pursuant to the terms of the Master Indenture have been validated by a judgment of the Circuit Court of the Twentieth Judicial Circuit Court of Florida in and for Lee County, Florida, rendered on February 12, 2024. The period of time during which an appeal can be taken from such judgment has expired without an appeal having been taken.

## **LEGAL MATTERS**

Certain legal matters related to the authorization, sale and delivery of the Series 2024 Bonds are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel Kutak Rock LLP, Tallahassee, Florida, for the Landowners by their counsel, Gunster, Yoakley & Stewart, P.A., and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida.

The legal opinions of Bond Counsel to be delivered concurrently with the delivery of the Series 2024 Bonds 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 of such opinions. 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 Internal Revenue Service 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 opinion.

## **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 Series 2024 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 is submitted in connection with the limited offering of the Series 2024 Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2024 Bonds.

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### **AUTHORIZATION AND APPROVAL**

The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Board of Supervisors of the District.

**SALTLEAF COMMUNITY  
DEVELOPMENT DISTRICT**

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

## **APPENDIX A**

### **ENGINEER'S REPORT**

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## ENGINEER'S REPORT

PREPARED FOR: BOARD OF SUPERVISORS  
SALTLEAF COMMUNITY DEVELOPMENT DISTRICT

ENGINEER:

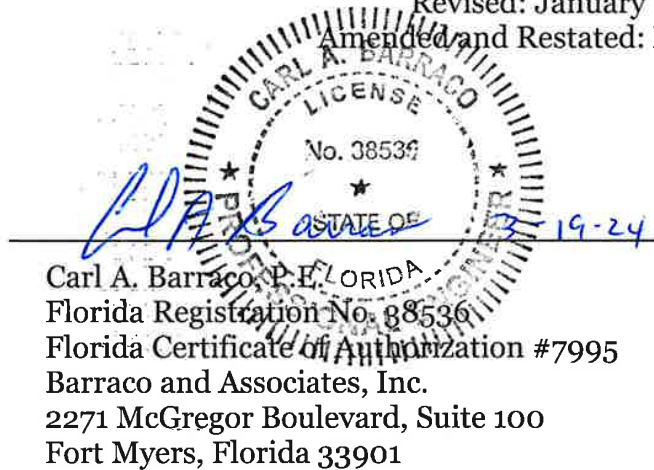
BARRACO AND ASSOCIATES, INC.  
2271 McGregor Boulevard, Suite 100  
Fort Myers, FL 33901

September 8, 2023

Revised: December 8, 2023

Revised: January 26, 2024

Amended and Restated: March 19, 2024



Carl A. Barraco, P.E.  
Florida Registration No. 38536  
Florida Certificate of Authorization #7995  
Barraco and Associates, Inc.  
2271 McGregor Boulevard, Suite 100  
Fort Myers, Florida 33901

# SALTLEAF COMMUNITY DEVELOPMENT DISTRICT

## ENGINEER'S REPORT

### 1. INTRODUCTION

The Saltleaf Community Development District was established by the Lee County Board of County Commissioners by County Ordinance Number 23-16 on June 20, 2023. The purpose of this report is to provide a description of the capital improvement plan (“**CIP**”) and estimated costs of the CIP, for the Saltleaf Community Development District (“**District**”).

### 2. GENERAL SITE DESCRIPTION

The District consists of 209.32 acres of land and is located within Lee County, Florida and the City of Bonita Springs, Florida. The site is generally located east of Estero Bay, west of South Tamiami Trail (US 41) and north of Coconut Road. It is anticipated the District will undertake a boundary amendment to include an additional 157.35 acres (“**Expansion Parcel**”) of land within the District, and this Engineer’s Report has been amended and restated such that it assumes the referenced boundary amendment will occur. An exhibit depicting the District boundary, as well as the anticipated Expansion Parcel, is provided herein as **Exhibit A – General Location Map**.

### 3. PROPOSED CAPITAL IMPROVEMENT PLAN

The CIP is intended to provide public infrastructure improvements for the entire development within the District boundary. The following chart shows the planned product types for the District, however, all such product types and unit counts are preliminary and may not be finalized until the development is completed:

#### PRODUCT TYPES

Product Type	Original Unit Count*	Anticipated Unit Count
High-Rise Buildings	644	1,184
Mid-Rise Buildings	324	235
Villas	76	113
<b>TOTAL</b>	<b>1,044</b>	<b>1,532</b>
<i>*Per Master Engineer’s Report dated September 8, 2023</i>		

Note: The developer is currently pursuing additional local zoning approval to increase the unit count by 488 units to an anticipated total of 1,532. This Engineer’s Report has been amended and restated to reflect the anticipated unit count.

The following sections of this report describe the elements which are part of the District's CIP. The CIP described represents the present intentions of the developer, and the District, subject to applicable local general purpose government land development codes. The implementation of any improvements discussed in this report requires the final approval by many regulatory and permitting agencies including local, state and federal agencies. Subsequently, the actual improvements may vary from the CIP described herein.

In the preparation of this report, Barraco and Associates, Inc. relied upon information provided by others, including the developer. While Barraco and Associates, Inc. has not independently verified the information provided by other sources, there is no apparent reason to believe the information provided by others is not valid for the purposes of this report.

The CIP is anticipated to be constructed in phases. The current intent is to complete the CIP in two phases, although the number of phases may be adjusted in the future.

- Phase 1 of the CIP generally includes initial land purchases, exotic removal and wetland restoration of conservation areas, construction of the main entry, realignment and enhancement of the spine road, the public park with public access improvements including restoration of the existing bridge and construction of the new bridge, the marina and on-site and off-site parking lots, and supporting infrastructure, hardscaping, landscaping and professional services and fees, as well as off-site roadway improvements.
- Phase 2 of the CIP generally includes the remaining land purchases, excavation and modification of the stormwater management lakes, the remaining spine roads and supporting infrastructure, hardscaping, landscaping and professional services and fees, a public entry gatehouse, and the remaining off-site roadway improvements.

#### **Public Roadway Improvements:**

The CIP may include certain public entry and internal roads within the District. Generally, all roads will be 2-lane un-divided roads with periodic roundabouts. Such roads include, among other improvements, the roadway asphalt, base, and subgrade, roadway curb and gutter, drainage inlets/pipes, striping and signage, sidewalks and other related improvements within rights-of-way which shall be owned, operated and maintained by the District. All roads will be designed in accordance with applicable local and state design requirements.

The District contains an existing spine roadway, Coconut Point Resort Drive, running roughly north-south within the District, which will be enhanced as part of the CIP. The scope of this enhancement considers realignment, removal and replacement of any or all of the existing roadway. This enhancement may also include construction of a guard house, which will be accessible to the public.

Certain internal roads will be gated. These private roads beyond the entry gates will be funded by the developer, and owned and operated by a property owner's association unless the gates are considered ornamental and the roadways are available to the public.

The CIP also may include off-site roadway improvements to public roadway S. Tamiami Trail (US 41) and Coconut Road. These improvements may include turn lanes and corresponding striping and signage, as well as traffic signalization at the intersection of US 41 and Pelican Colony Boulevard. The off-site roadway improvements will be constructed wholly within Lee County Department of Transportation (LCDOT) and Florida Department of Transportation (FDOT) public rights-of-way and may be funded by the District and conveyed to Lee County for operation and maintenance upon completion and certification. Accordingly, these costs are included within the CIP.

### **Stormwater Management/Drainage:**

The stormwater collection and outfall system is a combination of drainage structures, pipes, control structures and open lakes designed to treat and attenuate stormwater runoff. The stormwater system also includes environmental components and will be designed consistent with the applicable design requirements for stormwater/floodplain management systems established by the South Florida Water Management District (SFWMD) and will be governed by the SFWMD Environmental Resource Permit (ERP). The District will finance, own, operate and maintain the stormwater systems infrastructure which serves public and privately owned lands.

The stormwater management system consists of two drainage "basins." Such systems, while not hydraulically connected, do benefit all of the lands within the District because they both provide environmental and other benefits to the entire system and to the public. These systems are also governed and controlled by the SFWMD ERP.

The District's CIP includes excavation for lake construction. All excavated material shall first be used for public District projects. Any excess excavated material not needed for such public projects may be disposed of by placing/stockpiling on privately owned land. The cost of spreading, compacting and grading excess material will be the responsibility of the landowner.

### **Environmental Mitigation/Restoration**

The District will provide onsite and offsite conservation and mitigation areas in order to offset wetland impacts associated with the construction of the development as required by the SFWMD ERP. The District will be responsible for the design, permitting, construction, maintenance, and government reporting of the environmental mitigation. These costs are



included within the CIP.

### **Hardscape, Landscape, Trail System, and Irrigation:**

The District will construct and/or install landscaping and hardscaping within District common areas and public rights-of-way. The District must meet local design criteria requirements for planting design. This project will at a minimum meet those requirements and in most cases will exceed the requirements with enhancements for the benefit of the public.

All such landscaping and hardscaping will be owned, maintained and funded by the District. Such infrastructure, to the extent that it is located in rights-of-way owned by a local general purpose government will be maintained pursuant to a right-of-way agreement or permit. Any landscaping or hardscaping systems behind hard-gated roads, if any, will not be financed by the District and rather would be privately installed and maintained.

As part of the hardscaping, the District may acquire, construct, operate and maintain a public ecological walking trail through the adjacent conservation areas/eco park located immediately east of the District. Hardscaping improvements may also consider the construction, restoration and/or enhancement of two wooden bridges as part of the CIP which will serve, in conjunction with existing golf cart paths within the adjacent property to the District, as the access required for the District's perpetual maintenance of the eco park preserves, as required by associated environmental permits referenced subsequently in this report.

The District may contract with private irrigation providers to serve irrigation needs on District owned common areas.

### **Marina/ Marine Facility/ Parking/ Restaurants / Clubhouse:**

The development includes a marina and marina facility, along with a boathouse and certain commercial facilities within the District boundaries. As part of the District's CIP, the District may finance certain public improvements required by associated zoning permits referenced subsequently in this report. These improvements include the shoreline bulkhead and seawall, along with certain public boat slips, a boathouse, and related parking facilities. The facility is anticipated to have 72 total boat slips, 12 of which will be public and are included within the CIP (two of which shall be dedicated to the local sheriff and fire departments), with the remaining boat slips anticipated to be privately owned and financed by others. Additional facilities that may be considered within the CIP are public bathroom facilities, a designated public educational area, the public ramp, the public kayak slip, the public access up to and including the public park, a bait shop and a dockmaster. All facilities funded within the CIP will be available to the public and shall be operated by the District or an

authorized representative via an operation and management agreement. The balance of the marina facilities and features will be privately financed by the developer.

The development also includes two restaurants ( $\pm$  5,500 s.f. and  $\pm$  7,500 s.f.) and one clubhouse ( $\pm$  12,000 s.f.) within the boundary of the District. These facilities will be privately developed, funded, owned and operated by others, and accordingly, the cost of these improvements is outside the scope of the District's CIP. However while these facilities are private, they will receive some benefit from elements of the District's CIP.

Additionally, while the boundary of the District is adjacent to certain other properties such as a golf course, none of those properties receive any direct or special benefit from the District's CIP. Instead, the golf course has its own stormwater system, separate and apart from the District's, and the entire CIP is necessary for development of the lands within the District, separate and apart from the golf course.

### **Off-Site Improvements:**

Off-site improvements considered within the District's CIP include off-site public roadway improvements (previously described herein), land acquisition, construction of public parking to serve the adjacent eco park and public access to the eco park. The anticipated off-site land acquisitions and associated costs are detailed in subsequent sections of this report.

### **Professional Services:**

The CIP also includes various professional services. These may include: (i) legal fees, (ii) engineering, surveying and architectural fees, environmental consulting fees, (iii) permitting and plan review costs, and (iv) development/construction management services fees for CIP items that are required for the design, permitting, construction, and maintenance acceptance of the public improvements and community facilities.

### **Land Acquisition:**

The District may acquire lands upon which District facilities will be located. All such lands will be purchased at a cost that is the lesser of the land's appraised value or the developer's cost basis in the land. An exhibit depicting those lands currently anticipated to be acquired by the District is provided herein as **Exhibit B – CDD Land Appraisal Exhibit**. The appraised values for these lands are based upon an appraisal prepared by others, and the associated costs are outlined below and included within the Order of Magnitude cost estimate of the CIP detailed in a subsequent section of this report. As previously stated herein, it is anticipated the District will undertake a boundary amendment to include the Expansion Parcel, and the information pertaining to the anticipated land acquisitions

represented herein has been amended and restated such that it assumes the referenced boundary amendment will occur.

Property Description	Area	Location	Appraised Value
Stormwater Ponds	15.59 acres	On-site	\$2,962,000.
Entry Road(s) to Gate House(s)	6.91 acres	On-site	\$1,313,000.
Indigenous Preservation Area	0.7 acres	On-site	\$6,000.
Conservation Area	67.06 acres	On-site	\$570,000.
Marina Conservation Easement	3.64 acres	On-site	\$31,000.
Eco Park	143.97 acres	Off-site*	\$1,224,000.
Additional Parking Area (formerly Off-site Parcel)	1.44 acres	Off-site	\$273,000.
Public Marina Parking	1.02 acres	On-site	\$194,000.
Public Park	0.04 acres	On-site	\$8,000.
<i>*Will be considered "On-site" after the boundary amendment is completed.</i>			

NOTE: In the event that impact fee credits are generated from any roadway, or other improvements funded by the District, any such credits, if any, may be the subject of an acquisition agreement between the applicable developer and the District.

#### 4. CONSTRUCTION PERMITS

Federal, state, and local permits and approvals are required prior to the construction of site infrastructure. Permits and permit modifications are considered a part of the normal design and permitting process, and may be applied for at the time the improvement is undertaken.

All permits known to be required for construction of the main infrastructure of the CIP are either in effect or considered obtainable within the normal course of construction plan development, permit applications and processing. Note the permitting matrix may not be reflective of the Expansion Parcel at this time.

PERMITTING MATRIX					
Agency	Permit	Permit No.	Issued	Expiration	Status
City of Bonita Springs	Zoning Resolution	Ordinance No. 20-06	10/21/2020	N/A	Approved
City of Bonita Springs	Zoning Resolution	Ordinance No. 21-03	11/03/2021	N/A	Approved
City of Bonita Springs	Zoning Resolution	Admin Amend Add-21-86841-BOS to Ord No's 20-06 & 21-03	04/01/2022	N/A	Approved

City of Bonita Springs	Zoning Resolution (Indigenous Preserve)	Ordinance No. 23-13	10/04/2023	N/A	Approved
City of Bonita Springs	Development Order	DOS21-86512-BOS	12/19/2022	12/19/2028	Approved
City of Bonita Springs	Development Order Amendment #1	DOS21-86512-BOS(A01)	02/09/2024	12/19/2028	Approved
City of Bonita Springs/Lee County	Plat	Instrument #2022000346672	11/16/2022	N/A	Approved
Army Corps of Engineers	Permit Transfer	SAJ-2000-00396 (RWR-MOD)	07/07/2021	N/A	Approved
Army Corps of Engineers	Permit Mod #3	SAJ-2012-00750 (MOD-SJR)	07/26/2023	07/25/2025	Approved
SFWMD	ERP	36-105418-P, App #220506-34337	12/27/2022	12/27/2027	Approved
SFWMD	ERP	36-105418-P, App #230302-37793	10/24/2023	10/24/2028	Approved
SFWMD	ERP	36-03813-P, App #220613-34754	12/19/2022	12/19/2027	Approved
SFWMD	ERP	36-03813-P, App #230302-37794	10/24/2023	10/24/2028	Approved
SFWMD	Water Use Permit (Dewatering)	36-09867-W, App #220718-1	01/06/2023	01/06/2026	Approved
SFWMD	Water Use Permit (Dewatering)	36-03815-W, App #220114-4	06/08/2022	06/08/2025	Approved
SFWMD	Water Use Permit (Irrigation)	36-03813-W, App #220331-6	06/06/2022	08/10/2025	Approved
FDEP	NPDES NOI	Facility ID # FLR20FJ27	04/14/2022	04/13/2027	Approved
FDEP	NPDES NOI	Facility ID #FLR20FJ16	04/14/2022	04/13/2027	Approved
FDEP	Marina Permit (includes on-site Marina and Parking Lot)	300906-010 EM	11/04/2022	07/22/2026	Approved
FDEP	Sewer Transmission System – MOT Phase 1	50210-536-DWCCG	12/29/2022	12/29/2027	Approved
FDEP	Sewer Transmission System – MOT Phase 2	50210-537-DWCCG	12/29/2022	12/29/2027	Approved
FDEP	Sewer Transmission System – MOT Phase 3	50210-538-DWCCG	12/29/2022	12/29/2027	Approved
FDEP	Sewer Transmission System – MOT Phase 4	50210-541-DWCCG	02/07/2023	02/07/2028	Approved
FDEP	Water Distribution – MOT Phase 1	124869-611-DSGP02	12/29/2022	12/29/2027	Approved
FDEP	Water Distribution – MOT Phase 2	124869-612-DSGP02	12/28/2022	12/28/2027	Approved

FDEP	Water Distribution – MOT Phase 3	124869-613-DSGP02	12/29/2022	12/29/2027	Approved
FDEP	Water Distribution – MOT Phase 4	124869-621-DSGP02	02/07/2023	02/07/2028	Approved
Bonita Springs Utilities	Construction Plan Approval – MOT Phase 1	DOS21-86512-BOS	12/01/2022	Not Specified	Approved
Bonita Springs Utilities	Construction Plan Approval – MOT Phase 2	DOS21-86512-BOS	12/02/2022	Not Specified	Approved
Bonita Springs Utilities	Construction Plan Approval – MOT Phase 3	DOS21-86512-BOS	12/05/2022	Not Specified	Approved
Bonita Springs Utilities	Construction Plan Approval – MOT Phase 4	DOS21-86512-BOS	01/18/2023	Not Specified	Approved
Bonita Springs Utilities	Application to Construct – (Amendment to MOT Ph 4)	DOS21-86512-BOS	09/21/2023	Not Specified	Approved
Bonita Springs Utilities	Application to Construct – (Off-site parking lot)	DOS2022-00144	TBD	TBD	RAI
FEMA	Conditional Letter of Map Revision (CLOMR) (Marina Public Restroom)	22-04-0463R	11/21/2022	N/A	Approved
FEMA	Letter of Map Revision (LOMR) (Marina Public Restroom)	24-04-1255P	TBD	TBD	RAI
City of Bonita Springs	Zoning Resolution	ADD23-105233-BOS	09/11/2023	N/A	Approved
Lee County	Zoning Resolution	Ordinance No. Z-94-041	08/29/1994	N/A	Approved
Lee County	Zoning Resolution	Ordinance No. Z-00-31	07/17/2000	N/A	Approved
Lee County	Zoning Resolution	Ordinance No. Z-07-31	01/07/2008	N/A	Approved
Lee County	Zoning Resolution	Ordinance No. Z-98-066	09/21/1998	N/A	Approved
Lee County	Development Order	DOS2021-00137	05/03/2022	05/03/2028	Approved
Lee County	Development Order Amendment #1	DOS2021-00137-A01	08/05/2022	05/03/2028	Approved
Lee County	Development Order Amendment #2	DOS2021-00137-A02	02/24/2023	05/03/2028	Approved
Lee County	Vegetation Removal Permit – DO	VEG2022-00197	07/29/2022	07/29/2023	Approved
Lee County (Offsite Utility)	Limited Review Development Order	LDO2022-00192	02/13/2023	02/13/2029	Approved
Lee County (Offsite Utility)	Limited Review Development Order Amendment #1	LDO2022-00192-A01	05/04/2023	02/13/2029	Approved

Lee County (Offsite Parking)	Development Order	DOS2022-00144	TBD	TBD	RAI
Lee County	Right-of-Way	ROW2023-00713	07/31/2023	01/31/2024	Approved
Florida Fish and Wildlife Conservation Commission (FFWCC)	Gopher Tortoise Conservation	GTC-22-00058B	05/04/2022	02/03/2023	Approved

## 5. CIP COST ESTIMATE / MAINTENANCE RESPONSIBILITIES

The table below presents, among other things, an Order of Magnitude cost estimate for the CIP, broken down by phase. It is our professional opinion that the costs set forth below are reasonable and consistent with current industry pricing. As previously stated herein, it is anticipated the District will undertake a boundary amendment to include the Expansion Parcel, and this Order of Magnitude cost estimate has been amended and restated such that it assumes the referenced boundary amendment will occur.

Improvement	Estimated Cost*			Financing Entity	Operation & Maintenance Entity
	Overall CIP	Phase 1	Phase 2		
Onsite Roadway	\$5,100,000.	\$1,900,000.	\$3,200,000.	CDD	CDD
Surface Water Management / Drainage / Environmental	\$10,700,000.	\$1,600,000.	\$9,100,000.	CDD	CDD
Hardscape/Landscape/Trail System and Irrigation	\$6,300,000.	\$3,900,000.	\$2,400,000.	CDD	CDD
Marina/Marine Facility/Parking	\$5,400,000.	\$5,400,000.	\$0.	CDD	CDD
Offsite Improvements	\$4,600,000.	\$2,300,000.	\$2,300,000.	CDD	CDD/ Lee County
Professional Fees/Permit Fees	\$5,100,000.	\$2,700,000.	\$2,400,000.	CDD	N/A
Land Acquisition	\$6,581,000.	\$2,813,200.	\$3,767,800.	CDD	CDD
<b>Subtotal</b>	<b>\$43,781,000.</b>	<b>\$20,613,200.</b>	<b>\$23,167,800.</b>	N/A	N/A
Contingency (20%)	\$8,756,200.	\$4,122,640.	\$4,633,560.	N/A	N/A
<b>TOTAL</b>	<b>\$52,537,200.</b>	<b>\$24,735,840.</b>	<b>\$27,801,360.</b>	N/A	N/A
<i>* Approximately \$2,500,000 of the Estimated Cost above are attributable to the anticipated boundary amendment</i>					

- a. The probable costs estimated herein do not include anticipated carrying cost, interest reserves or other anticipated CDD expenditures that may be incurred.
- b. The developer may finance any of the improvements outlined above, and have such improvements owned and maintained by a property owner's or homeowner's association, in which case such items would not be part of the CIP.

- c. The District may enter into an agreement with a third-party, or an applicable property owner's or homeowner's association, to maintain any District-owned improvements, subject to the approval of the District's bond counsel and Board of Supervisors.

## **6. CONCLUSIONS**

The CIP will be designed in accordance with current governmental regulations and requirements. The CIP will serve its intended function so long as the construction is in substantial compliance with the construction plans approved by the appropriate jurisdiction/agency.

It is further our opinion that:

- The estimated cost to the CIP as set forth herein is reasonable based on prices currently being experienced in the jurisdiction in which the District is located, and will not be greater than the lesser of the actual cost of construction or the fair market value of such infrastructure.
- All of the improvements comprising the CIP are required by applicable development approvals issued pursuant to Section 380.06, Florida Statutes;
- the CIP is feasible to construct, there are no known technical reasons existing at this time that would prevent the implementation of the CIP, and it is reasonable to assume that all necessary regulatory approvals may be obtained in due course; and
- The assessable property within the District will receive a special benefit from the CIP that is at least equal to such costs.

Also, the CIP will constitute a system of improvements that will provide benefits, both general, and special and peculiar, to all lands within the District. The general public, property owners, and property outside the District will benefit from the provisions of the District's CIP; however, these are incidental to the District's CIP, which is designed solely to provide special benefits peculiar to property within the District. Special and peculiar benefits accrue to property within the District and enables properties within its boundaries to be developed.

The CIP will be owned by the District or other governmental units and such CIP is intended to be available and will reasonably be available for use by the general public (either by being part of a system of improvements that is available to the general public or is otherwise available to the general public) including nonresidents of the District. All of the CIP is or will be located on lands owned or to be owned by the District or another governmental entity or on perpetual easements in favor of the District or other governmental entity. The CIP, and any cost estimates set forth herein, do not include any earthwork, grading or other improvements on private lots or property. The District will pay the lesser

of the cost of the components of the CIP or the fair market value.

Please note that the CIP as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the CIP, as used herein, refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units in the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.

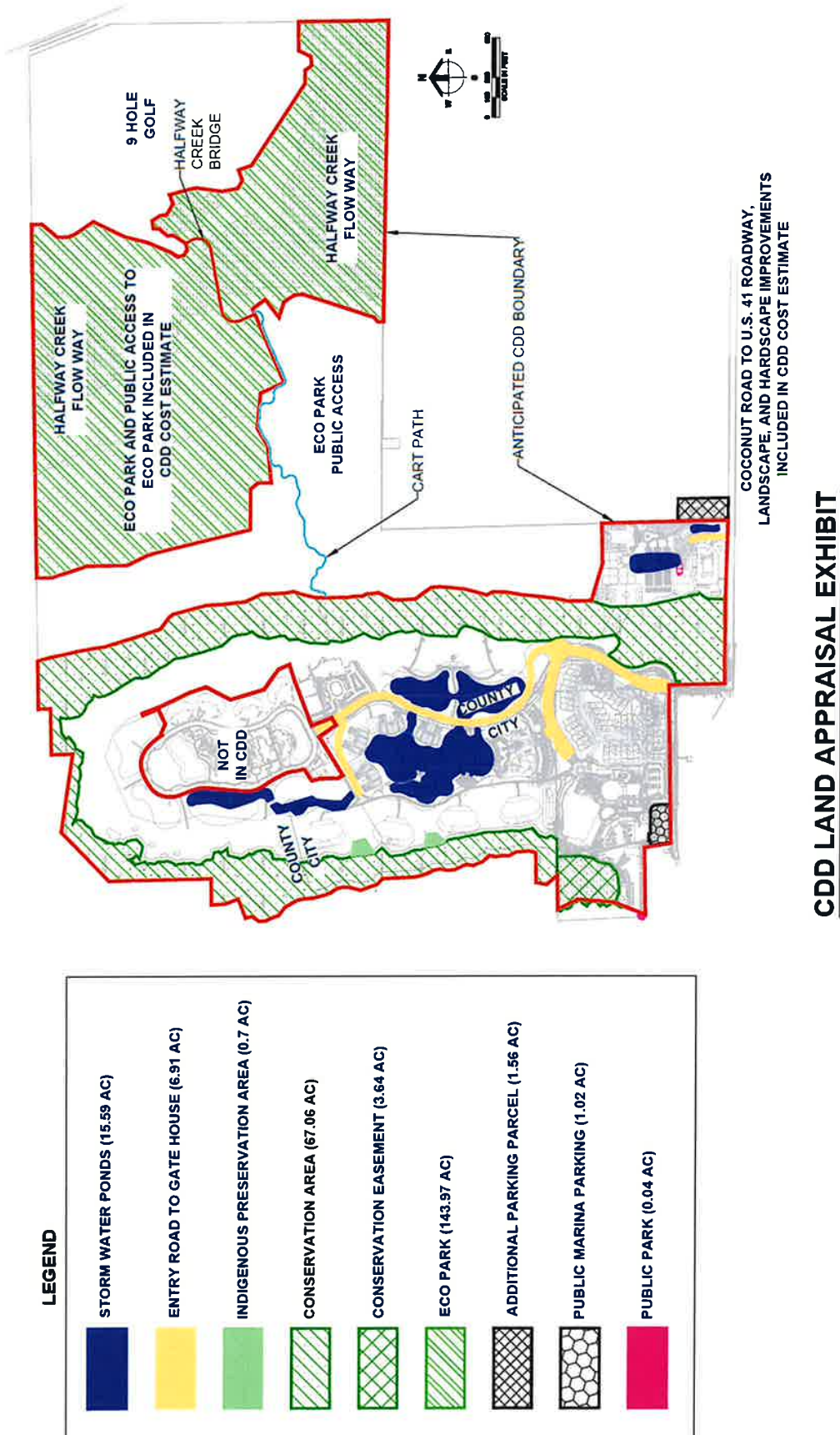


# Exhibit A. General Location Map





## Exhibit B. CDD Land Appraisal Exhibit



**APPENDIX B**

**PROPOSED FORMS OF MASTER INDENTURE AND FIRST  
SUPPLEMENTAL INDENTURE**

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<b>MASTER TRUST INDENTURE</b>	
<b>BETWEEN</b>	
<b>SALTLEAF COMMUNITY DEVELOPMENT DISTRICT</b>	
<b>AND</b>	
<b>U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,</b>	
<b>AS TRUSTEE</b>	
<b>Dated as of April 1, 2024</b>	
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EXHIBIT A – FORM OF REQUESTION

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GRANTING CLAUSES

That the District, 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 (hereinafter defined), 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 of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds of a Series (hereinafter defined) issued hereunder according to their tenor and effect and to secure the performance and observance by the District of all of the covenants expressed or implied herein, in the 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 the "Trust Estate") to the Trustee and its successors in trust, and assigns forever, for the securing of the performance of the obligations of the District herein set forth: (a) the Pledged Revenues (hereinafter defined) and Pledged Funds (hereinafter defined); and (b) 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, granted or delivered to, or deposited with, the Trustee as security for any Series of Bonds issued pursuant to this Master Indenture by the District or anyone on its behalf or with its consent, or which pursuant to any of the provisions hereof or of the Supplemental Indenture securing such Series of Bonds may come into the possession or control of the Trustee or of a lawfully appointed 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 except as otherwise provided herein or in a Supplemental Indenture, the 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 and for no other Series;

**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, (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

MASTER TRUST INDENTURE

**THIS MASTER TRUST INDENTURE** is dated as of April 1, 2024, between **SALTLEAF COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government organized and existing under the laws of the State of Florida (the "District"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association and having the authority to exercise corporate trust powers, with its designated corporate trust office located at 500 West Cypress Creek Road, Suite 460, Fort Lauderdale, Florida 33309, Attention: Corporate Trust Department.

**WHEREAS**, the District is a community development district duly organized and existing under the provisions of Chapter 190, Florida Statutes (the "Act"), for the purpose, among other things, of financing and managing the acquisition, construction, installation, maintenance, and operation of the major infrastructure within and without the boundaries of the District; and

**WHEREAS**, the District has the power and authority under the Act to issue special assessment bonds and revenue bonds and to use the proceeds thereof to finance the cost of acquiring and constructing assessable improvements (as defined in the Act) and, by virtue of Section 190.022 of the Act, to levy and collect special assessments therefor as provided in Chapter 170, Florida Statutes, and to levy and collect user charges and fees therefor as provided in Section 190.011, Florida Statutes; and

**WHEREAS**, additionally, the District has the power and authority under the Act to levy and collect Benefit Special Assessments (hereinafter defined) and Operation and Maintenance Assessments (hereinafter defined); and

**WHEREAS**, the District has found and determined and does hereby find and determine, that acquisition and construction of the Series Projects (hereinafter defined) is and will be necessary and desirable in serving the District's goal of properly managing the acquisition, construction, installation and operation of portions of the infrastructure within and without the boundaries of the District; and

**WHEREAS**, the execution and delivery of the Bonds (hereinafter defined) and of this Master Indenture (hereinafter defined) have been duly authorized by the Governing Body (hereinafter defined) of the District and all things necessary to make the Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Master Indenture a valid and binding agreement and a valid and binding lien on the Trust Estate (hereinafter defined) have been done;

**NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:**

Indenture except as otherwise expressly provided herein, as if all the Bonds at any time Outstanding (hereinafter defined) 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** that (a) this Master Indenture creates a continuing lien equally and ratably to secure the payment in full of the principal of, premium, if any, and interest on all Bonds of a Series which may from time to time be Outstanding hereunder, except as otherwise expressly provided herein, (b) the Trust Estate shall immediately be subject to the lien of this pledge and assignment without any physical delivery thereof or further act, (c) 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 District, irrespective of whether such parties have notice thereof, and (d) the Bonds of a Series are to be issued, authenticated and delivered, and the Trust Estate 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 Supplemental Indenture authorizing the issuance of such Series of Bonds and the District 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, as follows:

ARTICLE I  
DEFINITIONS

**Section 101. Meaning of Words and Terms.** The following words and terms used in this Master Indenture shall have the following meanings, unless some other meaning is plainly intended:

**"Accountant"** shall mean the independent certified public accountant or independent certified public accounting firm retained by the District to perform the duties of the Accountant under this Master Indenture.

**"Accountant's Certificate"** shall mean an opinion signed by an independent certified public accountant or firm of certified public accountants (which may be the Accountant) from time to time selected by the District.

**"Accounts"** shall mean all accounts created hereunder or pursuant to a Supplemental Indenture, except the Series Rebate Account within the Rebate Fund.

**"Accreted Value"** shall mean, 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 Capital Appreciation 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 Capital Appreciation Bond as of such date shall be the amount determined by compounding the Accreted Value of such Capital Appreciation 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 determined by dividing (x) the number of days elapsed (determined on the basis of a 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) 180. A table of Accreted Values for the Capital Appreciation Bonds shall be incorporated in a Supplemental Indenture executed by the District upon issuance of any Capital Appreciation Bonds.

**"Acquisition and Construction Fund"** shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

**"Act"** shall mean Chapter 190, Florida Statutes, as amended from time to time.

**"Additional Bonds"** shall mean Bonds ranking on a parity with a Series of Bonds issued under a Supplemental Indenture, provided that such Supplemental Indenture allows for the issuance of parity Bonds.

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

**"Assessments"** shall mean all assessments levied and collected by or on behalf of the District pursuant to Section 190.022 of the Act, together with the interest specified by resolution adopted by the Governing Body, the interest specified in Chapter 170, Florida Statutes, if any such interest is collected by or on behalf of the Governing Body, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments 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.

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**"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 District providing for the issuance thereof.

**"Capitalized Interest"** shall mean, with respect to the interest due or to be due on a Series of Bonds prior to, during and for a period not exceeding one year after the completion of the Series Project to be funded by such Series of Bonds, all or part of such interest which will be paid, or is expected to be paid, from the proceeds of such Series of Bonds.

**"Chairman"** shall mean the Chairman or Vice Chairman of the Governing Body of the District, or his or her designee, or the person succeeding to his or her principal functions.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended, or any successor provisions thereto and the regulations promulgated thereunder or under the Internal Revenue Code of 1954, as amended, if applicable, or any successor provisions thereto.

**"Completion Bonds"** shall mean Bonds issued pursuant to a Supplemental Indenture ranking on a parity with the Series of Bonds issued under such Supplemental Indenture, the proceeds of which are to be used to complete the Series Project.

**"Connection Fees"** shall mean all fees and charges assessed by the District to users for the actual costs of connecting to a utility system of the District.

**"Consulting Engineer"** shall mean the independent engineer or engineering firm or corporation employed by the District in connection with any Series Project to perform and carry out the duties of the Consulting Engineer under this Master Indenture or any Supplemental Indenture.

**"Continuing Disclosure Agreement"** shall mean a Continuing Disclosure Agreement, by and among the District, the dissemination agent named therein, and any other "obligated person" under the Rule, in connection with the issuance of one or more Series of Bonds hereunder, pursuant to the requirements of the Rule.

**"Cost" or "Costs"** as applied to a Series Project, shall include the cost of acquisition and construction thereof and all obligations and expenses relating thereto including, but not limited to, those items of cost which are set forth in Section 403 hereof.

**"Authorized Denomination"** shall, except as provided in any Supplemental Indenture relating to a Series of Bonds, mean the denomination of \$5,000 or any integral multiple thereof.

**"Authorized Officer"** shall mean any person authorized by the District in writing directed to the Trustee to perform the act or sign the document in question.

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

**"Benefit Special Assessments"** shall mean benefit special assessments levied and collected in accordance with Section 190.021(2) of the Act, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Benefit Special Assessments which are not paid in full when due 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.

**"Bond Anticipation Notes"** shall mean bond anticipation notes issued pursuant to a Supplemental Indenture in anticipation of the sale of an authorized Series of Bonds and in a principal amount not exceeding the principal amount of such anticipated Series of Bonds.

**"Bond Counsel"** shall mean an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the District.

**"Bond 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 registration books of the District reflecting the names, addresses, and other identifying information of the Owners of Bonds of such Series.

**"Bond Year"** shall mean, unless otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, the period commencing on the first day of May in each year and ending on the last day of April of the following year.

**"Bonds"** shall mean the Outstanding Bonds of all Series.

**"Business Day"** shall mean any day excluding Saturday, Sunday or any other day on which banks in the cities in which the designated corporate trust office of the Trustee or the Paying Agent are located are authorized or required by law or other governmental action to close and on which the Trustee or Paying Agent, or both, is closed.

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**"Credit Facility" or "Liquidity Facility"** shall mean a letter of credit, a municipal bond insurance policy, a surety bond or other similar agreement issued by a banking institution or other entity satisfactory to the District and providing for the payment of the principal of, interest on or purchase price of a Series of Bonds or any alternate or substitute Credit Facility or Liquidity Facility if then in effect.

**"Current Interest Bonds"** shall mean Bonds of a Series the interest on which is payable at least annually.

**"Date of Completion"** with respect to a Series Project shall mean: (a) the date upon which such 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 and the District; or (b) the date on which the District determines, upon the recommendation of or in consultation with the Consulting Engineer, that it cannot complete such Project in a sound and economical manner within a reasonable period of time as evidenced by a certificate of the Consulting Engineer of the District filed with the Trustee and the District; provided that in each case such certificate of the Consulting Engineer shall set forth the amount of all Costs of such Project which has theretofore been incurred, but which on the Date of Completion is or will be unpaid or unreimbursed.

**"Debt Service"** shall mean collectively the principal (including Amortization Installments), interest, and redemption premium, if any, payable with respect to the Bonds.

**"Debt Service Fund"** shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

**"Delinquent Assessments"** shall mean, collectively, any and all installments of any Assessments which are not paid when due, including any applicable grace period under State law or District proceedings.

**"Depository"** shall mean any bank or trust company duly authorized by law to engage in the banking business and designated by the District as a depository of moneys subject to the provisions of this Master Indenture.

**"Direct Billed"** shall mean Assessments, Benefit Special Assessments or Operation and Maintenance Assessments, as applicable within the context in which such reference is made, which are billed directly by the District rather than collected on the tax bill using the Uniform Method.

**"District"** shall mean the Saltleaf Community Development District, a community development district established pursuant to the Act, or any successor thereto which succeeds to the obligations of the District hereunder.

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**"DTC"** shall mean The Depository Trust Company, and its successors and assigns.

**"Engineer's Certificate"** shall mean a certificate of the Consulting Engineer or of such other engineer or firm of engineers having a favorable repute for skill and experience in the engineering matters with respect to which such certification is required by this Master Indenture.

**"Event of Default"** shall mean any of the events described in Section 902 hereof.

**"Federal Securities"** shall mean, to the extent permitted by law for investment as contemplated in this Master Indenture and any Supplemental Indenture, (a) Government Obligations, (b) any Tax-Exempt Obligations which are fully secured as to principal and interest by an irrevocable pledge of Government Obligations, which Government Obligations are segregated in trust and pledged for the benefit of the holders of the Tax-Exempt Obligations, (c) certificates of ownership of the principal or interest of Government Obligations, which Government Obligations are held in trust, and (d) investment agreements at least one hundred percent (100%) collateralized by obligations described in clauses (a), (b) or (c) above.

**"Fiscal Year"** shall mean the fiscal year of the District in effect from time to time, which shall initially mean the period commencing on the first day of October of any year and ending on the last day of September of the following year.

**"Funds"** shall mean all funds, except the Rebate Fund, created pursuant to Section 502 hereof.

**"Governing Body"** shall mean the Board of Supervisors of the District.

**"Government Obligations"** shall mean direct obligations of, or obligations the payment of which is 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 Series of Bonds issued hereunder, this Master Indenture, as amended and supplemented by the Supplemental Indenture relating to such Series of Bonds.

**"Insurer"** shall mean the issuer of any municipal bond insurance policy insuring the timely payment of the principal of and interest on Bonds or any Series of Bonds.

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(g) Any short-term government fund or any money market fund whose assets consist of (a), (b) and (c) above;

(h) Commercial paper (having maturities of not more than 270 days) rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S&P;

(i) Certificates evidencing a direct ownership interest in non-callable Government Obligations or in future interest or principal payments thereon held in a custody account by a custodian satisfactory to the Trustee;

(j) Obligations of any state of the United States of America or any political subdivision, public instrumentality or public authority of any such state which are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and which are fully secured by and payable solely from non-callable Government Obligations held pursuant to an escrow agreement; and

(k) The Local Government Surplus Funds Trust Fund as described in Section 218.405, Florida Statutes, or the corresponding provisions of subsequent laws.

Under all circumstances, the Trustee shall be entitled to rely on the direction of an Authorized Officer that any investment directed by the District is permitted under the Indenture and is a legal investment for funds of the District.

**"Letter of Credit Agreement"** shall mean any financing agreement relating to a Credit Facility for so long as such agreement will be in effect.

**"Liquidity Agreement"** shall mean any financing agreement relating to a Liquidity Facility for so long as such agreement will be in effect.

**"Majority Owners"** shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Bonds of a Series then Outstanding or all of the Bonds then Outstanding, as applicable in the context within which such reference is made.

**"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.

**"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

**"Interest Payment Date"** shall mean 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.

**"Investment Obligations"** shall mean and include, except as otherwise provided in the Supplemental Indenture providing for the authorization of Bond Anticipation Notes or Bonds, any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

(a) Government Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government-sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; 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;

(c) Direct and general obligations of any state of the United States, the payment of the principal of and interest on which the full faith and credit of such state is pledged, if at the time of their purchase such obligations are rated in either of the two highest rating categories without regard to gradations within any such categories by either S&P or Moody's;

(d) 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;

(e) Bank or broker repurchase agreements fully secured by securities specified in (a) or (b) above, which may include repurchase agreements with the commercial banking department of the Trustee, provided that such securities are deposited with the Trustee, with a Federal Reserve Bank or with a bank or trust company (other than the seller of such securities) having a combined capital and surplus of not less than \$100,000,000;

(f) A promissory note of a bank holding company rated in either of the two highest rating categories without regard to gradations within any such categories by either S&P or Moody's;

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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 are used to pay interest in such Bond Year.

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

**"Operation and Maintenance Assessments"** shall mean assessments described in Section 190.021(3) of the Act, for the maintenance of District facilities or the operations of the District.

**"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.

**"Outstanding"** when used with reference to Bonds, shall mean, as of a particular date, all Bonds theretofore authenticated and delivered under this Master Indenture, except:

(a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Master Indenture or Supplemental Indenture with respect to Bonds of any Series and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article III hereof or in the Supplemental Indenture relating to the Bonds of any Series;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this Master Indenture and the Supplemental Indenture with respect to Bonds of a Series unless proof satisfactory to the Trustee is presented that any such Bonds are held by a bona fide purchaser in due course; and

(d) Bonds paid or deemed to have been paid as provided in this Master Indenture or in a Supplemental Indenture with respect to Bonds of a Series,



including Bonds with respect to which payment or provision for payment has been made in accordance with Article XII hereof.

In addition, Bonds actually known by the Trustee to be held by or for the District will not be deemed to be Outstanding for the purposes and within the purview of Article IX and Article XI hereof.

**"Owner"** or **"Owners"** shall mean the registered owners from time to time of Bonds.

**"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 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.

**"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 Benefit Special Assessments, or portions thereof, which shall be paid to the District prior to the time such amounts become due, including but not limited to "true-up payments" due as part of the Assessments or an applicable agreement. Interest may be required to be paid with a Prepayment, but for purposes of this definition, Prepayments shall not include any interest paid on such Assessments.

**"Property Appraiser"** shall mean the Property Appraiser of Lee County, Florida, or the person succeeding to such officer's principal functions.

**"Rebate Amount"** shall mean the amount, if any, required to be rebated to the United States pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended, and the regulations and rulings thereunder.

**"Rebate Analyst"** shall mean the person or firm selected by the District to calculate the Rebate Amount, which person or firm shall have recognized expertise in the calculation of the Rebate Amount.

**"Rebate Fund"** shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

**"Record Date"** shall mean the fifteenth (15th) day of the calendar month next preceding any Debt Service payment date or, in the case of any proposed redemption of Bonds, the fifth (5th) day next preceding the date of mailing of notice of such redemption, or if either of the foregoing days is not a Business Day, then the Business Day immediately preceding such day.

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**"Series Capitalized Interest Account"** shall mean the account within a Series Debt Service Account with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

**"Series Costs of Issuance Account"** shall mean the account within the Acquisition and Construction Fund with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

**"Series Debt Service Account"** shall mean the account within the Debt Service Fund with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

**"Series Interest Account"** shall mean the account within a Series Debt Service Account with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

**"Series Optional Redemption Subaccount"** shall mean the subaccount within a Series Redemption Account with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

**"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, Benefit Special Assessments, Connection Fees or other user fees or other revenues or combinations thereof imposed or levied by the District in accordance with the Act.

**"Series Prepayment Subaccount"** shall mean the subaccount within a Series Redemption Account with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

**"Series Principal Account"** shall mean the account within a Series Debt Service Account with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

**"Series Project"** or **"Series Projects"** shall mean the acquisition, construction, equipping and/or improvement of capital projects to be located within or without the District for the benefit of the District 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.

**"Redemption Price"** shall mean the principal of, premium, if any, and interest accrued to the date fixed for redemption of any Bond called for redemption pursuant to the provisions thereof, hereof and of the Supplemental Indenture pursuant to which such Bond is issued.

**"Refunding Bonds"** shall mean Bonds issued pursuant to provisions of this Master Indenture, the proceeds of which are used to refund one or more Series of Bonds then Outstanding.

**"Reserve Fund"** shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

**"Revenue Fund"** shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

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

**"S&P"** shall mean S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, a limited liability company organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such entity is dissolved or liquidated or no longer performs the functions of a securities rating agency, S&P will be deemed to refer to any other nationally recognized securities rating agency designated by the District by written notice to the Trustee.

**"Secretary"** shall mean the Secretary or any Assistant Secretary to the Governing Body, or his or her designee, or the person succeeding to his or her principal functions.

**"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 District upon original issuance.

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

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

**"Series Redemption Account"** shall mean the account within a Series Debt Service Account with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

**"Series Reserve Account"** shall mean the account within the Reserve Fund with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

**"Series Reserve Account Requirement"** shall mean the amount of money or other security which may be in the form of a reserve fund insurance policy 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 a 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 lesser of (a) the Maximum Annual Debt Service Requirement for all Bonds of such Series then Outstanding, (b) 125% of the average annual debt service for all Bonds of such Series then Outstanding, or (c) the aggregate of ten percent (10%) of the proceeds of the Bonds of such Series calculated as of the date of original issuance thereof. 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 (y) 110% of the daily average interest rate on such Variable Rate Bonds during the twelve (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 (z) the actual rate of interest borne by 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 lesser of the amounts specified in the immediately preceding sentence. 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. A Supplemental Indenture may provide that the Series Reserve Account Requirement for a Series is zero.

**"Series Revenue Account"** shall mean the account within the Revenue Fund with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

**"Series Sinking Fund Account"** shall mean the account within a Series Debt Service Account with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

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**"Series Trust Estate"** shall mean the Trust Estate for a Series of Bonds established by Supplemental Indenture for such Series of Bonds.

**"State"** shall mean the State of Florida.

**"Subordinate 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 supplementary hereto entered into for the purpose of amending the terms and provisions hereof with respect to all Bonds in accordance with Article XI hereof.

**"Tax Collector"** shall mean the Tax Collector of Lee County, Florida, or the person succeeding to such officer's principal functions.

**"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.

**"Tax-Exempt Obligations"** shall mean any bond, note or other obligation issued by any person, the interest on which is excludable from gross income for federal income tax purposes.

**"Tax Regulatory Covenants"** shall mean the covenants of the District necessary for the preservation of the excludability of interest thereon from gross income for federal income tax purposes, as such covenants shall be amended from time to time upon written instructions from Bond Counsel.

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

**"Term Bonds"** shall mean Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments or are subject to extraordinary mandatory or mandatory redemption upon receipt of unscheduled Pledged Revenues.

**"Time Deposits"** shall mean time deposits, certificates of deposit or similar arrangements with any bank or trust company, including the Trustee or an affiliate thereof, which is a member of the Federal Deposit Insurance Corporation and any federal or State savings and loan association which is a member of the Federal Deposit Insurance Corporation or its successors and which are secured or insured in the manner required by State law.

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**Section 202. Details of Bonds.** Bonds of a Series shall be in such denominations, 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 Current Interest Bonds, Variable Rate Bonds, Capital Appreciation Bonds, Option Bonds or any combination thereof and may be secured by a Credit Facility or Liquidity Facility, all as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series (or a part of a Series) may be in book-entry form at the option of the District as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Debt Service shall be payable in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts. Interest shall be paid to the registered Owner of Bonds at the close of business on the Record Date for such interest; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 hereof, the payment of interest and principal or Redemption Price or Amortization Installments pursuant hereto shall be made by the Paying Agent 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 Bond Registrar as the registered Owner of a Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation of the Bond at the designated corporate trust office of the Paying Agent in Fort Lauderdale, Florida; provided, however, that presentation shall not be required if the Bonds are in book-entry only form. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner if such Owner requests such method of payment by delivery of written notice to the Paying Agent prior to the Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner owns not less than \$1,000,000 in aggregate principal amount of the Bonds or, if less than such amount, all of the Bonds then Outstanding). Unless otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, interest on a Series of Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

**Section 203. Execution and Form of Bonds.** The Bonds shall be signed by or bear the facsimile signature of the Chairman, shall be attested and countersigned by the Secretary, and the certificate of authentication appearing on the face of the Bonds shall be signed by the Trustee; provided, however, that each Bond shall be manually signed by either the Chairman, the Secretary or the Trustee. The official seal of the District shall be imprinted or impressed on each Bond. In case any officer whose signature or a facsimile of whose signature appears

**"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 Trust Company, National Association with its designated office in Fort Lauderdale, Florida and any successor trustee appointed or serving pursuant to Article VI hereof.

**"Uniform Method"** shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes.

**"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.

**Section 102. Rules of Construction.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "Owner," "person," "Paying Agent," and "Bond Registrar" shall include the plural as well as the singular number and the word "person" shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof. All references to Florida Statutes or other provisions of State law shall be deemed to include any and all amendments thereto.

## ARTICLE II FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

**Section 201. Issuance of Bonds.** For the purpose of providing funds for paying all or part of the Cost of a 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 Section 207 hereof. Debt Service on each Series of Bonds shall be payable solely from the Pledged Revenues and Pledged Funds pledged to such Series of Bonds in the Supplemental Indenture authorizing the issuance of such Series of Bonds and, as may 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, without preference, priority or distinction, as to lien or otherwise, of any one Bond of such Series over any other Bond of such Series. The District may also issue from time to time, Additional Bonds, Completion Bonds and Refunding Bonds of a Series under and pursuant to the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid for all purposes the same as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers. The Bonds, and the provisions for registration and reconversion to be endorsed on such Bonds, shall be substantially in the form set forth in a Supplemental Indenture. The Trustee may appoint one or more authenticating agents.

**Section 204. Negotiability, Registration and Transfer of Bonds.** The District shall cause books for the registration and for the transfer of the Bonds as provided in this Master Indenture to be kept by the Bond Registrar. All Bonds shall be registered as to both principal and interest. Any Bond may be transferred only upon an assignment duly executed by the registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the Bond by the Bond Registrar. No charge shall be made to any Owner for registration and transfer as hereinabove provided, but any Owner requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto. The Bond Registrar shall not be required to transfer any Bond during the period between the Record Date and the Interest Payment Date next succeeding the Record Date of such Bond, during the period between the Record Date for the mailing of a notice of redemption and the date of such mailing, nor after such Bond has been selected for redemption. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State, and each successive Owner, in accepting any of the Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State.

**Section 205. Ownership of Bonds.** The person in whose name any Bond shall be registered shall be deemed the absolute Owner thereof for all purposes, and payment of Debt Service shall be made only to or upon the order of the registered Owner thereof or his attorney or legal representative as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The Trustee, the District, the Bond Registrar and the Paying Agent may deem and treat the registered Owner of any Bond as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Trustee, the District, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

**Section 206. Special Obligations.** Each Series of Bonds shall be a special and direct obligation of the District. Neither the Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or general

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indebtedness of the District within the meaning of the Constitution and laws of the State. 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 District or a lien upon any property of the District 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 District or any other public authority or governmental body to pay Debt Service or to pay any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds. Rather, Debt Service 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 207. Authorization of Bonds.**

(a) There shall be issued from time to time in Series, under and secured by this Master Indenture, Bonds without limitation as to aggregate principal amount for the purposes of:

(i) paying all or part of the Cost of a Series Project or Series Projects or refunding a Series of Bonds or any portion thereof then Outstanding; and

(ii) depositing the Series Reserve Account Requirement to the Series Reserve Account for such Series of Bonds.

(b) Each Series of Bonds, upon initial issuance thereof, shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of the following:

(i) an executed and attested original or certified copy of this Master Indenture;

(ii) an executed and attested original or certified copy of the Supplemental Indenture fixing the amount of and security for the Series of Bonds authorized to be issued thereby and establishing, among other things, the dates on which, and the amounts in which, such Series of Bonds will mature (provided that the final maturity date of such Series of Bonds shall be not later than permitted by the Act with respect to such Series of Bonds), designating the Paying Agent and Bond Registrar, fixing the Amortization Installments, if any, for the Term Bonds of such Series, awarding the Series of Bonds, specifying the interest rates or the method for calculating such interest rates with respect to such Series of Bonds, specifying the redemption

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Interest, if any, shall be deposited to the credit of the Series Capitalized Interest Account;

(ii) an amount equal to the Series Reserve Account Requirement or the initial cost of satisfying the Series Reserve Account Requirement if not satisfied by the deposit of cash, shall be deposited to the credit of the Series Reserve Account; and

(iii) the balance shall be deposited and applied as provided for in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

**Section 208. Mutilated, Destroyed or Lost Bonds.** If any Bonds become mutilated, destroyed or lost, the District may cause to be executed and delivered a new Bond in substitution therefor upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, and upon payment by the Owner of the reasonable expenses and charges of the District and the Trustee in connection therewith and, in the case of a Bond destroyed or lost, upon the Owner filing with the Trustee evidence satisfactory to it that such Bond was destroyed or lost and of his or her ownership thereof, and upon furnishing the District and the Trustee with indemnity satisfactory to them.

**Section 209. Parity Obligations Under Credit Agreements.** As may be provided for or required in any Supplemental Indenture, the District may incur financial obligations under a Letter of Credit Agreement or a Liquidity Agreement payable on parity 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 Letter of Credit Agreement or Liquidity Agreement supports a related Series of Bonds then being issued which does meet such tests or requirements.

**Section 210. Bond Anticipation Notes.** Whenever the District shall authorize the issuance of a Series of Bonds, the District may by resolution 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 of Bonds. 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 Series Projects 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 to the extent provided in the resolution of the District 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 District 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

provisions and prices thereupon, specifying other details of such Series of Bonds, and directing the delivery of such Series of Bonds to or upon the order of the initial purchaser thereof upon payment of the purchase price therefor set forth in such Supplemental Indenture;

(iii) an opinion of counsel for the District substantially to the effect that the signer is of the opinion that this Master Indenture and the Supplemental Indenture relating to such Series of Bonds have been duly and validly authorized in accordance with the terms hereof and of the Act, and have been duly approved and adopted, that the issuance of such Series of Bonds has been duly authorized, and that this Master Indenture and the Supplemental Indenture constitute binding obligations of the District, enforceable against the District in accordance with their terms except as enforcement thereof may be affected by bankruptcy and other similar laws relating to creditor's rights generally; and

(iv) an opinion of Bond Counsel for the District substantially to the effect that the signer is of the opinion that the Bonds of such Series are valid, binding and enforceable obligations of the District and, if such Series of Bonds are Tax-Exempt Bonds, that interest thereon is excludable from gross income of the Owners under the income tax laws of the United States in effect on the date such Series of Bonds are delivered to the initial purchasers.

Execution of a Series of Bonds by the District shall be conclusive evidence of satisfaction of the conditions precedent set forth in this Section 207(b) as to the District and payment to the Trustee of the initial purchase price for a Series of Bonds shall be conclusive evidence of satisfaction of the conditions precedent set forth in this Section 207(b) as to the underwriter of such Series of Bonds.

The Trustee shall be provided with reliance letters with respect to the opinions required in paragraphs (iii) and (iv) above. When the documents mentioned in subsections (i) through (iv) above shall have been received, and when the Bonds of such Series shall have been executed and authenticated as required by this Master Indenture, such Series of Bonds shall be delivered to, or upon the order of, the District, but only upon payment to the Trustee of the purchase price of such Series of Bonds, together with accrued interest, if any, thereon as set forth in a certificate of delivery and payment executed by the Chairman of the District.

(c) To the extent not set forth in the Supplemental Indenture authorizing the issuance of a Series of Bonds, the proceeds (including accrued interest and any premium) of each Series of Bonds shall be applied as soon as practicable upon delivery thereof to the Trustee as follows:

(i) the amount received as accrued interest on the Bonds, if any, shall be deposited to the credit of the Series Interest Account and Capitalized

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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 Indenture for such purposes; provided, however, that the resolution or resolutions 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 in the related Series Capitalized Interest Account. In the event that the District adopts a resolution authorizing the issuance of Bond Anticipation Notes, the District will promptly furnish to the Trustee a copy of such resolution, certified by an Authorized 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. 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 District authorizing the issuance of such Bond Anticipation Notes and unless the Trustee accepts in writing such duties and obligations.

**Section 211. Tax Status of Bonds.** Any Series of Bonds issued under this Master Indenture may be issued either as Tax-Exempt Bonds or 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.

### **ARTICLE III REDEMPTION OF BONDS**

**Section 301. Redemption Generally.** The Bonds of any Series shall be subject to redemption, either in whole on any date or in part on any Interest Payment 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 District 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. Notwithstanding any other provision of this Master Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor 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.

Unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, if less than all of the Bonds of a Series shall be called for redemption, the particular Bonds of such Series to be redeemed shall be selected by lot in such reasonable manner as the Bond Registrar 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 Bond Registrar 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 hereinafter 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 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. 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 payment in 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.

Subject to the provisions of Section 506(b) hereof, the District may purchase a Bond or Bonds of a Series in the open market at a price no higher than the highest Redemption Price (including premium) for the Bond to be so purchased with any funds legally available therefor and any such Bonds so purchased shall be credited to the amounts otherwise required to be deposited for the payment of Bonds of such Series as provided in Section 506(b) hereof or as otherwise provided in the Supplemental Indenture relating to such Series of Bonds.

**Section 302. Notice of Redemption; Procedure for Selection.** The District shall establish each redemption date, other than in the case of a mandatory redemption, in which case the Trustee shall establish the redemption date, and the District or the Trustee, as the case may be, shall notify the Bond Registrar in writing of such redemption date on or before the forty-fifth (45th) day next preceding the date fixed for redemption, which notice shall set forth the terms of the redemption and the aggregate principal amount of Bonds to be redeemed. Except as otherwise provided herein, notice of redemption shall be given by the Bond Registrar not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption by first-class mail, postage prepaid, to any Paying Agent for the Bonds to be redeemed and to the registered Owner of each Bond to be redeemed, at the address of such registered Owner on the registration books maintained by the Bond Registrar (and, for any Owner of \$1,000,000 or more in principal amount of Bonds, to one additional address if written request therefor is provided to the Bond Registrar prior to the Record Date); and a second notice of redemption shall be sent by registered or certified mail at such address to any Owner who has not submitted his Bond to the Paying Agent for payment on or before the date sixty (60) days following the date fixed for redemption of such Bond,

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any, accrued thereon to the redemption date, and such Bonds shall no longer be deemed to be Outstanding.

**Section 304. Cancellation.** Bonds called for redemption shall be canceled upon the surrender thereof pursuant to the provisions of Section 511 hereof.

#### ARTICLE IV ACQUISITION AND CONSTRUCTION FUND

**Section 401. Acquisition and Construction Fund.** There is created and established by Section 502 hereof a fund designated as the "Acquisition and Construction Fund" which shall be held by the Trustee and there shall be deposited to the credit of the Series Acquisition and Construction Accounts the amounts specified in the Supplemental Indenture relating to such Series of Bonds.

**Section 402. Payments from Acquisition and Construction Fund.** Payments of the Cost of constructing and acquiring a Series Project shall be made from the Acquisition and Construction Fund as herein provided. All such payments shall be subject to the provisions and restrictions set forth in this Article IV and in Article V hereof, and the District 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. Moneys in the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in Section 503(b) hereof.

**Section 403. Cost of a Series Project.** For the purposes of this Master Indenture, the Cost of a Series Project shall include, without intending thereby to limit or to restrict or expand any proper definition of such cost under the Act, other applicable provisions of State law, or this Master Indenture, the following:

(a) **Expenses of Bond Issuance.** All expenses and fees relating to the issuance of the Bonds, including, but not limited to, initial Credit Facility or Liquidity Facility fees and costs, attorneys' fees, underwriting fees and discounts, the Trustee's acceptance fees and costs, Trustee's counsel fees and costs, rating agency fees, fees of financial advisors, engineer's fees and costs, administrative expenses of the District, the costs of preparing audits and engineering reports, the costs of preparing reports, surveys, and studies, and the costs of printing the Bonds and preliminary and final disclosure documents.

(b) **Accrued and Capitalized Interest.** Any interest accruing on the Bonds from their date through the first Interest Payment Date received from the proceeds of the Bonds (to be deposited into the related Series Interest Account) and

in each case stating: (a) the numbers of the Bonds to be redeemed, by giving the individual certificate number of each Bond to be redeemed (or stating that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption); (b) the CUSIP numbers of all Bonds being redeemed; (c) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed; (d) the date of issue of each Bond as originally issued and the complete official name of the Bonds including the Series designation; (e) the rate or rates of interest borne by each Bond being redeemed; (f) the maturity date of each Bond being redeemed; (g) the place or places where amounts due upon such redemption will be payable; and (h) the notice date, redemption date, and Redemption Price. The notice shall require that such Bonds be surrendered at the designated corporate trust office of the Paying Agent for redemption at the Redemption Price and shall state that further interest on such Bonds will not accrue from and after the redemption date; provided, however, that such presentation shall not be required while such Bonds are registered in book-entry only format. CUSIP number identification with appropriate dollar amounts for each CUSIP number also shall accompany all redemption payments.

Any required notice or redemption shall also be sent by registered mail, overnight delivery service, telecopy or other secure means, postage prepaid, to any Owner of \$1,000,000 or more in aggregate principal amount of Bonds to be redeemed, to certain municipal registered securities depositories in accordance with the then-current guidelines of the Securities and Exchange Commission, which are known to the Bond Registrar to be holding Bonds thirty-two (32) days prior to the redemption date and to at least two of the national information services that disseminate securities redemption notices in accordance with the then-current guidelines of the Securities and Exchange Commission, when possible, at least thirty (30) days prior to the redemption date; provided that neither failure to send or receive any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Failure to give notice by mailing to the Owner of any Bond designated for redemption or to any depository or information service shall not affect the validity of the proceedings for the redemption of any other Bond.

**Section 303. Effect of Calling for Redemption.** On the date designated for redemption of any Bonds, notice having been filed and mailed in the manner provided above, the Bonds called for redemption shall be due and payable at the Redemption Price provided for the redemption of such Bonds on such date and, moneys for payment of the Redemption Price being held in a separate account by the Paying Agent in trust for the Owners of the Bonds to be redeemed, interest on the Bonds called for redemption shall cease to be entitled to any benefit under this Master Indenture, and the Owners of such Bonds shall have no rights in respect thereof, except to receive payment of the Redemption Price thereof, and interest, if

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Capitalized Interest (to be deposited into the related Series Capitalized Interest Account) as may be authorized or provided for by a Supplemental Indenture related to a Series of Bonds. Notwithstanding the deposit of Capitalized Interest into the related Series Capitalized Interest Account, Capitalized Interest shall also include any amount directed by the District to the Trustee in writing to be withdrawn from the related Series Acquisition and Construction Account and deposited into such Series Capitalized Interest Account, provided that such direction includes a certification that such amount represents earnings on amounts on deposit in the related Series Acquisition and Construction Account and that, after such deposit, the amount on deposit in such Series Acquisition and Construction Account, together with earnings thereon, will be sufficient to pay for the remaining Costs of the related Series Project which are to be funded from such Series Acquisition and Construction Account.

(c) **Acquisition Expenses.** The costs of acquiring, by purchase or condemnation, all of the land, structures, improvements, rights-of-way, franchises, easements, plans and specifications and similar items and other interests in property, whether real or personal, tangible or intangible, which themselves constitute a Series Project or which are necessary or convenient to acquire, install and construct a Series Project and payments, contributions, dedications, taxes, assessments or permit fees or costs and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any District purpose.

(d) **Construction Expense.** All costs incurred, including interest charges, for labor and materials, including equipment, machinery and fixtures, by contractors, builders, and materialmen in connection with the acquisition, installation and construction of a Series Project, and including without limitation costs incident to the award of contracts.

(e) **Other Professional Fees and Miscellaneous Expenses.**

(i) All legal, architectural, engineering, survey, and consulting fees, as well as all financing charges, taxes, insurance premiums, and miscellaneous expenses, not specifically referred to in this Master Indenture that are incurred in connection with the acquisition and construction of a Series Project.

(ii) Expenses of determining the feasibility or practicality of acquisition, construction, installation, or reconstruction of a Series Project.

(iii) Costs of surveys, estimates, plans and specifications.

(iv) Costs of improvements.

(v) Financing charges.

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(vi) Creation of initial reserve and debt service funds.

(vii) Working capital.

(viii) Amounts to repay Bond Anticipation Notes or loans made to finance any costs permitted under the Act.

(ix) 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 dispute.

(x) 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.

(xi) Expenses of management and supervision of a Series Project.

(xii) Costs of effecting compliance with any and all governmental permits relating to a Series Project.

(xiii) Payments, contributions, dedications, fair share or concurrency obligations and any other exactions as a condition to receive any government approval or permit necessary to accomplish any District purpose (including but not limited to impact fees, utility connection fees, school concurrency fees, etc.).

(xiv) Any other "cost" or expense as provided by the Act.

(f) **Refinancing Costs.** All costs described in (a) through (e) above or otherwise permitted by the Act associated with refinancing or repaying any loan or other debt obligation of the District.

**Section 404. Disposition of Balances in Acquisition and Construction Fund.** On the Date of Completion of a 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 shall be transferred by the Trustee to the credit of the Series Prepayment Subaccount in the Series Redemption Account, or as otherwise provided in the Supplemental Indenture, and used for the purposes set forth for such Subaccount in the Supplemental Indenture relating to such Series of Bonds.

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(d) 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; and

(e) 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.

Notwithstanding the foregoing, the Supplemental Indenture authorizing any Series of Bonds may establish such other Accounts or dispense with the Accounts set forth above as shall be deemed advisable by the District in connection with such Series of Bonds.

#### **Section 503. Acquisition and Construction Fund.**

(a) **Deposits.** The District shall pay to the Trustee, for deposit into the related Series Acquisition and Construction Account in the Acquisition and Construction Fund, as promptly as practicable, the following amounts received by it:

(i) the amount set forth in the Supplemental Indenture relating to such Series of Bonds;

(ii) subject to Section 806 hereof, payments made to the District from the sale, lease or other disposition of the Series Project or any portion thereof;

(iii) the balance of insurance proceeds with respect to the loss or destruction of the Series Project or any portion thereof;

(iv) amounts received from a governmental entity pursuant to an interlocal agreement or other similar agreement between the District and such governmental entity providing for the payment by such governmental entity of a portion of the Costs of a Series Project;

(v) amounts received from impact fee credits and/or utility connection fee credits; and

(vi) such other amounts as may be provided in a Supplemental Indenture.

Amounts in such Series Acquisition and Construction Account shall be applied to the Cost of the Series Project.

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## **ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF**

**Section 501. Lien.** There is hereby irrevocably pledged for the payment of the Bonds of each Series issued hereunder, 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, the Trust Estate; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Series Trust Estate securing such Series of Bonds, the Pledged Funds and Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and shall not secure any other Bonds or Series of Bonds.

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 501 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 District 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 502. Establishment of Funds.** The following funds are hereby established and shall be held by the Trustee:

(a) Acquisition and Construction Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Acquisition and Construction Account and a separate Series Costs of Issuance Account for each Series of Bonds issued hereunder;

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

(c) Debt Service Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds,

(i) a Series Debt Service Account, and therein a Series Interest Account, a Series Principal Account, a Series Sinking Fund Account and a Series Capitalized Interest Account, and

(ii) a Series Redemption Account and therein a Series Prepayment Subaccount and a Series Optional Redemption Subaccount,

for each such Series of Bonds issued hereunder;

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(b) **Disbursements.** Unless otherwise provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds, payments from a Series Acquisition and Construction Account shall be paid in accordance with the provisions of this subsection (b). Before any such payment shall be made, the District shall file with the Trustee a requisition in the form of Exhibit A attached hereto, signed by an Authorized Officer.

Upon receipt of each such requisition and accompanying certificate, the Trustee shall promptly withdraw from the Series Acquisition and Construction Account and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. The Trustee shall have no duty to investigate either the accuracy or validity of the items delivered pursuant to this Section 503(b) or whether such amount is properly payable hereunder or under the Supplemental Indenture for such Series of Bonds.

(c) **Inspection.** All requisitions and certificates received by the Trustee pursuant to this Article V shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the District, the Consulting Engineer, the Owner of any Bonds of the related Series, and the agents and representatives thereof.

(d) **Completion of Series Project.** On the Date of Completion of a Series Project, the balance in the related Series Acquisition and Construction Account not reserved by the District for the payment of any remaining part of the Cost of acquiring or constructing the Series Project shall be applied in accordance with the provisions of Section 404 hereof. The Trustee shall have no duty to determine whether the Date of Completion has occurred and the Trustee shall not be deemed to have knowledge that the Date of Completion has occurred until the Trustee has received the certificate of the Consulting Engineer establishing such Date of Completion as specified in the definition of Date of Completion in Section 101 hereof.

**Section 504. Revenue Fund.** The District hereby covenants and agrees that it will assess, impose, establish and collect the Pledged Revenues with respect to each Series of Bonds in amounts and at times sufficient to pay, when due, the principal of, premium, if any, and interest on such Series of Bonds. The District hereby covenants and agrees to immediately deposit upon receipt all such Pledged Revenues with the Trustee (including Prepayments, which shall be identified as such by the District at the time of deposit with the Trustee), and the Trustee shall immediately deposit all such Pledged Revenues, when received, into the related Series Revenue Account and immediately deposit all Prepayments, when received, into the related Series Prepayment Subaccount in the Series Redemption Account, unless otherwise provided for in the Supplemental Indenture relating to a Series of Bonds.

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## Section 505. Debt Service Fund.

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

(i) to the related 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 related Series Principal Account, an amount which, together with other amounts, if any, then on deposit therein, will equal the 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 related Series Sinking Fund 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;

(iv) in each Bond Year in which Capital Appreciation Bonds of such Series mature, to the related 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 Series Reserve Account, an amount, if any, which, together with other amounts, if any, then on deposit therein, will equal the Series Reserve Account Requirement; and

(vi) to the Series Rebate Account, the Rebate Amount, if any, required to be deposited therein pursuant to the Supplemental Indenture related to a Series of Tax-Exempt Bonds.

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

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(e) **Series Redemption Account.** Moneys representing Prepayments on deposit in a Series Prepayment Subaccount 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 hereof (including extraordinary mandatory redemption) and of the Supplemental Indenture relating to such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article III hereof. The District shall pay all expenses incurred by the Trustee and Paying Agent in connection with such redemption. Moneys other than from Prepayments shall be held and applied in a Series Redemption Account as provided in Section 506(a) hereof.

(f) **Payment to the District.** When no Bonds of a Series remain Outstanding, and after all expenses and charges herein and in the related Supplemental Indenture required to be paid have been paid as certified to the Trustee in writing by an Authorized Officer, and after all amounts due and owing to the Trustee have been paid in full, the Trustee shall pay any balance in the Accounts for such Series of Bonds to the District upon the written direction of an Authorized Officer, free and clear of any lien and pledge created by this Master Indenture; provided, however, that if 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 Trustee shall pay over and apply any such excess pro rata (based upon the ratio of the aggregate principal amount of such Series of Bonds to the aggregate principal amount of all Series of Bonds then 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.

## Section 506. Optional Redemption.

(a) **Excess Amounts in Series Redemption Account.** The Trustee shall, but only at the written direction of an Authorized Officer on or prior to the forty-fifth (45th) day preceding the date of redemption, call for redemption on each Interest Payment Date on which Bonds are subject to optional redemption, from moneys on deposit in a Series Redemption Account such amount of Authorized Denominations of Bonds of such Series then subject to optional redemption as, with the redemption premium, if any, will exhaust such amount as nearly as may be practicable. Such redemption shall be made pursuant to the provisions of Article III hereof. The District shall pay all expenses incurred by the Trustee and Paying Agent in connection with such redemption.

(b) **Purchase of Bonds of a Series.** The District 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

Bonds coming due on the next succeeding Interest Payment Date or the amount remaining on deposit in the related Series Capitalized Interest Account.

(b) **Disposition of Remaining Amounts on Deposit in Series Revenue Account.** The District shall authorize the withdrawal, from time to time, from the Series Revenue Account an amount sufficient to pay the fees and charges of the Trustee, Bond Registrar, and Paying Agent, when due. Subject to the provisions of Section 604 hereof, if (i) the amount on deposit in the Series Interest Account, Series Principal Account, Series Sinking Fund Account and Series Redemption Account in each Bond Year equals the interest payable on the Bonds of such Series in such Bond Year, the principal amount of all Serial Bonds payable in such Bond Year, the Maturity Amount of all Capital Appreciation Bonds due in such Bond Year and the Amortization Installments required to be paid in such Bond Year, and (ii) any amounts remain in the Series Revenue Account on November 2 of such Bond Year, then such amounts shall, at the written direction of the District, be applied 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 District, then to reimburse the District for such payment upon written request of an Authorized Officer. If, after such amounts have been withdrawn, paid and provided for as provided above, any amounts remain in the Series Revenue Account, such amounts shall be disbursed to the District on written request of an Authorized Officer and applied to pay the operating and administrative costs and expenses of the District. After making the payments provided for in this subsection (b), the balance, if any, remaining in the Series Revenue Account shall be retained therein or, at the written direction of an Authorized Officer to the Trustee, transferred into the Series Prepayment Subaccount of the Series Redemption Account. Upon the occurrence and continuance of an Event of Default hereunder, the foregoing transfer to the Series Prepayment Subaccount shall not be made.

(c) **Series Reserve Account.** Except as otherwise provided for herein or in a Supplemental Indenture, moneys held for the credit of a Series Reserve Account shall be used for the purpose of paying interest or principal or Amortization Installment or Maturity Amount on the Bonds of the related Series whenever amounts on deposit in the Series Debt Service Account shall be insufficient for such purpose.

(d) **Series Debt Service Account.** Moneys held for the credit of a Series Interest Account, Series Principal Account and Series Sinking Fund Account in a Series Debt Service Account 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, the principal of Serial Bonds of such Series, the Maturity Amount of Capital Appreciation Bonds of such Series and the Amortization Installments of Term Bonds of such Series, as the case may be.

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diligence, having regard to maturity, option to redeem, rate and price, provided however, that consistent with Section 301, such price does not exceed the highest Redemption Price, which is 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 was issued if such Bonds were called for redemption on such date. Before making each such purchase, the District 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. The Trustee shall 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 from the related Series Principal Account, but no such purchase shall be made after the Record Date in any Bond Year in which Bonds have been called for redemption. To the extent that insufficient moneys are on deposit in a related Series Interest Account to pay the accrued interest portion of the purchase price of any Bonds or in a related Series Principal Account to pay the principal amount of the purchase price of any Serial Bond, the Trustee shall transfer into such Accounts from the related Series Revenue Account sufficient moneys to pay such respective amounts. In the event that there are insufficient moneys on deposit in the related Series Sinking Fund 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 District, transfer moneys into such related Series Sinking Fund 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 Bonds from the related Series Redemption Account, but only upon delivery of written instructions from an Authorized Officer of the District to the Trustee accompanied by a certificate of an Authorized Officer: (A) stating that sufficient moneys are on deposit in the Series Redemption Account to pay the purchase price of such Bonds; (B) setting forth the amounts and maturities of Bonds of such Series which are to be redeemed from such amounts; and (C) containing cash flows which demonstrate that, after giving effect to the purchase of Bonds in the amounts and maturities set forth in clause (B) above, the Pledged Revenues to be received by the District in the current and 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. The Trustee may pay the principal portion of the purchase price of any Term Bonds from the related Series Sinking Fund Account, but only Term Bonds of a maturity having Amortization Installments in the current Bond Year and in the principal amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current

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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 preceding sentence from amounts on deposit in the related Series Sinking Fund Account and the Trustee may transfer moneys from the related Series Revenue Account to the related Series Sinking Fund Account for such purpose, but only upon delivery of written instructions from an Authorized Officer to the Trustee accompanied by a certificate of an Authorized Officer: (X) stating that sufficient moneys are on deposit in the Series Sinking Fund 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; (Y) 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 (Z) containing cash flows 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 (Y) above and any transfers from the related Series Revenue Account, the Pledged Revenues to be received by the District 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 subsection (b), the principal amount of the Bonds so purchased shall be credited as follows:

(i) if the Bonds are to be purchased from amounts on deposit in the Series Prepayment Subaccount of a Series Redemption Account, against the principal coming due or Amortization Installments set forth in the certificate of the Authorized Officer accompanying the direction of the District to effect such purchase; or

(ii) if the Bonds are Term Bonds of a Series, against the Amortization Installments 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 Authorized Officer accompanying the direction of the District to effect such purchase; or

(iii) against the principal or Maturity Amount of Serial Bonds coming due on the maturity date of such Serial Bonds.

#### Section 507. Rebate Fund.

(a) **Creation.** There is created and established by Section 502 hereof a Rebate Fund, and within the Rebate Fund a Series Rebate Account for each Series

of Tax-Exempt Bonds. Moneys deposited and held in the Rebate Fund shall not be subject to the pledge of this Master Indenture.

(b) **Payment to United States.** The Trustee shall pay to the District, upon written request of the District, the Rebate Amount required to be paid to the United States at the times, in the manner and as calculated in accordance with the Supplemental Indenture related to a Series of Tax-Exempt Bonds. The Trustee shall have no responsibility for computation of the Rebate Amount and instead the District shall cause the Rebate Amount to be calculated by the Rebate Analyst and shall cause the Rebate Analyst to deliver such computation to the Trustee as provided in the Supplemental Indenture related to a Series of Tax-Exempt Bonds but before the date of any required payment of the Rebate Amount to the Internal Revenue Service. The fees of, and expenses incurred by, the Rebate Analyst in computing the Rebate Amount shall be paid by the District, which amount shall be treated as administrative and operating expenses of the District payable or reimbursable from the Series Revenue Account in accordance with Section 505(b) hereof.

(c) **Deficiencies.** If the Trustee does not have on deposit in the Series Rebate Account sufficient amounts to make the payments required by this Section 507, the District shall pay, from any legally available source, the amount of any such deficiency to the United States as provided in paragraph (b) above. The Trustee shall have no duty to pay such deficiency from its own funds.

(d) **Survival.** The covenants and agreements of the District in this Section 507 and Section 809, and any additional covenants related to compliance with provisions necessary in order to preserve the exclusion of interest on the Tax-Exempt Bonds of a Series from gross income for federal income tax purposes shall survive the defeasance of the Bonds of such Series in accordance with Article XII hereof.

**Section 508. Investment of Funds and Accounts.** Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, moneys held for the credit of the Accounts for such Series of Bonds shall be invested as hereinafter in this Section 508 provided.

(a) **Series Acquisition and Construction Account, Series Revenue Account and Series Debt Service Account.** Moneys held for the credit of a Series Acquisition and Construction Account, a Series Revenue Account, and a Series Debt Service Account shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee in Investment Obligations as directed in writing by an Authorized Officer, which Investment Obligations shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates, as estimated by an Authorized Officer, when

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moneys held for the credit of each such Account will be required for the purposes intended.

(b) **Series Reserve Account.** Moneys held for the credit of a Series Reserve Account shall be continuously invested and reinvested by the Trustee in Investment Obligations as directed in writing by an Authorized Officer.

(c) **Investment Obligations as a Part of Funds and Accounts.** Investment Obligations purchased as an investment of moneys in any Fund or Account shall be deemed at all times to be a part of such Fund or Account, and the interest accruing thereon and profit realized from such investment shall be credited as provided in Section 510 hereof. Any loss resulting from such investment shall be charged to such Fund or Account. The foregoing notwithstanding, for purposes of investment and to the extent permitted by law, amounts on deposit in any Fund or Account may be commingled for purposes of investment, provided adequate care is taken to account for such amounts in accordance with the prior sentence. The Trustee may, upon the written direction of an Authorized Officer, transfer investments within such Funds or Accounts without being required to sell such investments. The Trustee shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such Fund or Account. The Trustee shall not be liable or responsible for any loss resulting from any such investment or for failure to make an investment (except failure to make an investment in accordance with the written direction of an Authorized Officer) or for failure to achieve the maximum possible earnings on investments. The Trustee shall have no obligation to invest funds without written direction from an Authorized Officer.

(d) **Valuation.** In computing the value of the assets of any Fund or Account, investments and earnings thereon shall be deemed a part thereof. 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 District a report of the status of each Fund and Account as of the valuation date. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder, with the exception of a Series Reserve Account, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the Redemption Price thereof, to the extent that any such obligation is then redeemable at the option of the holder. For the purpose of determining the amount on deposit to the credit of a Series Reserve Account, obligations in which money in such Account shall have been invested shall be valued at par, if purchased at par, or at amortized cost, if purchased at other than par, plus, in each case, accrued interest. Amortized cost, when used with respect to an obligation purchased at a premium above or a discount below par, means the

value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (i) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (ii) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price.

**Section 509. Deficiencies and Surpluses in Funds and Accounts.** For purposes of this Section 509, (a) 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 (b) 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.

At the time of any withdrawal from a Series Reserve Account that results in a deficiency therein, the Trustee shall promptly notify the District 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 District 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 District.

The Trustee, as of the close of business on the last Business Day in each Bond Year, after taking into account all payments and transfers made as of such date, shall compute, in the manner set forth in Section 508(d), the value of the Series Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such Series Reserve Account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the Series Reserve Account, from any legally available sources of the District. The Trustee, as soon as practicable after such computation, shall deposit any surplus, at the direction of an Authorized Officer, to the credit of the Series Revenue Account, or as otherwise provided in the related Supplemental Indenture.

**Section 510. Investment Income.** Unless otherwise provided in a Supplemental Indenture, earnings on Investments in a Series Acquisition and Construction Account, a Series Interest Account, a Series Capitalized Interest Account and a Series Revenue Account shall be retained, as realized, to the credit of such Account and used for the purpose of such Account. Unless otherwise provided in a Supplemental Indenture, earnings on investments in the Funds and Accounts other than a Series Reserve Account and other than as set forth above shall be deposited, as realized, to the credit of such Series Revenue Account and used for the purpose of such Account.

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Earnings on investments in a Series Reserve Account shall, unless otherwise provided in a Supplemental Indenture, be disposed of as follows:

(a) if there was no deficiency (as defined in Section 509 above) in the Series Reserve Account as of the most recent date on which amounts on deposit in the Series Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series Reserve Account since such date, then earnings on investments in the Series Reserve Account shall be deposited to the Series Revenue Account; or

(b) if there was a deficiency (as defined in Section 509 above) in the Series Reserve Account as of the most recent date on which amounts on deposit in the Series Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series Reserve Account and have created such a deficiency, then earnings on investments in the Series Reserve Account shall be retained in the Series Reserve Account until the amount on deposit therein equals the Series Reserve Account Requirement and thereafter shall be deposited to the Series Revenue Account.

**Section 511. Cancellation of Bonds.** All Bonds paid, redeemed or purchased, either at or before maturity, shall be canceled upon the payment, redemption or purchase of such Bonds. All Bonds canceled under any of the provisions of this Master Indenture shall be destroyed by the Paying Agent, which shall upon request of the District execute a certificate in duplicate describing the Bonds so destroyed. One executed certificate shall be filed with the Trustee and the other executed certificate shall be retained by the Paying Agent.

## ARTICLE VI CONCERNING THE TRUSTEE

**Section 601. 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 VI, to all of which the parties hereto and the Owners agree. The Trustee shall have only those duties expressly set forth herein, and no duties shall be implied against the Trustee.

**Section 602. 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 authentication certificate, if any, upon the Bonds, have been made by the District and not by the Trustee, and the Trustee shall be under no responsibility for the correctness thereof.

**Section 603. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Gross Negligence.** The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers

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provided for therein) or if the Trustee, based upon the advice of counsel upon which the Trustee is entitled to rely, determines that the giving of such notice is not in the best interests of the Owners of the Bonds. The Trustee will be deemed to have actual knowledge of any payment default under this Master Indenture or under any Supplemental Indenture and after receipt of written notice thereof by a Credit Facility issuer or Liquidity Facility issuer of a default under its respective reimbursement agreement, but shall not be deemed to have actual knowledge of any other default unless notified in writing of such default by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and affected by such default. The Trustee may, however, at any time require of the District 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 District, an investigation into the affairs of the District.

**Section 607. Obligation to Act on Default.** Before taking any action under this Master Indenture or any Supplemental Indenture in respect of an Event of Default, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability resulting from its own gross negligence or willful misconduct in connection with any such action.

**Section 608. Reliance by Trustee.** The Trustee may act on any requisition, resolution, notice, telegram, request, consent, waiver, opinion, certificate, statement, affidavit, voucher, bond, or other paper or document or telephone message which it in good faith believes to be genuine and to have been passed, signed or given by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Master Indenture or any Supplemental Indenture, and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

**Section 609. 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 Owners may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture or any Supplemental Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the District.

**Section 610. Construction of Ambiguous Provision.** The Trustee may construe any ambiguous or inconsistent provisions of this Master Indenture or any Supplemental Indenture and any construction by the Trustee shall be binding upon the Owners. The Trustee shall give prompt written notice to the District of any intention to make such construal.

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or employees, and shall be entitled to advice of counsel concerning all questions hereunder, and the Trustee shall not be answerable for the default or misconduct of any attorney, agent or employee selected by it with reasonable care. In performance of its duties hereunder, the Trustee may rely on the advice of counsel and shall not be held liable for actions taken in reliance on the advice of counsel. 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 whatsoever in connection with the trust hereunder, except only its own gross negligence or willful misconduct.

**Section 604. Compensation and Indemnity.** The District shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, and to the extent permitted under State law shall indemnify the Trustee and hold the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder except with respect to its own negligence or misconduct. The Trustee shall have no duty in connection with its responsibilities hereunder to advance its own funds nor shall the Trustee have any duty to take any action hereunder without first having received indemnification satisfactory to it. If the District defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys received or held by the Trustee under this Master Indenture or any Supplemental Indenture other than moneys from a Credit Facility or Liquidity Facility. This Section 604 shall survive termination of this Master Indenture and any Supplemental Indenture, and as to any Trustee, its resignation or removal thereof. As security for the foregoing, the District hereby grants to the Trustee a security interest in and to the amounts on deposit in all Series Funds and Accounts (other than the Rebate Fund) thereby, in effect, granting the Trustee a first charge against these moneys following an Event of Default for its fees and expenses (including legal counsel and default administration costs and expenses), subordinate and inferior to the security interest granted to the Owners of the Bonds from time to time secured thereby, but nevertheless payable in the order of priority as set forth in Section 905(a) upon the occurrence of an Event of Default.

**Section 605. No Duty to Renew Insurance.** The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the District to require or effect or renew insurance or to report or file claims of loss thereunder.

**Section 606. Notice of Default; Right to Investigate.** The Trustee shall give written notice, as soon as practicable, by first-class mail to registered Owners of Bonds of all defaults of which the Trustee has actual knowledge, unless such defaults have been remedied (the term "defaults" for purposes of this Section 606 and Section 607 being defined to include the events specified as "Events of Default" in Section 902 hereof, but not including any notice or periods of grace

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**Section 611. 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 District not less than sixty (60) days before the date when such resignation is to take effect; provided that notice of such resignation shall be sent by first-class mail to each Owner as its name and address appears on the Bond Register and to any Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer, 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 sixty (60) 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.

**Section 612. Removal of Trustee.** Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, upon application of the District; provided, however, that if an Event of Default has occurred hereunder and is continuing with respect to a Series of Bonds, then the Trustee hereunder may be removed only by an instrument appointing a successor to the Trustee so removed executed by the Majority Owners of the Series of Bonds as to which such Event of Default exists and filed with the Trustee and the District.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Master Indenture or any Supplemental Indenture with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the District; provided that no Event of Default has occurred hereunder and is continuing, or upon the application of the Owners of not less than twenty percent (20%) in aggregate principal amount of the Bonds then Outstanding.

**Section 613. 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 District shall appoint a successor and shall mail notice of such 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, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer; provided, however, that the District shall not appoint a successor Trustee if an Event of Default has occurred and is continuing, unless the

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District shall have received the prior written consent, which consent shall not be unreasonably withheld, of any Credit Facility issuer and any Liquidity Facility issuer, to the appointment of such successor Trustee. If an Event of Default has occurred hereunder 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 mail to each Owner as its name and address appears on the Bond Registrar, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer.

**Section 614. 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 615. Instruments of Succession.** Except as provided in Section 616 hereof, any successor Trustee shall execute, acknowledge and deliver to the District 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, except for the predecessor's rights under Section 604 hereof. After withholding from the funds on hand any amounts owed to itself hereunder, the Trustee ceasing to act hereunder shall pay over to the successor Trustee all moneys held by it hereunder; and the Trustee ceasing to act and the District shall execute and deliver an instrument or instruments transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act except for the rights granted under Section 604 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 Registrar, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer.

**Section 616. Merger of Trustee.** Any corporation, entity or purchaser 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, entity or purchaser resulting from any merger, consolidation or sale 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 thereto, anything herein to the contrary notwithstanding; provided, however, that any such

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Agent or Bond Registrar so appointed shall immediately and without further act supersede the predecessor Paying Agent or Bond Registrar.

**Section 620. Qualifications of Successor Paying Agent or Bond Registrar.** Every successor Paying Agent or Bond Registrar shall (a) be a commercial bank or trust company duly organized under the laws of the United States or any state or territory thereof, authorized by law to perform all the duties imposed upon it by this Master Indenture, and capable of meeting its obligations hereunder, and (b) have a combined net capital and surplus of at least \$50,000,000.

**Section 621. Acceptance of Duties by Successor Paying Agent or Bond Registrar.** Except as provided in Section 622 hereof, any successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor Paying Agent or Bond Registrar, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Bond Registrar herein. Upon request of such Paying Agent or Bond Registrar, such predecessor Paying Agent or Bond Registrar and the District shall execute and deliver an instrument transferring to such successor Paying Agent or Bond Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Bond Registrar and such predecessor Paying Agent or Bond Registrar shall pay over and deliver to the successor Paying Agent or Bond Registrar all moneys and other assets at the time held by it hereunder.

**Section 622. Successor by Merger or Consolidation.** Any corporation, entity or purchaser into which any Paying Agent or Bond Registrar hereunder may be merged, converted or sold or with which it may be consolidated or into which substantially all of its corporate trust assets shall be sold or otherwise conveyed, or any corporation, entity or purchaser resulting from any merger, consolidation or sale to which any Paying Agent or Bond Registrar hereunder shall be a party, shall be the successor Paying Agent or Bond Registrar under this Master Indenture without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Master Indenture to the contrary notwithstanding.

**Section 623. Brokerage Statements.** The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive individual confirmations of security transactions at no additional cost, as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

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successor corporation, entity or purchaser continuing to act as Trustee hereunder shall meet the requirements of Section 614 hereof, and if such corporation, entity or purchaser does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article VI.

**Section 617. Resignation of Paying Agent or Bond Registrar.** The Paying Agent or Bond Registrar may resign and be discharged of the duties created by this Master 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 District and the Trustee not less than sixty (60) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation mailed not less than sixty (60) days prior to such resignation date to each Owner as its name and address appear on the registration books of the District maintained by the Bond Registrar. Such resignation shall take effect on the date specified in such notice, unless a successor Paying Agent or Bond Registrar is previously appointed in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Bond Registrar. If a successor Paying Agent or Bond Registrar shall not have been appointed within a period of sixty (60) days following the giving of notice, then the Trustee may appoint a successor Paying Agent or Bond Registrar as provided in Section 619 hereof.

**Section 618. Removal of Paying Agent or Bond Registrar.** The Paying Agent or Bond Registrar may be removed at any time prior to any Event of Default by the District by filing with the Paying Agent or Bond Registrar to be removed and the Trustee, an instrument or instruments in writing executed by an Authorized Officer appointing a successor. Such removal shall be effective thirty (30) days after delivery of the instrument (or such longer period as may be set forth in such instrument); provided, however, that no such removal shall be effective until the successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder.

**Section 619. Appointment of Successor Paying Agent or Bond Registrar.** In case at any time the Paying Agent or Bond Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Bond Registrar, as the case may be, and a successor shall be appointed by the District; and in case at any time the Paying Agent or Bond Registrar shall resign, then a successor shall be appointed by the District. Upon any such appointment, the District shall give written notice of such appointment to the predecessor Paying Agent or Bond Registrar, the successor Paying Agent or Bond Registrar, the Trustee and all Owners. Any new Paying

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**Section 624. Patriot Act Requirements of the Trustee.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

**Section 625. Public Records Laws.** The Trustee understands and agrees that all documents of any kind provided to the District in connection with this Indenture may be public records, and, accordingly, the Trustee agrees to comply with all applicable provisions of Florida law (if any) in handling such records, including but not limited to Section 119.0701, Florida Statutes.

IF THE TRUSTEE HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE TRUSTEE'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS INDENTURE, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (877) 276-0889, GILLYARD@WHHASSOCIATES.COM AND 2300 GLADES ROAD, SUITE 410W, BOCA RATON, FLORIDA 33431.

## ARTICLE VII FUNDS CONSTITUTE TRUST FUNDS

**Section 701. Trust Funds.** Subject to the provisions of Section 604 and Section 905(a) hereof, all amounts on deposit in Funds or 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 Account in the Rebate Fund;

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

(d) 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 parity obligations to issuers of Credit Facilities or Liquidity Facilities 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 parity obligations to issuers of Credit Facilities or Liquidity Facilities with respect to such Series of Bonds, but nevertheless payable in the order of priority as set forth in Section 905(a) or Section 905(b) 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 District or any other Series of Bonds other than the Owners of such Series of Bonds and the issuers of Credit Facilities or Liquidity Facilities with respect to such Series of Bonds.

## ARTICLE VIII COVENANTS AND AGREEMENTS OF THE DISTRICT

**Section 801. Payment of Bonds.** The District shall duly and punctually pay or cause to be paid, but only from the Series Trust Estate with respect to each Series of Bonds, Debt Service on the dates, at the places, and in the amounts stated herein, in any Supplemental Indenture, and in the Bonds of such Series.

**Section 802. Extension of Payment of Bonds.** Except as provided in Section 901 hereof, the District shall not directly or indirectly extend the time for payment of the interest on any Bonds. The time for payment of Bonds of any Series shall be the time prescribed in the Supplemental Indenture relating to such Series of Bonds.

**Section 803. Further Assurance.** At any and all times the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the District may become bound to pledge or assign after the date of execution of this Master Indenture.

**Section 804. Power to Issue Bonds and Create a Lien.** The District hereby represents to the Trustee and to the Owners that it is and will be duly authorized under all applicable laws to issue the Bonds of each Series, to execute this Master Indenture, to adopt Supplemental Indentures, and to pledge its moneys, securities and funds in the manner and to the extent provided herein. Except as provided herein, the District hereby represents that such moneys, securities and funds of the District are and will be free and clear of any pledge, lien, charge or

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either of the foregoing or the United States Government; and/or (b) impose, declare or grant title to or interests in the Series Project or a portion or portions thereof in order to create ingress and egress rights and public and private utility easements as the District may deem necessary or desirable for the development, use and occupancy of the property within the District; and/or (c) impose or declare covenants, conditions and restrictions pertaining to the use, occupancy and operation of the Series Projects.

**Section 807. Completion and Maintenance of Series Projects.** The District shall complete the acquisition and construction of a Series Project with all practical dispatch and in a sound and economical manner. So long as any Series Project is owned by the District, the District shall maintain, preserve and keep the same or cause the same to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted.

### **Section 808. Accounts and Reports.**

(a) **Annual Report.** The District shall, within thirty (30) days of receipt and approval by the District, so long as any Bonds are Outstanding, deliver to each Requesting Owner (hereinafter defined), and otherwise as provided by law, a copy of its annual audit for such year, accompanied by an Accountant's Certificate, including (i) statements in reasonable detail of its financial condition as of the end of such Fiscal Year and income and expenses for such Fiscal Year, and (ii) statements of all receipts and disbursements of the Pledged Revenues of each Series of Bonds (unless the Pledged Revenues of such Series are remitted directly to the Trustee). The Trustee shall, within ninety (90) days after the close of each Fiscal Year so long as any Bonds are Outstanding, file with the District a summary with respect to each Fund and Account of the deposits thereto and disbursements therefrom during such Fiscal Year and the amounts held therein at the end of such Fiscal Year, or at the option of the Trustee, such summary can be made on a monthly basis. For purposes of the foregoing, the term "Requesting Owner" shall mean the Owner (or Beneficial Owner in the case of Bonds held in book-entry form) of more than \$1,000,000 aggregate principal amount of any Series of Bonds who requests such information in writing to the District.

(b) **No Default Certificate.** The District shall file with the Trustee, so long as any Bonds are Outstanding, a certificate of an Authorized Officer upon the occurrence of an Event of Default as described in Section 902(h) hereof, such certificate to contain a description of the nature of such Event of Default and actions taken or to be taken to remedy such Event of Default.

encumbrance thereon and all action on the part of the District to that end has been and will be duly and validly taken. The Bonds of each Series, this Master Indenture and any Supplemental Indenture are and will be the valid and legally enforceable obligations of the District, enforceable in accordance with their terms except to the extent that enforcement thereof may be subject to bankruptcy and other similar laws affecting creditors' rights generally. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and lien created by this Master Indenture and all the rights of the Owners hereunder against all claims and demands of all other persons whomsoever.

**Section 805. Power to Undertake Series Projects and to Collect Pledged Revenues.** The District has or will have upon the date of issuance of each Series of Bonds, and will have so long as any Bonds are Outstanding, good right and lawful power: (a) to undertake the Series Projects, or it will take such action on its part required which it deems reasonable in order to obtain licenses, orders, permits or other authorizations, if any, from any agency or regulatory body having lawful jurisdiction which must be obtained in order to undertake such Series Project; and (b) to fix, levy and collect or cause to be collected any and all Pledged Revenues.

**Section 806. Sale of Series Projects.** The District covenants that, until such time as there are no Bonds of a Series Outstanding, it will not sell, lease or otherwise dispose of or encumber the related Series Project or any part thereof other than as provided herein. The District may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments, or other movable property acquired by the District in connection with a Series Project, or any materials used in connection therewith, if the District shall determine that such articles are no longer needed or are no longer useful in connection with the acquisition, construction, operation or maintenance of a Series Project, and the proceeds thereof may be applied to the replacement of the properties so sold or disposed of and, if not so applied, shall be deposited to the credit of the related Series Acquisition and Construction Account or, after the Date of Completion of the Series Project, shall be applied as provided in the corresponding Supplemental Indenture. The District may from time to time sell or lease such other property forming part of a Series Project which it may determine is not needed or serves no useful purpose in connection with the maintenance and operation of such Series Project, if the Consulting Engineer shall in writing approve such sale or lease, and the proceeds of any such sale shall be disposed of as hereinabove provided for the proceeds of the sale or disposal of movable property. The proceeds of any lease as described above shall be applied as provided in the corresponding Supplemental Indenture.

Notwithstanding the foregoing, the District may: (a) dispose of all or any part of a Series Project, other than a Series Project the revenues to be derived from the operation of which are pledged to a Series of Bonds, by gift or dedication thereof to any unit of local government, or to the State or any agency or instrumentality of

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(c) **Inspection.** The reports, statements and other documents required to be furnished by the District to the Trustee and by the Trustee to the District pursuant to any provisions hereof shall be available for inspection by any Owner at the designated office of the District upon the giving of at least five (5) days advance written notice to the District or the Trustee, as the case may be.

(d) **Reports Pursuant to Uniform Special District Accountability Act of 1989.** The District covenants and agrees that it will comply with the provisions of Chapter 189.01 et seq., Florida Statutes, the Uniform Special District Accountability Act of 1989, to the extent applicable to the District, including any reporting requirements contained therein which are applicable to the District. The District may contract with a service provider selected by the District to ensure such compliance.

**Section 809. Arbitrage and Other Tax Covenants.** The District hereby covenants that it will not take any action, and will not fail to take any action, which action or failure would cause any Tax-Exempt Bonds to become "arbitrage bonds" as defined in Section 148 of the Code. The District further covenants that it will take all such actions after delivery of any Tax-Exempt Bonds as may be required in order for interest on such Tax-Exempt Bonds to remain excludable from gross income (as defined in Section 61 of the Code) of the Owners. Without limiting the generality of the foregoing, the District hereby covenants that it will to the extent not remitted by the Trustee from funds held in the Rebate Account, remit to the United States the Rebate Amount at the time and place required by this Master Indenture, any Supplemental Indenture, and the Tax Regulatory Covenants.

**Section 810. Enforcement of Payment of Assessments.** The District will assess, levy, collect or cause to be collected and enforce the payment of Assessments, Benefit Special Assessments, and/or any other sources which constitute Pledged Revenues for the payment of any Series of Bonds in the manner prescribed by this Master Indenture, any Supplemental Indenture and all resolutions, ordinances or laws thereunto appertaining at times and in amounts as shall be necessary in order to pay, when due, the principal of and interest on the Series of Bonds to which such Pledged Revenues are pledged, and to pay or cause to be paid the proceeds of such Assessments, Benefit Special Assessments, and/or any other sources as received to the Trustee in accordance with the provisions hereof.

**Section 811. Method of Collection of Assessments and Benefit Special Assessments.** The District shall levy and collect Assessments and Benefit Special Assessments in accordance with applicable State law.

**Section 812. Delinquent Assessments.** If the owner of any lot or parcel of land shall be delinquent in the payment of any Assessment or Benefit Special Assessment, pledged to a Series of Bonds, then such Assessment or Benefit Special Assessment shall be enforced in accordance with the provisions of Chapters 170

and/or 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deeds as regards such Delinquent Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable or unavailable, or in the event that an Assessment or Benefit Special Assessment was directly collected by the District, as permitted by a Supplemental Indenture, then upon the delinquency of any such Assessment or Benefit Special Assessment, the District either on its own behalf, or through the actions of the Trustee may, and shall, if so directed in writing by the Majority Owners of the Bonds of such Series then Outstanding, declare the entire unpaid balance of such Assessment or Benefit Special Assessment, 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 Chapters 170 and 173, and Section 190.026, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Bonds of the related Series so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments together with a copy of the District's annual audit (if available), and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

**Section 813. Deposit of Proceeds from Sale of Tax Certificates.** If any tax certificates relating to Delinquent Assessments which are pledged to a Series of Bonds are sold by the Tax Collector pursuant to the provisions of Section 197.432, Florida Statutes, or if any such tax certificates are not sold but are later redeemed, the proceeds of such sale or redemption (to the extent that such proceeds relate to the Delinquent Assessments), less any commission or other charges retained by the Tax Collector, shall, if paid by the Tax Collector to the District, be paid by the District to the Trustee not later than five (5) Business Days following receipt of such proceeds by the District and shall be deposited by the Trustee to the credit of the related Series Revenue Account.

**Section 814. Sale of Tax Deed or Foreclosure of Assessment or Benefit Special Assessment Lien.** If any property shall be offered for sale for the nonpayment of any Assessment or Benefit Special Assessment, which is pledged to a Series of Bonds, and no person or persons shall purchase such property for an amount less than or equal to the full amount due on the Assessments or Benefit Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Assessments or Benefit Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series of Bonds to which such Assessments or Benefit Special Assessments were pledged; provided that the Trustee shall have the right, acting at the direction of the Majority Owners of the applicable Series of Bonds secured by such Assessments or Benefit Special Assessments, but shall not be obligated, to direct the District

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Upon the date of issuance of each Series of Bonds, all conditions, acts and things required by law and this Master Indenture and any Supplemental Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds shall exist, have happened and have been performed and upon issuance, such Series of Bonds shall be within every debt and other limit prescribed by the laws of the State applicable to the District.

The District shall not enter into any contract or take any action by which the rights of the Trustee or the Owners may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Master Indenture and any Supplemental Indenture. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the District shall maintain its corporate existence as a local unit of special purpose government under the Act and shall provide for or otherwise require all Series Projects, and all parts thereof owned by the District 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 818. Continuing Disclosure.** The District covenants and agrees that it will comply with and carry out all of the provisions of any Continuing Disclosure Agreement. Notwithstanding any other provision of this Master Indenture or any Supplemental Indenture, failure of the District or any other obligated person to comply with any Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the request of any participating underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Bonds of a Series then Outstanding and receipt of indemnity to its satisfaction, shall) or any Owner or Beneficial Owner of the Bonds of a Series then Outstanding may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations under this Section 818. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

## ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

**Section 901. Extension of Interest Payment.** If the time for payment of interest of a Bond of any Series shall be extended, whether or not such extension be by or with the consent of the District, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Master

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with respect to any action taken pursuant to this paragraph. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power 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 as herein provided, the District shall cause written notice thereof to be mailed to any designated agents of the Owners of the related Series of 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 representatives. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for the listing for sale of property acquired by it as trustee for the benefit of the Owners of the related Series of Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Bonds of such Series then Outstanding.

**Section 815. Other Obligations Payable from Assessments or Benefit Special Assessments.** The District will not issue or incur any obligations payable from the proceeds of Assessments or Benefit Special Assessments securing a Series of Bonds nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Assessments or Benefit Special Assessments other than the lien of any Subordinate Debt except for fees, commissions, costs, and other charges payable to the Property Appraiser or to the Tax Collector pursuant to State law.

**Section 816. Re-Assessments.** If any Assessment or Benefit Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or the District shall be satisfied that any such Assessment or Benefit Special Assessment is so irregular or defective that it cannot be enforced or collected, or if the District shall have omitted to make such Assessment or Benefit Special Assessment when it might have done so, the District shall either: (a) take all necessary steps to cause a new Assessment or Benefit Special Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement; or (b) in its sole discretion, make up the amount of such Assessment or Benefit Special Assessment from legally available moneys, which moneys shall be deposited into the related Series Revenue Account. In case any such subsequent Assessment or Benefit Special Assessment shall also be annulled, the District shall obtain and make other Assessments or Benefit Special Assessments until a valid Assessment or Benefit Special Assessment shall be made.

**Section 817. General.** The District shall do and perform, or cause to be done and performed, all acts and things required to be done or performed by or on behalf of the District under law and this Master Indenture, in accordance with the terms of such provisions.

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Indenture unless the aggregate principal amount of such Bonds then Outstanding and of all accrued interest the time for payment of which shall not have been extended, shall have previously been paid in full.

**Section 902. Events of Default.** Each of the following events is hereby declared an Event of Default with respect to a Series of Bonds, but no other Series of Bonds unless otherwise provided in the Supplemental Indenture relating to such Series:

- (a) Any payment of Debt Service on such Series of Bonds is not made when due;
- (b) The District shall for any reason be rendered incapable of fulfilling its obligations hereunder or under the Supplemental Indenture relating to such Series of Bonds;
- (c) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the related Series Project;
- (d) The District is adjudged insolvent by a court of competent jurisdiction, or is adjudged bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;
- (e) The District shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;
- (f) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control;
- (g) Any portion of the Assessments or Benefit Special Assessments pledged to a Series of Bonds shall have become Delinquent Assessments and, as the result thereof, the Indenture provides for the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in a Series Reserve Account to pay Debt Service on the corresponding Series of Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the Series Reserve Account to pay Debt Service on the corresponding Series of Bonds);

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(h) The District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Bonds of such Series or in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds on the part of the District to be performed (other than a default in the payment of Debt Service on the related Series of Bonds when due, which is an Event of Default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds of such Series then Outstanding and affected by such default; and

(i) More than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to Assessments or Benefit Special Assessments pledged to a Series of Bonds are not paid by the date such are due and payable.

**Section 903. Acceleration of Maturities of Bonds of a Series Under Certain Circumstances.** Upon the happening and continuance of any Event of Default specified in clauses (a) through (i) of Section 902 above with respect to a Series of Bonds, the Trustee shall, upon written direction of the Majority Owners of the Bonds of such Series then Outstanding, by a notice in writing to the District, declare the aggregate principal amount of all of the Bonds of such Series then Outstanding (if not then due and payable) to be due and payable immediately and, upon such declaration, the same shall become and be immediately due and payable, anything contained in the Bonds of such Series or in this Master Indenture or in the Supplemental Indenture authorizing such Series of Bonds to the contrary notwithstanding; provided, however, that no such declaration of acceleration shall occur in the case of Bonds of a Series secured by Assessments, except to the extent that the Assessments have been accelerated and are currently due and payable in accordance with applicable law; and provided further, however, that if at any time after the aggregate principal amount of the Bonds of any Series then Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Master Indenture or the related Supplemental Indenture, moneys shall have accumulated in the related Series Revenue Account sufficient to pay the principal of all matured Bonds of such Series and all arrears of interest, if any, upon all Bonds of such Series then Outstanding (except the aggregate principal amount of any Bonds of such Series then Outstanding that is only due because of a declaration under this Section 903, and except for the interest accrued on the Bonds of such Series since the last Interest Payment Date), and all amounts then payable by the District hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Paying Agent, and every other default (other than a default in the payment of the aggregate principal amount of the Bonds of such

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sentence of this Section 904 are conditions precedent to the exercise by any Owner of such Series of Bonds of any remedy hereunder. The exercise of such rights is further subject to the provisions of Sections 907, 909, 910, 912 and the second paragraph of this Section 904. No Owner or Owners of such Series of Bonds shall have any right in any manner whatsoever to enforce any right under this Master Indenture, except in the manner herein provided.

The District covenants and agrees that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, the provisions for the foreclosure of liens of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Bonds of a Series. Notwithstanding anything to the contrary herein, and unless otherwise directed by the Majority Owners of the Bonds of a Series and allowed pursuant to federal or State law, the District acknowledges and agrees that (y) upon failure of any property owner to pay an installment of Assessments collected directly by the District when due, that the entire Assessment on the tax parcel as to which such Delinquent Assessment appertains, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within 120 days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel and (z) 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.

**Section 905. Pro Rata Application of Funds Among Owners of a Series of Bonds.** Anything in this Master Indenture to the contrary notwithstanding, if at any time the moneys in the Series Funds and Accounts shall not be sufficient to pay Debt Service on the related Series of Bonds when due, such moneys together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article IX or otherwise, shall be applied as follows:

(a) Unless the aggregate principal amount of all the Bonds of such Series shall have become due and payable or shall have been declared due and payable pursuant to the provisions of Section 903 hereof, all such moneys shall be applied:

FIRST: to the payment of any then-due fees and expenses of the Trustee, including reasonable counsel fees and expenses, to the extent not otherwise paid;

Series then Outstanding that is due only because of a declaration under this Section 903) shall have been remedied, then the Trustee or, if the Trustee is unable or unwilling to act, the Majority Owners of such Series of Bonds then Outstanding not then due except by virtue of a declaration under this Section 903, may, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

**Section 904. Enforcement of Remedies.** Upon the happening and continuance of any Event of Default specified in Section 902 above with respect to a Series of Bonds, the Trustee may protect and enforce the rights of the Owners of the Bonds of such Series under State law, and under this Master Indenture, the related Supplemental Indenture and the Bonds of such Series, by such proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein or in the related Supplemental Indenture granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

The Majority Owners of the Bonds of such Series then Outstanding shall, subject to the requirements of Section 607, 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 hereunder, provided that such directions shall not be in conflict with any rule of law or this Master 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. The Trustee may take any other action which is not inconsistent with any direction under this second paragraph of this Section 904.

No Owner of such Series of Bonds shall have any right to pursue any other remedy under this Master Indenture or such Series of Bonds unless: (a) an Event of Default shall have occurred and is continuing; (b) the Majority Owners of the Bonds of such Series then Outstanding have requested the Trustee, in writing, to exercise the powers granted in the first paragraph of this Section 904 or to pursue such remedy in its or their name or names; (c) the Trustee has been offered indemnity satisfactory to it against costs, expenses and liabilities reasonably anticipated to be incurred; (d) the Trustee has declined to comply with such request, or has failed to do so, 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 Majority Owners of the Bonds of such Series then Outstanding. The provisions of the immediately preceding

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SECOND: to payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds of such Series, in the order in which such installments become due and payable 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 discrimination or preference except as to any difference in the rates of interest specified in the Bonds of such Series; and

THIRD: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds of such Series which shall have become due (other than Bonds of such Series called for redemption for the payment of which sufficient moneys are held pursuant to this Master Indenture), in the order of their due dates, with interest upon the Bonds of such Series at the rates specified therein from the dates upon which they become due to their payment date, and, if the amount available shall not be sufficient to pay in full the principal of Bonds of such Series due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Owners of the Bonds of such Series entitled thereto without any discrimination or preference except as to any difference in the foregoing rates of interest.

(b) If the aggregate principal amount of all the Bonds of a Series shall have become due and payable in accordance with their terms or shall have been declared due and payable pursuant to the provisions of Section 903 hereof, all such moneys shall be applied first to the payment of any fees and expenses of the Trustee, including reasonable counsel fees and expenses, to the extent not otherwise paid, and then the payment of the whole amount of principal and interest then due and unpaid upon the Bonds of such Series, without preference or priority of principal or of interest or of any installment of interest over any other, or of any Bond over any other Bond of such Series, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds of such Series.

(c) If the principal of all the Bonds of a Series shall have been declared due and payable pursuant to the provisions of Section 903 hereof, and if such declaration shall thereafter have been rescinded and annulled pursuant to the provisions of Section 903 hereof, then, if the aggregate principal amount of all of the Bonds of such Series shall later become due or be declared due and payable pursuant to the provisions of Section 903 hereof, the moneys remaining in and thereafter accruing to the related Series Revenue Fund shall be applied in accordance with subsection (b) above.

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The provisions of this Section 905 are in all respects subject to the provisions of Section 901 hereof.

Whenever moneys are to be applied pursuant to this Section 905, such moneys shall be applied by the Trustee at such times as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application. The deposit of such moneys with the Paying Agent shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to any Owner or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies such moneys in accordance with such provisions of this Master Indenture as may be applicable at the time of application. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to any Owner until such Bond shall be surrendered to him for appropriate endorsement.

**Section 906. Effect of Discontinuance of Proceedings.** If any proceeding taken by the Trustee or any Owner on account of any default shall have been discontinued or abandoned for any reason, then the District and the Owner shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Owners shall continue as though no such proceeding had been taken.

**Section 907. Restriction on Individual Owner Actions.** Except as provided in Section 910 below, no Owner of any Bonds of a Series shall have any right in any manner whatsoever to affect, disturb or prejudice the security of this Master Indenture or any Supplemental Indenture, or to enforce any right hereunder or thereunder except in the manner herein or therein provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all Owners of the Bonds of such Series.

**Section 908. No Remedy Exclusive.** No remedy conferred upon the Trustee or the Owners is intended to be exclusive of any other remedy herein or in any Supplemental Indenture provided, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder.

**Section 909. Delay Not a Waiver.** No delay or omission of the Trustee or any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given to the Trustee and the

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(i) the District hereby agrees that it shall make a reasonable attempt to timely seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Bonds of a Series then Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Assessments relating to the Bonds of a Series then Outstanding, the Bonds of such Series then Outstanding or any rights of the Trustee under the Indenture (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Bonds of such Series then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(ii) the District 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 Assessments relating to the Bonds of a Series then Outstanding, the Bonds of such Series then Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(iii) the District hereby agrees that it shall make a reasonable attempt to timely seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Bonds of such Series then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Assessments relating to the Bonds of a Series then Outstanding, would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise 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 and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Assessments relating to the Bonds of a Series then Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods

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Owners may be exercised from time to time and as often as may be deemed expedient.

**Section 910. Right to Enforce Payment of Bonds.** Nothing in this Article IX shall affect or impair the right of any Owner to enforce the payment of Debt Service on the Bond of which such person is the registered Owner, or the obligation of the District to pay Debt Service to the Owner at the time and place specified in such Bond.

**Section 911. No Cross Default Among Series.** 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.

**Section 912. Indemnification.** Other than to make proper draws under a Credit Facility, the Trustee shall be under no obligation to institute any suit or to take any remedial proceeding under this Master Indenture or any Supplemental Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to advance its own money, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. Notwithstanding the foregoing, the indemnification provided by this Section 912 shall not be applicable in cases of the Trustee's gross negligence or willful misconduct.

**Section 913. Provisions Relating to Bankruptcy or Insolvency of Landowner.**

(a) The provisions of this Section 913 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, or tax parcels which are in the aggregate, subject to at least five percent (5%) of the Assessments pledged to the Bonds of a Series then Outstanding (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").

(b) The District acknowledges and agrees that, although the Bonds of a Series were issued by the District, the Owners of the Bonds of a Series 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 an Insolvent Taxpayer:

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or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(v) the District shall not challenge the validity or amount of any claim submitted in good faith by the Trustee in such Proceeding or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the District's claim and rights with respect to the Assessments relating to the Bonds of a Series then Outstanding 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 to (A) file a proof of claim with respect to the Assessments pledged to the Bonds of a Series then Outstanding, (B) deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (C) defend any objection filed to said proof of claim.

The District acknowledges and agrees that it shall not be a defense to a breach of the foregoing covenants that it has acted on advice of counsel in not complying with the foregoing covenants.

(c) Nothing in this Section 913 shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such a claim for Operation and Maintenance Assessments in such manner as it shall deem appropriate in its sole and absolute discretion; provided, however, that such claim shall not seek to reduce the amount or receipt of Assessments. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Assessments relating to the Bonds of a Series then Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (b)(iv) above.

## ARTICLE X EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF BONDS

**Section 1001. Execution of Instruments by Owners and Proof of Ownership of Bonds.** Any request, direction, consent or other instrument in writing required or permitted by this Master Indenture or any Supplemental Indenture to be signed or executed by Owners may be in any number of concurrent

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instruments of similar tenor and may be signed or executed by Owners or their attorneys or legal representatives. Proof of the execution of any such instrument shall be sufficient for any purpose of this Master Indenture and shall be conclusive in favor of the District with regard to any action taken by it under such instrument if verified by any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

Nothing contained in this Article X shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done by the Trustee or the District in pursuance of such request or consent.

**Section 1002. Deposit of Bonds.** Notwithstanding the foregoing, neither the District nor the Trustee shall be required to recognize any person as an Owner of any Bond or to take any action at his request unless such Bond shall be deposited with the Trustee.

## ARTICLE XI SUPPLEMENTAL INDENTURES

**Section 1101. Supplemental Indentures Without Owner Consent.** The Governing Body from time to time may authorize such indentures supplemental hereto or amendatory hereof as shall not be inconsistent with the terms and provisions hereof (which Supplemental Indenture shall thereafter form a part hereof), without the consent of the Owners, for the following purposes:

- (a) to provide for the initial issuance of a Series of Bonds or Refunding Bonds; or
- (b) to make any change whatsoever to the terms and provisions of this Master Indenture, but only as such change relates to a Series of Bonds upon the original issuance thereof (or upon the original issuance of Refunding Bonds which defease and discharge the Supplemental Indenture of the Series of Bonds to be refunded) under and pursuant to the terms of the Supplemental Indenture effecting such change; or
- (c) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Indenture; or

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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 hereto, as shall be deemed desirable by the District 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 indenture supplemental thereto; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds of such Series then Outstanding and affected by such amendment,

- (i) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond of such Series;
- (ii) a reduction in the principal, premium, or interest on any Bond of such Series;
- (iii) a preference or priority of any Bond of such Series over any other Bond of such Series; or
- (iv) a reduction in the aggregate principal amount of the Bonds of such Series required for consent to such indenture supplemental to the Supplemental Indenture.

(c) If at any time the District shall determine that it is desirable to approve any Supplemental Indenture pursuant to this Section 1102, the District shall cause the Trustee to mail, at the expense of the District, notice of the proposed approval to the Owners whose approval is required. Such notice shall be prepared by the District and shall briefly set forth the nature of the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture and shall state that copies thereof are on file with the Secretary for inspection by all affected Owners. The District shall not, however, be subject to any liability to any Owner by reason of its failure to cause the notice required by this Section 1102 to be mailed and any such failure shall not affect the validity of such Supplemental Indenture or indenture supplemental to a Supplemental Indenture when consented to and approved as provided in this Section 1102.

(d) Whenever, at any time within one (1) year after the date of the first mailing of such notice, there shall be delivered to the District an instrument or instruments in writing purporting to be executed by the Owners of the requisite principal amount of the Bonds of such Series then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Governing Body and the Trustee may approve such Supplemental Indenture and

(d) to grant to the Owners or to the Trustee on behalf of the Owners any additional rights or security that may lawfully be granted; or

(e) to add to the covenants and agreements of the District in this Master Indenture other covenants and agreements thereafter to be observed by the District to the benefit of the Owners of the Bonds then Outstanding; or

(f) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190, 197 and 298, Florida Statutes, or any other Florida Statutes, so long as, in the opinion of counsel to the District, such changes either: (i) do not have a material adverse effect on the Owners of each Series of Bonds to which such changes relate; or (ii) if such changes do have a material adverse effect, that they nevertheless are required to be made as a result of such amendments; or

(g) to modify the provisions of this Master Indenture or any Supplemental Indenture provided that such modification does not, in the written opinion of Bond Counsel, materially adversely affect the interests of the Owners of Bonds then Outstanding, upon which opinion the Trustee may conclusively rely.

### Section 1102. Supplemental Indentures With Owner Consent.

(a) Subject to the provisions contained in this Section 1102, and not otherwise, the Majority Owners of Bonds then Outstanding shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental hereto or amendatory hereof as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of this Master Indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds then Outstanding and affected by such supplement or amendment,

- (i) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond;
- (ii) a reduction in the principal, premium, or interest on any Bond;
- (iii) a preference or priority of any Bond over any other Bond; or
- (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture.

(b) In addition to the foregoing, the Majority Owners of any Series of Bonds 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

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cause it to be executed, in substantially such form, without liability or responsibility to any Owner.

**Section 1103. Opinion of Bond Counsel With Respect to Supplemental Indenture.** In addition to the other requirements herein set forth with respect to Supplemental Indentures or indentures supplemental to a Supplemental Indenture, no such indenture shall be effective unless and until there shall have been delivered to the Trustee, at the expense of the District, an opinion of Bond Counsel to the effect that such indenture is permitted pursuant to this Master Indenture and that such indenture is the valid and binding obligation of the District enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or general equitable principles, upon which opinion the Trustee may conclusively rely. In addition, if such indenture relates to a Series of Tax-Exempt Bonds, such opinion shall also state that such indenture will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the related Series of Bonds.

**Section 1104. Supplemental Indenture Part of Indenture.** Any Supplemental Indenture executed in accordance with this Article XI and approved as to legality by counsel to the District shall thereafter, except as otherwise provided therein, form a part of this Master Indenture. Except as applicable only to Bonds of a Series, all of the terms and conditions contained in any such Supplemental Indenture amendatory of this Master Indenture shall be part of the terms and conditions hereof. The Trustee is not obligated to execute any amendment that is adverse to the interests of the Trustee.

### Section 1105. Insurer or Issuer of a Credit Facility or Liquidity Facility as Owner of Bonds.

(a) As long as a Credit Facility or Liquidity Facility securing all or a portion of the Bonds of a Series then Outstanding is in effect and the issuer thereof is not in default of any of its obligations under such Credit Facility or Liquidity Facility, as the case may be, the issuer of the Credit Facility or Liquidity Facility or the Insurer, 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 or Liquidity 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 Master 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 Majority Owners of the Bonds of such Series then 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 Default for all other purposes.

(b) Notwithstanding the foregoing, neither an Insurer nor the issuer of a Credit Facility or Liquidity Facility with respect to a Series of Bonds will 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 then 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.

## ARTICLE XII DEFEASANCE

### Section 1201. Defeasance and Discharge of the Lien of this Master Indenture and Supplemental Indentures.

(a) If the District 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 Letter of Credit Agreement and any Liquidity Agreement, at the times and in the manner stipulated therein and in this Master Indenture and pays or causes to be paid all other moneys owing hereunder and under any Supplemental Indenture (including, without limitation the fees and expenses of the Trustee, including reasonable counsel fees and expenses), then the lien of this Master Indenture and all covenants, agreements and other obligations of the District to the Owners and the issuer of any Credit Facility or Liquidity Facility shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee upon the request of the District shall execute and deliver to the District 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 District, all moneys or securities held by them pursuant to this Master Indenture

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(iii) the District shall have given the Trustee or the 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 registration books of the District, a notice to the registered Owners of such Bonds and to the Bond 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 1201 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.

(c) Neither Federal Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Federal 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 Federal Securities deposited with the Trustee:

(i) to the extent such cash shall not be required at any time for such purpose as evidenced by an Accountant's Certificate, and to the extent all obligations under any Letter of Credit Agreement and any Liquidity Agreement are satisfied, as determined by an Insurer or an issuer of any Credit Facility or Liquidity Facility securing the Bonds with respect to which such Federal Securities have been so deposited, shall be paid over upon the direction of the District 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 Federal 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 Letter of Credit Agreement and any Liquidity 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 District, free and clear of any lien, pledge or security interest securing such Bonds or otherwise existing under this Master Indenture.

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which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption or for payment of obligations under any Letter of Credit Agreement and any Liquidity Agreement. If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Bonds then Outstanding 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 District 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 1201 notwithstanding, this Master Indenture shall not be discharged nor shall any Bonds with respect to which moneys or Federal Securities have been deposited in accordance with the provisions of this Section 1201 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 District hereunder shall be limited solely to and such Bonds shall be secured solely by and be payable solely from the moneys or Federal Securities so deposited.

(b) 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 1201. All Bonds of any particular maturity or Series then Outstanding shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 1201 if:

(i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the District shall have given to the Trustee or the Bond Registrar irrevocable instructions accepted in writing by the Trustee or the Bond Registrar to mail as provided in Article III hereof 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 Federal Securities, the principal of and the interest on which when due shall, as demonstrated in an Accountant's Certificate, 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;

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For the purposes of this provision, Federal 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.

(d) 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 Letter of Credit Agreement and any Liquidity Agreement pursuant to the provisions of this Section 1201, the District 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, any Letter of Credit Agreement or any Liquidity Agreement.

(e) 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, the Series Sinking Fund Account and the Series Redemption Account, or in such other accounts which are irrevocably pledged to the payment of the Option Bonds, as the District 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 (e) 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 (e). 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 an Insurer or an issuer of any Credit Facility or Liquidity Facility, for obligations under any Letter of Credit Agreement and any Liquidity Agreement, the District 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, any Letter of Credit Agreement or any Liquidity Agreement.

(f) 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

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discharge of any of the Bonds which remain unclaimed for two (2) 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 two (2) 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 District be repaid by the Trustee or Paying Agent to the District, as its 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 District for the payment of such Bonds; provided, however, that before being required to make any such payment to the District, the Trustee or Paying Agent shall, at the expense of the District, cause to be mailed, postage prepaid, to any Insurer or any issuer of any Credit Facility or Liquidity Facility, and to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registration books of the District, 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 District.

(g) In the event that the principal and Redemption Price, if applicable, and interest due on the Bonds shall be paid by the Insurer pursuant to a municipal bond insurance policy, the assignment and pledge and all covenants, agreements and other obligations of the District to the Owners of such Bonds shall continue to exist and the Insurer shall be subrogated to the rights of such Owners.

(h) Anything in this Master Indenture to the contrary notwithstanding, the provisions of the foregoing subsections (b) through (g) 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 then Outstanding" were a reference to the "Bonds of such Series then Outstanding."

**Section 1202. Moneys Held in Trust.** All moneys and obligations held by an escrow or paying agent or trustee pursuant to this Section 1202 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.

#### ARTICLE XIII MISCELLANEOUS PROVISIONS

**Section 1301. Effect of Covenant.** All covenants, stipulations, obligations and agreements of the District contained in this Master Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the District and of the

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All documents received by the District and the Trustee under this Master Indenture shall be retained in their possession, subject at all reasonable times to the inspection of any Owner and the agents and representatives thereof.

**Section 1303. Manner of Giving Notice to the Owners.** Any notice, demand, direction, request, or other instrument authorized or required by this Master Indenture to be mailed to the Owners shall be deemed to have been sufficiently mailed if mailed by first class mail, postage pre-paid, to the Owners at their addresses as they appear at the time of mailing on the registration books maintained by the Bond Registrar.

**Section 1304. Successorship of District Officers.** If the offices of Chairman or Secretary shall be abolished or any two or more of such offices shall be merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the District or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law.

**Section 1305. Inconsistent Provisions.** All provisions of any resolutions, and parts thereof, which are inconsistent with any of the provisions of this Master Indenture are hereby declared to be inapplicable to this Master Indenture.

**Section 1306. Further Acts; Counterparts.** The officers and agents of the District are hereby authorized and directed to do all acts and things required of them by the Bonds and this Master Indenture, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Master Indenture.

This Master Indenture and any Supplemental Indenture may be executed in duplicate counterparts each of which shall constitute one and the same agreement.

**Section 1307. Headings Not Part of Indenture.** Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference and shall not constitute a part of this Master Indenture, nor shall they affect its meaning, construction or effect.

**Section 1308. Effect of Partial Invalidity.** In case any one or more of the provisions of this Master Indenture or of any Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Master Indenture or of the Bonds, but this Master Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been

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Governing Body of the District to the full extent authorized or permitted by law and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided herein, all rights, powers and privileges conferred, and duties and liabilities imposed, upon the District or the Governing Body, by this Master Indenture shall be exercised or performed by the Governing Body, or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Governing Body in his or her individual capacity, and neither the members of the Governing Body nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

**Section 1302. Manner of Giving Notice to the District and the Trustee.** Any notice, demand, direction, request or other 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 deemed to have been sufficiently given or filed for all purposes of this Master Indenture if and when sent by certified mail, return receipt requested:

To the District, addressed to:

Saltleaf Community Development District  
c/o Wrathell, Hunt & Associates, LLC  
2300 Glades Road  
Suite 410W  
Boca Raton, Florida 33431

To the Trustee, addressed to:

U.S. Bank Trust Company, National Association  
500 West Cypress Creek Road  
Suite 460  
Fort Lauderdale, Florida 33309  
Attention: Corporate Trust Department

or to such other address as shall be provided to the other party hereto in writing.

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contained therein. The Bonds are issued and this Master Indenture is adopted with the intent that the laws of the State shall govern their construction.

**Section 1309. Attorneys' Fees.** Any reference herein to the term "attorneys' fees," "counsel fees" or "legal fees" or words of like import shall include but not be limited to fees of legal assistants and paralegals and fees incurred in any and all legal proceedings, including any trial or appellate level proceedings, and any sales tax thereon.

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**Section 1310. Effective Date.** This Master Indenture shall be effective as of the date first written above.

**EXHIBIT A**

**FORM OF REQUISITION**

(SEAL)

**SALTLEAF COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Chairman/Vice Chairman

**ATTEST:**

By: \_\_\_\_\_  
Secretary/Assistant Secretary

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

By: \_\_\_\_\_  
Vice President

The undersigned, an Authorized Officer of Saltleaf Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of April 1, 2024, as amended and supplemented by the [\_\_\_\_\_] Supplemental Trust Indenture between the District and the Trustee, dated as of [\_\_\_\_\_] (collectively, the "Indenture"). All capitalized terms used herein shall have the meaning ascribed to such term in the Indenture.

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments or state Costs of Issuance, if applicable):

(E) Fund, Account or subaccount from which disbursement is to be made:

The undersigned hereby certifies that:

☐ obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the [\_\_\_\_\_] Acquisition and Construction Account and the subaccount, if any, referenced above, that each disbursement set forth above was incurred in connection with the acquisition and/or construction of the [\_\_\_\_\_] Project and each represents a Cost of the [\_\_\_\_\_] Project, and has not previously been paid out of such Account or subaccount;

OR

☐ this requisition is for Costs of Issuance payable from the [\_\_\_\_\_] Costs of Issuance Account that has not previously been paid out of such Account.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the contractor of the improvements acquired or services rendered (or other equivalent supporting documents) with respect to which disbursement is hereby requested are on file with the District.

**SALTLEAF COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Authorized Officer

**CONSULTING ENGINEER'S APPROVAL FOR  
NON-COST OF ISSUANCE REQUESTS ONLY**

If this requisition is for a disbursement from other than the [\_\_\_\_\_] Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the [\_\_\_\_\_] Project and is consistent with (i) the applicable acquisition or construction contract, (ii) the plans and specifications for the portion of the [\_\_\_\_\_] Project with respect to which such disbursement is being made, and (iii) the report of the Consulting Engineer attached as an Exhibit to the [\_\_\_\_\_] Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

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\_\_\_\_\_  
Consulting Engineer

This Table of Contents is incorporated herein for ease of reference only and shall not be deemed a part of this First Supplemental Trust Indenture.

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## AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2024 BONDS

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Exhibit A – Description of Capital Improvement Plan  
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**THIS FIRST SUPPLEMENTAL TRUST INDENTURE** (this "First Supplemental Indenture") is dated as of April 1, 2024, between **SALTLEAF COMMUNITY DEVELOPMENT DISTRICT** (the "District") and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association, authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located 500 West Cypress Creek Road, Suite 460, Fort Lauderdale, Florida 33309, Attention: Corporate Trust Department.

WHEREAS, the District entered into a Master Trust Indenture, dated as of April 1, 2024 (the "Master Indenture") and together with this First Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its Saltleaf Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more Series from time to time; and

**WHEREAS**, pursuant to Resolution No. 2023-26, adopted by the Governing Body of the District on July 13, 2023, the District has authorized the issuance, sale and delivery of not to exceed \$44,655,000 of Bonds, to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Twentieth Judicial Circuit of Florida, in and for Lee County on February 12, 2024, the appeal period for which expired with no appeal having been taken; and

**WHEREAS,** the Governing Body of the District duly adopted Resolution No. 2024-03, on December 8, 2023, providing for the acquisition, construction and installation of assessable capital improvements (the "Capital Improvement Plan"), providing estimated Costs of the Capital Improvement Plan, defining assessable property to be benefited by the Capital Improvement Plan, defining the portion of the Costs of the Capital Improvement Plan with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the Costs of the acquisition, construction and installation of the Capital Improvement Plan and the Governing Body of the District duly adopted Resolution No. 2024-04, on January 26, 2024, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property; and

**WHEREAS**, pursuant to Resolution No. 2024-08, adopted by the Governing Body of the District on March 8, 2024, the District has authorized the issuance, sale and delivery of, among other things, its \$[Bond Amount] Saltleaf Community Development District Capital Improvement Revenue Bonds, Series 2024 (the "Series 2024 Bonds"), which are issued hereunder as an issue of Bonds under the Master Indenture, and has authorized the execution and delivery of the Master

Indenture and this First Supplemental Indenture to secure the issuance of the Series 2024 Bonds and to set forth the terms of the Series 2024 Bonds; and

**WHEREAS**, the District will apply the proceeds of the Series 2024 Bonds to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Capital Improvement Plan, (b) pay certain costs associated with the issuance of the Series 2024 Bonds, (c) make a deposit into the Series 2024 Reserve Account to be held for the benefit of all of the Series 2024 Bonds, and (d) pay a portion of the interest to become due on the Series 2024 Bonds; and

**WHEREAS**, the Series 2024 Bonds will be payable from and secured in part by revenues derived from Assessments imposed, levied and collected by the District with respect to property specially benefited by the Capital Improvement Plan (the "Series 2024 Assessments"); and

**WHEREAS**, the execution and delivery of the Series 2024 Bonds and of this First Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2024 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2024 Trust Estate (hereinafter defined) have been done;

**NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:**

That the District, 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 Series 2024 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, all Series 2024 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 District of all the covenants, expressed or implied in the Master Indenture, in this First Supplemental Indenture and in the Series 2024 Bonds (a) has executed and delivered this First 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 established under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, 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, the revenues derived by the District from the Series 2024 Assessments (the "Series 2024 Pledged

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**ARTICLE I  
DEFINITIONS**

**Section 101. 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 are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (a) expressly given a different meaning herein or (b) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

**"Arbitrage Certificate"** shall mean the Certificate as to Arbitrage and Certain Other Tax Matters of the District dated as of [Closing Date].

**"Assessment Methodology"** shall mean the Master Special Assessment Methodology Report, dated December 8, 2023, as supplemented by the [Final] First Supplemental Special Assessment Methodology Report, dated [\_\_\_\_], 2024, each prepared by the Methodology Consultant.

**"Authorized Denomination"** shall mean, with respect to the Series 2024 Bonds, on the date of issuance, the denomination of \$5,000 and any integral multiple thereof; provided, however, if any initial Beneficial Owner does not purchase at least \$100,000 of the Series 2024 Bonds at the time of initial delivery of the Series 2024 Bonds, such Beneficial Owner must either execute and deliver to the District and the Underwriter on the date of delivery of the Series 2024 Bonds an investor letter substantially in the form attached hereto as Exhibit D or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

**"Beneficial Owners"** shall have the meaning given such term by DTC so long as it is the registered Owner through its Nominee, Cede & Co., of the Series 2024 Bonds as to which such reference is made to enable such Series 2024 Bonds to be held in book-entry only form, and shall otherwise mean the registered Owner on the registration books of the District maintained by the Bond Registrar.

**"Bond Depository"** shall mean the securities depository from time to time under Section 201 hereof, which may be the District.

**"Bond Participants"** shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2024 Bonds as securities depository.

**"Collateral Assignment"** shall mean the Collateral Assignment Agreement (2024 Bonds) between the District and the Landowners, dated as of [Closing Date].

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Revenues") and the Funds and Accounts (except for the Series 2024 Rebate Account) established hereby (the "Series 2024 Pledged Funds") which shall constitute the Trust Estate securing the Series 2024 Bonds (the "Series 2024 Trust Estate");

**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 in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2024 Bonds issued or to be issued under and secured by this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2024 Bond over any other Series 2024 Bond by reason of priority in their issue, sale or execution;

**PROVIDED HOWEVER**, that if the District, 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 Series 2024 Bonds or any Series 2024 Bond of a particular maturity issued, secured and Outstanding under this First Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2024 Bonds and this First 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 First 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 First Supplemental Indenture, then upon such final payments, this First Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2024 Bonds or any Series 2024 Bond of a particular maturity, otherwise this First Supplemental Indenture shall remain in full force and effect;

**THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH**, and it is expressly declared, that all Series 2024 Bonds issued and secured hereunder are 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 expressed in the Master Indenture (except as amended directly or by implication by this First Supplemental Indenture) and this First Supplemental Indenture, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2024 Bonds, as follows:

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**"Completion Agreement"** shall mean the Completion Agreement (2024 Bonds) between the District and the Landowners, dated as of [Closing Date].

**"Continuing Disclosure Agreement"** shall mean the Continuing Disclosure Agreement, by and among the District, the Landowners and Wrathell, Hunt & Associates, LLC, as dissemination agent, dated as of [Closing Date].

**"Delinquent Assessment Interest"** shall mean Series 2024 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Series 2024 Assessment Interest has, or would have, become delinquent under State law or the Series 2024 Assessment Proceedings applicable thereto.

**"Delinquent Assessment Principal"** shall mean Series 2024 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2024 Assessment Principal has, or would have, become delinquent under State law or the Series 2024 Assessment Proceedings applicable thereto.

**"Delinquent Assessments"** shall mean, collectively, Delinquent Assessment Principal and Delinquent Assessment Interest.

**"Engineer's Report"** shall mean the Engineer's Report, dated September 8, 2023, amended and restated on [March 19], 2024, prepared by Barraco and Associates, Inc., a copy of which is attached hereto as Exhibit A.

**"Fully Absorbed"** shall mean the date on which the principal amount of the Series 2024 Assessments equaling 100% of the then Outstanding principal amount of the Series 2024 Bonds is levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

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

**"Landowners"** shall mean, collectively, LB Raptor Investments, LLC, a Florida limited liability company, LB Estero Bay Investments, LLC, a Florida limited liability company, Kersey Smoot Investments, LLC, a Florida Limited Liability Company, Saltleaf Investments I, LLC, a Florida limited liability company, and Saltleaf Marina Investments, LLC, a Florida limited liability company.

**"Majority Owners"** shall mean the Beneficial Owners of more than fifty percent (50%) in principal amount of the Outstanding Series 2024 Bonds.

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**"Maximum Assessment Level"** shall mean \$3,500 per unit annual net debt service assessment level as set forth in the Assessment Methodology and as shall be evidenced by a Maximum Assessment Level Certification.

**"Maximum Assessment Level Certification"** shall mean a certificate of the Methodology Consultant that the total Assessments for capital projects pledged to all Series of Bonds that are or are proposed to be secured by Assessments levied on the same lands within the District subject to the Series 2024 Assessments do not exceed the Maximum Assessment Level and on which certificate the Trustee may conclusively rely as to the matters set forth therein.

**"Methodology Consultant"** shall mean Wrathell, Hunt & Associates, LLC.

**"Nominee"** shall mean the nominee of the Bond Depository, which may be the Bond Depository, as determined from time to time pursuant to this First Supplemental Indenture.

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

**"Redemption Date"** shall mean a Quarterly Redemption Date in the case of a partial redemption of Outstanding Series 2024 Bonds, or any date in the case of the redemption of all of the Outstanding Series 2024 Bonds.

**"Reserve Account Release Conditions"** shall mean, collectively, that (a) all residential units within the District subject to the Series 2024 Assessments have received a certificate of occupancy, (b) all Series 2024 Assessments are being collected pursuant to the Uniform Method, and (c) there are no Events of Default occurring or continuing under the Master Indenture. The District Manager shall provide a written certification to the District and the Trustee certifying that the events in clauses (a) and (b) have occurred and affirming clause (c), on which certifications the Trustee may conclusively rely.

**"Series 2024 Assessment Interest"** shall mean the interest on the Series 2024 Assessments which is pledged to the Series 2024 Bonds.

**"Series 2024 Assessment Principal"** shall mean the principal amount of Series 2024 Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2024 Bonds, other than applicable Delinquent Assessment Principal and Series 2024 Prepayments.

**"Series 2024 Assessment Proceedings"** shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2024 Assessments which include Resolution Nos. 2024-03, 2024-04 and 2024-09, adopted by the Governing Body of the District, and any supplemental proceedings

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(e) Commercial paper (having maturities of not more than 270 days) rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S&P.

Under all circumstances, the Trustee shall be entitled to conclusively rely that any investment directed in writing by an Authorized Officer of the District is permitted under the Indenture and is a legal investment for funds of the District.

**"Series 2024 Prepayment Interest"** shall mean the interest on the Series 2024 Prepayments received by the District.

**"Series 2024 Prepayments"** shall mean the excess amount of Series 2024 Assessment Principal received by the District over the Series 2024 Assessment Principal included within a Series 2024 Assessment appearing on any outstanding and unpaid tax bill or direct collect invoice, whether or not mandated to be prepaid in accordance with the Series 2024 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2024 Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

**"Series 2024 Reserve Account Requirement"** shall mean an amount equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2024 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions are met, at which time and thereafter, Series 2024 Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2024 Bonds, as of the time of any such calculation. On the date of initial issuance of the Series 2024 Bonds, the Series 2024 Reserve Account Requirement shall be \$[RAR].

**"True-Up Agreement"** shall mean, the True-Up Agreement (2024 Bonds) between the District and the Landowners, dated as of [Closing Date].

**"Underwriter"** shall mean FMSbonds, Inc., the underwriter of the Series 2024 Bonds.

## ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2024 BONDS

**Section 201. Authorization of Series 2024 Bonds; Book-Entry Only Form.** The Series 2024 Bonds are hereby authorized to be issued in one Series in the aggregate principal amount of \$[Bond Amount] for the purposes enumerated in the recitals hereto to be designated "Saltleaf Community Development District Capital Improvement Revenue Bonds, Series 2024." The Series 2024 Bonds shall be

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undertaken by the District with respect to the Series 2024 Assessments and the Assessment Methodology as approved thereby.

**"Series 2024 Assessment Revenues"** shall mean all revenues derived by the District from the Series 2024 Assessments, including Delinquent Assessments, proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the District in excess of the rate of interest on the Series 2024 Bonds.

**"Series 2024 Assessments"** shall mean the non-ad valorem special assessments imposed, levied and collected by the District in accordance with the Series 2024 Assessment Proceedings.

**"Series 2024 Investment Obligations"** shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District:

(a) Government Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government – sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; 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;

(c) Both (i) 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 (ii) shares of money market mutual funds that invest only in the obligations described in (a) and (b) above;

(d) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S&P; and

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substantially in the form attached hereto as **Exhibit B**. Each Series 2024 Bond shall bear the designation "2024R" and shall be numbered consecutively from 1 upwards.

The Series 2024 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2024 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2024 Bond shall be registered in the registration books kept by the Bond 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 Series 2024 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2024 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond 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 District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Bond Participant with respect to any ownership interest in the Series 2024 Bonds, (b) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2024 Bonds, including any notice of redemption, or (c) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2024 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2024 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2024 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2024 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2024 Bond, for the purpose of registering transfers with respect to such Series 2024 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2024 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond 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 District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2024 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 Bond Registrar, shall receive a certificated Series 2024 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the

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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 First Supplemental Indenture shall refer to such new Nominee of DTC, and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, the Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC (a) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2024 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2024 Bonds, or (b) 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 which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2024 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond 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 Series 2024 Bonds shall designate, in accordance with the provisions hereof.

**Section 202. Terms.** The Series 2024 Bonds shall be issued as [ ] ( ) Term Bonds, shall be dated as of the date of their issuance and delivery to the initial purchasers thereof, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

Number	Principal Amount	Maturity Date	Interest Rate	CUSIP
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**Section 203. Dating; Interest Accrual.** Each Series 2024 Bond shall be dated [Closing Date]. Each Series 2024 Bond shall also bear its date of authentication. Each Series 2024 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 (a) is an Interest Payment Date to which interest on such Series 2024 Bond has been paid, in which event such Series 2024 Bond shall bear interest from its date of authentication, or (b) is prior to the first Interest Payment Date for the Series 2024 Bonds, in which event such Series 2024 Bond shall bear interest from its date. Interest on the Series 2024 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2024, and shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months.

**Section 204. Denominations.** The Series 2024 Bonds shall be issued in Authorized Denominations.

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### ARTICLE III REDEMPTION OF SERIES 2024 BONDS

**Section 301. Bonds Subject to Redemption.** The Series 2024 Bonds are subject to redemption prior to maturity as provided in the form thereof attached hereto as Exhibit B. Interest on Series 2024 Bonds which are called for redemption shall be paid on the date of redemption from the Series 2024 Interest Account or from the Series 2024 Revenue Account to the extent moneys in the Series 2024 Interest Account are insufficient for such purpose. Moneys in the Series 2024 Optional Redemption Subaccount shall be applied in accordance with Section 506 of the Master Indenture to the optional redemption of Series 2024 Bonds.

### ARTICLE IV DEPOSIT OF SERIES 2024 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

**Section 401. Establishment of Accounts.** There are hereby established, as needed, the following Accounts:

- (a) within the Acquisition and Construction Fund held by the Trustee, a Series 2024 Acquisition and Construction Account and a Series 2024 Costs of Issuance Account;
- (b) within the Debt Service Fund held by the Trustee: (i) a Series 2024 Debt Service Account and therein a Series 2024 Sinking Fund Account, a Series 2024 Interest Account and a Series 2024 Capitalized Interest Account; and (ii) a Series 2024 Redemption Account and therein a Series 2024 Prepayment Subaccount and a Series 2024 Optional Redemption Subaccount;
- (c) within the Reserve Fund held by the Trustee, a Series 2024 Reserve Account, which shall be held for the benefit of all of the Series 2024 Bonds, without distinction as to Series 2024 Bonds and without privilege or priority of one Series 2024 Bond over another;
- (d) within the Revenue Fund held by the Trustee, a Series 2024 Revenue Account; and
- (e) within the Rebate Fund held by the Trustee, a Series 2024 Rebate Account.

**Section 402. Use of Series 2024 Bond Proceeds.** The net proceeds of sale of the Series 2024 Bonds in the amount of \$[NP] (consisting of \$[Bond Amount].00 principal amount of Series 2024 Bonds [less/plus] [net] original issue

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**Section 205. Paying Agent.** The District appoints the Trustee as Paying Agent for the Series 2024 Bonds.

**Section 206. Bond Registrar.** The District appoints the Trustee as Bond Registrar for the Series 2024 Bonds.

**Section 207. Conditions Precedent to Issuance of Series 2024 Bonds.** In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2024 Bonds, all the Series 2024 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) certified copies of the Series 2024 Assessment Proceedings;
- (b) executed copies of the Master Indenture and this First Supplemental Indenture;
- (c) a customary Bond Counsel opinion;
- (d) the District Counsel opinion required by the Master Indenture;
- (e) a certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2024 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;
- (f) an Engineer's Certificate and a copy of the Engineer's Report, which sets forth the estimated Costs of the Capital Improvement Plan;
- (g) a certificate of the Methodology Consultant addressing the validity of the Series 2024 Assessments;
- (h) a certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and
- (i) an executed Collateral Assignment, Completion Agreement and True-Up Agreement.

Payment to the Trustee of the net proceeds of the Series 2024 Bonds in the amount of \$[NP] shall conclusively evidence that the foregoing conditions precedent have been met to the satisfaction of the District and the Underwriter.

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[discount/premium] in the amount of \$[OID/OIP] and less underwriter's discount in the amount of \$[UD]), shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

- (a) \$[RAR], representing the Series 2024 Reserve Account Requirement at the time of issuance of the Series 2024 Bonds, shall be deposited to the credit of the Series 2024 Reserve Account;
- (b) \$[COI], representing the costs of issuance relating to the Series 2024 Bonds, shall be deposited to the credit of the Series 2024 Costs of Issuance Account;
- (c) \$[CAPI], representing Capitalized Interest on the Series 2024 Bonds through and including May 1, 2027, shall be deposited to the credit of the Series 2024 Capitalized Interest Account; and
- (d) \$[CD] shall be deposited to the credit of the Series 2024 Acquisition and Construction Account.

**Section 403. Series 2024 Acquisition and Construction Account; Series 2024 Costs of Issuance Account.**

(a) Amounts on deposit in the Series 2024 Acquisition and Construction Account shall be applied to pay Costs of the Capital Improvement Plan upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and on the form attached hereto as Exhibit C. The Trustee shall have no duty to verify that any requested disbursement from the Series 2024 Acquisition and Construction Account is for a Cost of the Capital Improvement Plan. The Consulting Engineer shall establish a Date of Completion for the Capital Improvement Plan, and any balance remaining in the Series 2024 Acquisition and Construction Account after such Date of Completion (taking into account the moneys then on deposit therein to pay any accrued but unpaid Costs of the Capital Improvement Plan which are required to be reserved in the Series 2024 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2024 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2024 Bonds in accordance with Section 301 hereof and in the manner prescribed in the form of Series 2024 Bond attached hereto as Exhibit B. Notwithstanding the foregoing, the District shall not establish a Date of Completion until after the Reserve Account Release Conditions have been satisfied and moneys have been transferred from the Series 2024 Reserve Account to the Series 2024 Acquisition and Construction Account as a result of such satisfaction pursuant to Section 405 hereof. At such time as there are no amounts on deposit in the Series 2024 Acquisition and Construction Account, such Account shall be closed.

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(b) The amount deposited in the Series 2024 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2024 Bonds. On the earlier to occur of (x) the written direction of an Authorized Officer or (y) six (6) months from the date of issuance of the Series 2024 Bonds, any amounts deposited in the Series 2024 Costs of Issuance Account for which the Trustee has not received a requisition to pay such costs shall be transferred over and deposited into the Series 2024 Acquisition and Construction Account and used for the purposes permitted therefor. Any deficiency in the amount allocated to pay the costs of issuance relating to the Series 2024 Bonds shall be paid from excess moneys on deposit in the Series 2024 Revenue Account pursuant to Section 408(d) FOURTH hereof. When such deficiency has been satisfied and no moneys remain therein, the Series 2024 Costs of Issuance Account shall be closed.

**Section 404. Series 2024 Capitalized Interest Account.** Amounts on deposit in the Series 2024 Capitalized Interest Account shall, until and including May 1, 2027, be transferred into the Series 2024 Interest Account and applied to the payment of interest first coming due on the Series 2024 Bonds in accordance with Section 408(d) hereof, and thereafter transferred into the Series 2024 Acquisition and Construction Account, whereupon the Series 2024 Capitalized Interest Account shall be closed.

**Section 405. Series 2024 Reserve Account.** The Series 2024 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2024 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2024 Reserve Account shall be used only for the purpose of making payments into the Series 2024 Interest Account and the Series 2024 Sinking Fund Account to pay Debt Service on the Series 2024 Bonds, when due, without distinction as to Series 2024 Bonds and without privilege or priority of one Series 2024 Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2024 Reserve Account shall consist only of cash and Series 2024 Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business Day preceding such forty-fifth (45th) day), the Trustee is hereby authorized and directed to recalculate the Series 2024 Reserve Account Requirement. Following such recalculation, the Trustee shall promptly notify the District of any excess on deposit in the Series 2024 Reserve Account whereupon the District shall direct the Trustee in writing to transfer such excess on deposit in the Series 2024 Reserve Account (a) resulting from Prepayments of Series 2024 Assessments into the Series 2024 Prepayment Subaccount and applied as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel subject to such Prepayment

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deposit any and all amounts required to be deposited in the Series 2024 Revenue Account by this Section 408 or by any other provision of the Master Indenture or this First Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2024 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 Trustee shall deposit into the Series 2024 Revenue Account (i) Series 2024 Assessment Revenues other than Series 2024 Prepayments (which Series 2024 Prepayments shall be identified by the District to the Trustee as such in writing upon deposit, upon which certification the Trustee may conclusively rely, and which shall be deposited into the Series 2024 Prepayment Subaccount), (ii) Series 2024 Prepayment Interest, and (iii) any other revenues required by other provisions of the Indenture to be deposited into the Series 2024 Revenue Account.

(c) On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the Series 2024 Prepayment Subaccount and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2024 Revenue Account for deposit into the Series 2024 Prepayment Subaccount an amount sufficient to increase the amount on deposit therein to the nearest integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2024 Revenue Account to pay Debt Service coming due on the Series 2024 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2024 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2024 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2024 Bonds set forth in the form of Series 2024 Bonds attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and 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 first transfer from the Series 2024 Capitalized Interest Account to the Series 2024 Interest Account the lesser of (x) the amount of interest coming due on the Series 2024 Bonds on such May 1 or November 1, less the amount already on deposit in the Series 2024 Interest Account, or (y) the amount remaining in the Series 2024 Capitalized Interest Account. Following the foregoing transfer, on such 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 amounts on deposit in the Series 2024 Revenue Account to the Accounts designated below in the following amounts and in the following order of priority:

and thereafter applied to the extraordinary mandatory redemption of the Series 2024 Bonds, (b) resulting from a reduction of the Series 2024 Reserve Account Requirement as the result of the Reserve Account Release Conditions being met into the Series 2024 Acquisition and Construction Account and used for the purposes of such Account, or (c) resulting from investment earnings as provided in Section 408(f) herein.

On the earliest date on which there is on deposit in the Series 2024 Reserve Account sufficient moneys, after taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2024 Bonds, together with accrued interest and redemption premium, if any, on such Series 2024 Bonds to the earliest Redemption Date permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2024 Reserve Account into the Series 2024 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2024 Bonds on the earliest Redemption Date permitted for redemption therein and herein.

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

**Section 406. Amortization Installments; Selection of Bonds for Redemption.** (a) The Amortization Installments established for the Series 2024 Bonds shall be as set forth in the form of Series 2024 Bonds attached hereto.

(b) Upon any redemption of Series 2024 Bonds (other than Series 2024 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2024 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the Trustee shall cause Series 2024 Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments recalculated, which recalculation shall be performed by the District, in such manner as shall amortize all the Outstanding Series 2024 Bonds of all of the maturities in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2024 Bonds.

**Section 407. Tax Covenants.** The District shall comply with the Arbitrage Certificate, including but not limited to the Tax Regulatory Covenants set forth as an exhibit to the Arbitrage Certificate, as amended and supplemented from time to time in accordance with their terms.

**Section 408. Series 2024 Revenue Account; Application of Revenues and Investment Earnings.** (a) The Trustee is hereby authorized and directed to

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**FIRST**, to the Series 2024 Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2024 Bonds then Outstanding on such May 1 or November 1, and (i) the amount transferred from the Series 2024 Capitalized Interest Account in accordance with this Section 408(d) and (ii) the amount already on deposit in the Series 2024 Interest Account not previously credited;

**SECOND**, on May 1, 20[ ], and on each May 1 thereafter, to the Series 2024 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2024 Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2024 Sinking Fund Account not previously credited;

**THIRD**, to the Series 2024 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2024 Reserve Account Requirement with respect to the Series 2024 Bonds; and

**FOURTH**, the balance shall first be deposited into the Series 2024 Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating to the Series 2024 Bonds, and then the balance shall be retained in the Series 2024 Revenue Account.

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2024 Revenue Account to the Series 2024 Rebate Account the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Arbitrage Certificate.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2024 Bonds shall be invested only in Series 2024 Investment Obligations. Earnings on investments in the Series 2024 Acquisition and Construction Account, the Series 2024 Interest Account and the Series 2024 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2024 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2024 Revenue Account and used for the purpose of such Account.

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

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2024 Reserve Account as of the most recent date on which amounts on deposit in the Series 2024 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2024 Reserve

Account since such date which have created a deficiency, then earnings on investments in the Series 2024 Reserve Account shall be deposited into the Series 2024 Capitalized Interest Account through May 1, 2027, and thereafter shall be deposited into the Series 2024 Revenue Account and used for the purpose of such Account; or

(ii) if there was a deficiency (as defined in Section 509 of the Master Indenture) in the Series 2024 Reserve Account as of the most recent date on which amounts on deposit in the Series 2024 Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2024 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2024 Reserve Account shall be retained in the Series 2024 Reserve Account until the amount on deposit therein is equal to the Series 2024 Reserve Account Requirement, and then earnings on investments in the Series 2024 Reserve Account shall be deposited into the Series 2024 Capitalized Interest Account through May 1, 2027, and thereafter shall be deposited into the Series 2024 Revenue Account and used for the purpose of such Account.

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2024 Reserve Account made pursuant to Section 405 hereof.

## ARTICLE V CONCERNING THE TRUSTEE

**Section 501. Acceptance by Trustee.** The Trustee accepts the trusts declared and provided in this First Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth herein and in the Master Indenture.

**Section 502. Limitation of Trustee's Responsibility.** The Trustee shall not be responsible in any manner for the due execution of this First Supplemental Indenture by the District or for the recitals contained herein, all of which are made solely by the District.

**Section 503. Trustee's Duties.** Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

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**Section 703. Additional Covenant Regarding Assessments.** In addition to, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the Series 2024 Assessment Proceedings heretofore adopted with respect to the Series 2024 Assessments, including the Assessment Methodology, and to levy the Series 2024 Assessments and collect any required true-up payments set forth in the Assessment Methodology in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2024 Bonds, when due.

**Section 704. Collection of Assessments.** (a) Anything herein or in the Master Indenture to the contrary notwithstanding, when permitted by law, Series 2024 Assessments levied on developed lands (i.e. lands that have received a recorded plat and/or a recorded condominium declaration) and pledged hereunder to secure the Series 2024 Bonds shall be collected pursuant to the Uniform Method, and Series 2024 Assessments levied on undeveloped lands (i.e. lands that have not received a recorded plat and/or a recorded condominium declaration) and pledged hereunder to secure the Series 2024 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners upon the occurrence and continuance of an Event of Default.

(b) Series 2024 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by each landowner no later than thirty (30) days prior to each respective Interest Payment Date.

**Section 705. Foreclosure of Assessment Lien.** Notwithstanding Section 814 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2024 Assessments and Series 2024 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2024 Assessments and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2024 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount less than or equal to the balance due on the Series 2024 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive, in its corporate name or in the name of a special purpose entity, title to the property for the benefit of the Owners of the Series 2024 Bonds; provided that the Trustee shall have the right acting at the direction of the Majority Owners, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section 705. The District, either through its own actions or actions caused to be taken through the Trustee, shall have the power to lease or sell such

## ARTICLE VI ADDITIONAL BONDS

**Section 601. No Parity Bonds; Limitation on Parity Assessments.** Other than Refunding Bonds issued to refund the then Outstanding Series 2024 Bonds, the issuance of which results in net present value Debt Service savings, the District shall not, while any Series 2024 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2024 Trust Estate. The District further covenants and agrees that, so long as the Series 2024 Bonds are Outstanding, it will not impose Assessments for capital projects on any lands subject to the Series 2024 Assessments without the written consent of the Majority Owners, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely; provided, however, that the District may impose Assessments for capital projects on lands subject to the Series 2024 Assessments without the written consent of the Majority Owners if either (a) such Assessments proposed to be allocated to entitled units, together with the Series 2024 Assessments, do not exceed the Maximum Assessment Level, or (b) the Series 2024 Assessments have been Fully Absorbed. Notwithstanding the immediately preceding sentence, the District may impose Assessments on property subject to the Series 2024 Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District without the consent of the Majority Owners.

## ARTICLE VII MISCELLANEOUS

**Section 701. Confirmation of Master Indenture.** As supplemented by this First Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this First 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 herein, shall apply and remain in full force and effect with respect to this First Supplemental Indenture and to the Series 2024 Bonds issued hereunder.

**Section 702. Continuing Disclosure Agreement.** Contemporaneously with the execution and delivery hereof, the District has executed and delivered the Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The District covenants and agrees to comply with the provisions of the 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 as provided in the Continuing Disclosure Agreement.

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property, and deposit all of the net proceeds of any such lease or sale into the Series 2024 Revenue Account. The District, either through its own actions or actions caused to be taken 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 benefit of the Owners of the Series 2024 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners. The Trustee may, upon direction from the Majority Owners, pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture.

**Section 706. Owner Direction and Consent with Respect to Series 2024 Acquisition and Construction Account Upon Occurrence of Event of Default.** In accordance with the provisions of the Indenture, the Series 2024 Bonds are payable solely from the Series 2024 Pledged Revenues and the Series 2024 Pledged Funds held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (a) the Series 2024 Pledged Funds includes, without limitation, all amounts on deposit in the Series 2024 Acquisition and Construction Account then held by the Trustee, (b) upon the occurrence of an Event of Default with respect to the Series 2024 Bonds, the Series 2024 Pledged Funds may not be used by the District (whether to pay Costs of the Capital Improvement Plan or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Capital Improvement Plan and payment is for such work, regardless of whether the District, prior to the occurrence of the Event of Default, has submitted a requisition for such Costs of the Capital Improvement Plan or obtained the approval therefor from the Consulting Engineer, and (c) upon the occurrence of an Event of Default with respect to the Series 2024 Bonds, the Series 2024 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Capital Improvement Plan that will cause the expenditure of additional funds from the Series 2024 Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

**Section 707. Assignment of District's Rights Under Collateral Assignment.** Subject to the terms of the Collateral Assignment, the District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2024 Bonds. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment.

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**Section 708. Enforcement of True-Up Agreement and Completion Agreement.** The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the True-Up Agreement and the Completion Agreement and, upon the occurrence and continuance of a default under either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners, may, subject to the provisions of Section 912 of the Master Indenture, act on behalf of and in the District's stead to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the True-Up Agreement and the Completion Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture, provided, however, that the District shall have a reasonable opportunity to cure.

**Section 709. Payment of Rebate Amount.** Anything herein or in the Master Indenture to the contrary notwithstanding, the District shall cause a Rebate Analyst to determine the Rebate Amount, if any, at the times and in the manner provided in the Tax Regulatory Covenants attached as an exhibit to the Arbitrage Certificate. If a Rebate Amount shall be due, the District shall deliver to the Trustee the written direction of an Authorized Officer to pay from the Series 2024 Rebate Account, or from any other available funds as shall be provided in such written direction, the Rebate Amount to the District for remittance to the Internal Revenue Service. The Trustee may conclusively rely on such written direction and shall have no responsibility for the calculation or payment of the Rebate Amount, if any. Notwithstanding Section 507(b) of the Master Indenture, the District shall not be required to provide the report of the Rebate Analyst to the Trustee.

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**EXHIBIT A**

**DESCRIPTION OF CAPITAL IMPROVEMENT PLAN**

[See Report of Consulting Engineer Attached Hereto]

IN WITNESS WHEREOF, Saltleaf Community Development District has caused this First Supplemental Indenture to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Assistant Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this First Supplemental Indenture to be signed in its name and on its behalf by its duly authorized Vice President.

(SEAL)

Attest:

Assistant Secretary

**SALTLEAF COMMUNITY  
DEVELOPMENT DISTRICT**

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

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

By: \_\_\_\_\_  
Vice President

**EXHIBIT B**

**FORM OF SERIES 2024 BONDS**

No. 2024R- \_\_\_\_\_ \$[ ]

**UNITED STATES OF AMERICA  
STATE OF FLORIDA  
SALTLEAF COMMUNITY DEVELOPMENT DISTRICT  
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2024**

Interest Rate	Maturity Date	Dated Date	CUSIP
%	May 1, 20[ ]	[Closing Date]	

**Registered Owner:** CEDE & CO.

**Principal Amount:**

**SALTLEAF COMMUNITY DEVELOPMENT DISTRICT**, 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 Indenture hereinafter mentioned) 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 November 1, 2024, 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 (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 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 Bond Registrar as the registered Owner of this Bond. 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"), unless the Bonds are held in the book-entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to 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 Series 2024 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months. During any period that this Bond is registered in the name of Cede & Co., as Nominee of DTC, the provisions of the Supplemental Indenture (hereinafter defined) relating to the book-entry only system shall apply, including the payment provisions thereof. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the hereinafter defined Indenture.

This Bond is one of a duly authorized issue of Bonds of the District designated "Saltleaf Community Development District Capital Improvement Revenue Bonds, Series 2024" in the aggregate principal amount of \$[Bond Amount] (the "Series 2024 Bonds") issued under a Master Trust Indenture, dated as of April 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of April 1, 2024 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), between the District and the Trustee (the Series 2024 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 District will apply the proceeds of the Series 2024 Bonds to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Capital Improvement Plan, (b) pay certain costs associated with the issuance of the Series 2024 Bonds, (c) make a deposit into the Series 2024 Reserve Account to be held for the benefit of all of the Series 2024 Bonds, and (d) pay a portion of the interest to become due on the Series 2024 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT 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

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District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or 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 Bond Registrar in Fort Lauderdale, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

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

The Series 2024 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments 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:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
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\* Final maturity

The Series 2024 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments 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:

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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 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 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 TERMS HEREOF. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE TERMS HEREOF SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2024 PLEDGED REVENUES AND THE SERIES 2024 PLEDGED FUNDS PLEDGED TO THE SERIES 2024 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 Series 2024 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 and Redemption Price of, and the interest on, the Series 2024 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Series 2024 Assessments, the terms and conditions under which the Series 2024 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 Owners of the Series 2024 Bonds and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2024 Bonds are equally and ratably secured by the Series 2024 Trust Estate, without preference or priority of one Series 2024 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on parity with the Series 2024 Bonds as to the lien and pledge of the Series 2024 Trust Estate except, under certain circumstances, Refunding Bonds, and the Supplemental Indenture contains provisions limiting the imposition of capital Assessments on property subject to the Series 2024 Assessments.

The Series 2024 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 Bond Registrar (the "Bond 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 Bond Registrar, subject to such reasonable regulations as the

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May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
----------------------	-----------------------------	----------------------	-----------------------------

\* Final maturity

The Series 2024 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments 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:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
----------------------	-----------------------------	----------------------	-----------------------------

\* Final maturity

As more particularly set forth in the Indenture, any Series 2024 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 Installment of Series 2024 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2024 Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2024 Bonds as set forth in the Supplemental Indenture.

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

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(a) on or after the Date of Completion of the Capital Improvement Plan, by application of moneys transferred from the Series 2024 Acquisition and Construction Account to the Series 2024 Prepayment Subaccount as provided for in the Indenture; or

(b) from amounts, including Series 2024 Prepayments, required by the Indenture to be deposited into the Series 2024 Prepayment Subaccount; or

(c) from amounts transferred from the Series 2024 Reserve Account to the Series 2024 Prepayment Subaccount resulting from a reduction in the Series 2024 Reserve Account Requirement as provided for in the Indenture; or

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

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

Notice of each redemption of Series 2024 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2024 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond 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 Series 2024 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2024 Bonds or such portions thereof on such date, interest on such Series 2024 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2024 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2024 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 Bond 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.

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All acts, conditions and things required by the Constitution and laws of the State of Florida and the 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.

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Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor 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 an 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 Series 2024 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 Master Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Master 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 two (2) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) 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 Federal Securities sufficient to pay the principal or Redemption Price of any Series 2024 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 Series 2024 Bonds as to the Series 2024 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.

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IN WITNESS WHEREOF, Saltleaf Community Development District has caused this Bond to bear the signature of the Chairman 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 Assistant Secretary to the Board of Supervisors.

Attest:

**SALTLEAF COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Assistant Secretary

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

(SEAL)

#### CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

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

Date of Authentication:

[Closing Date] \_\_\_\_\_

By: \_\_\_\_\_  
Vice President

#### CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Twentieth Judicial Circuit of Florida, in and for Lee County rendered on February 12, 2023.

\_\_\_\_\_  
Chairman, Board of Supervisors,  
Saltleaf  
Community Development District

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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 \_\_\_\_\_ (Cust.) \_\_\_\_\_ (Minor)  
(State)

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 \_\_\_\_\_ the within 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 whatsoever.

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Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the vendor of the property acquired or services rendered with respect to which disbursement is hereby requested are on file with the District.

**SALTLEAF COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Authorized Officer

**CONSULTING ENGINEER'S APPROVAL FOR  
NON-COST OF ISSUANCE REQUESTS ONLY**

If this requisition is for a disbursement from other than the Series 2024 Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Capital Improvement Plan and is consistent with (a) the applicable acquisition or construction contract, (b) the plans and specifications for the portion of the Capital Improvement Plan with respect to which such disbursement is being made, and (c) the report of the Consulting Engineer attached as an exhibit to the Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

\_\_\_\_\_  
Consulting Engineer

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EXHIBIT C

**FORM OF REQUISITION FOR CAPITAL IMPROVEMENT PLAN**

The undersigned, an Authorized Officer of Saltleaf Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of April 1, 2024 (the "Master Indenture"), as supplemented by the First Supplemental Trust Indenture between the District and the Trustee, dated as of April 1, 2024 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments or state Costs of Issuance, if applicable):

(E) Fund or Account and subaccount, if any, from which disbursement to be made:

The undersigned hereby certifies that:

☐ obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the Series 2024 Acquisition and Construction Account referenced above, that each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Capital Improvement Plan and each represents a Cost of the Capital Improvement Plan, and has not previously been paid out of such Account;

OR

☐ this requisition is for costs of issuance payable from the Series 2024 Costs of Issuance Account that has not previously been paid out of such Account.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the

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EXHIBIT D

**FORM OF INVESTOR LETTER**

[Date]

FMSbonds, Inc.  
The FMSbonds Building  
4775 Technology Way  
Boca Raton, Florida 33431

Re: FMSbonds Account Number \_\_\_\_\_

To Whom it May Concern:

By signing this letter, I confirm that I have the authority to act on behalf of the above referenced account and this account meets the definition of an accredited investor based upon one or more of the criteria listed below. Federal securities laws define an accredited investor in Rule 501 of Regulation D as:

1. A bank, insurance company, registered investment company, business development company, or small business investment company;
2. An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;
3. A charitable organization, corporation, or partnership with assets exceeding \$5 million;
4. A director, executive officer, or general partner of the company selling the securities;
5. A business in which all the equity owners are accredited investors;
6. A natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;
7. A natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or
8. A trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

I represent the following securities to be suitable for my investment objectives. A Copy of the offering document for the following security has been provided to me and I am aware that additional copies and other information may be found online at [www.fmsbonds.com](http://www.fmsbonds.com) and [www.emma.msrb.org](http://www.emma.msrb.org).

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Description \_\_\_\_\_  
CUSIP \_\_\_\_\_  
Rate \_\_\_\_\_  
Maturity \_\_\_\_\_  
Rating \_\_\_\_\_

Thank you,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**APPENDIX C**

**PROPOSED FORM OF APPROVING OPINION  
OF BOND COUNSEL**

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**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,  
WITH RESPECT TO THE SERIES 2024 BONDS**

Upon delivery of the Series 2024 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to the Series 2024 Bonds in substantially the following form:

(Date of Closing)

Board of Supervisors  
Saltleaf Community  
Development District

Board Members:

We have examined a record of proceedings relating to the issuance by the Saltleaf Community Development District (the "District") of its \$[Bond Amount] Capital Improvement Revenue Bonds, Series 2024 (the "Series 2024 Bonds"). The Series 2024 Bonds are issued under the authority of the laws of the State of Florida, including Chapter 190, Florida Statutes (the "Act") and other applicable provisions of law, and pursuant to a Master Trust Indenture, dated as of April 1, 2024 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture, dated as of April 1, 2024 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee") and Resolution Nos. 2023-26 and 2024-08 adopted by the Board of Supervisors of the District on July 13, 2023 and March 8, 2024, respectively (collectively, the "Bond Resolution"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

The Series 2024 Bonds are dated and shall bear interest from their date of delivery, except as otherwise provided in the Indenture. The Series 2024 Bonds will mature on the dates and in the principal amounts and will bear interest at the respective rates per annum, as provided in the Indenture and set forth in the Bond Purchase Contract executed in connection with the sale of the Series 2024 Bonds (the "Purchase Contract"). Interest on the Series 2024 Bonds shall be payable on each May 1 and November 1, commencing November 1, 2024. The Series 2024 Bonds are subject to redemption prior to maturity in accordance with the Indenture and as set forth in the Purchase Contract.

The Series 2024 Bonds are issued for the principal purposes of (a) financing a portion of the Cost of acquiring, constructing and equipping assessable

improvements comprising the Capital Improvement Plan, (b) paying certain costs associated with the issuance of the Series 2024 Bonds, (c) making a deposit into the Series 2024 Reserve Account to be held for the benefit of all of the Series 2024 Bonds, and (d) paying a portion of the interest to become due on the Series 2024 Bonds, all as more particularly described in the Indenture. The Series 2024 Bonds are payable from and secured by the Series 2024 Assessments levied on property within the District specially benefitted by the assessable improvements financed with the proceeds of the Series 2024 Bonds and also by the Series 2024 Pledged Revenues and Series 2024 Pledged Funds comprising the Series 2024 Trust Estate.

As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Bond Resolution and the Indenture and in the certified proceedings relating thereto and to the issuance of the Series 2024 Bonds and other certifications of public officials furnished to us in connection therewith including, but not limited to, the Final Judgment issued by the Circuit Court of the Twentieth Judicial Circuit in and for Lee County, Florida, in connection with the validation of the Series 2024 Bonds, without undertaking to verify the same by independent investigation. Furthermore, we have assumed continuing compliance with the covenants and agreements contained in the Indenture. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2024 Bonds, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

Based on the foregoing, under existing law, we are of the opinion that:

1. The District is a duly created and validly existing community development district under the Act.
2. The District has the right and power under the Act to authorize, execute and deliver the Indenture, and the Indenture has been duly and lawfully authorized, executed and delivered by the District, is in full force and effect in accordance with its terms and is valid and binding upon the District and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Series 2024 Trust Estate in favor of the Series 2024 Bonds, including the Series 2024 Assessments, in the manner and to the extent provided in the Indenture.
3. The District is duly authorized and entitled to issue the Series 2024 Bonds and the Series 2024 Bonds have been duly and validly authorized and issued by the District in accordance with the Constitution and laws of the State of Florida, the Bond Resolution and the Indenture. The Series 2024 Bonds constitute valid



and binding obligations of the District as provided in the Indenture and are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture and the Act. The Series 2024 Bonds do not constitute a general indebtedness of the District or the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are solely payable from the Series 2024 Trust Estate in the manner and to the extent provided in the Indenture. No holder of the Series 2024 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the District or the State of Florida or any political subdivision, agency or department thereof to pay the Series 2024 Bonds.

4. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2024 Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2024 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in this paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2024 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2024 Bonds. The District has covenanted in the Indenture to comply with all such requirements. Ownership of the Series 2024 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2024 Bonds.

5. The Series 2024 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

It should be noted that, except as may expressly be set forth in an opinion delivered by us to the underwriter (on which opinion only it may rely) for the Series 2024 Bonds on the date hereof, we have not been engaged or undertaken to review (1) the accuracy, completeness or sufficiency of the Limited Offering Memorandum or other offering material relating to the Series 2024 Bonds and we express no opinion relating thereto, or (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2024 Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that (1) the enforceability of the Indenture and the Series 2024 Bonds, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity, and (2) we have assumed the due authorization, execution and delivery of the Indenture by the Trustee.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2024 Bonds and, in our opinion, the form of the Series 2024 Bonds is regular and proper.

Very truly yours,

**APPENDIX D**

**PROPOSED FORM OF  
CONTINUING DISCLOSURE AGREEMENT**

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of April [ ], 2024 is executed and delivered by the Saltleaf Community Development District (the "Issuer" or the "District"), LB Raptor Investments, LLC, a Florida limited liability company (the "Developer"), Saltleaf Marina Investments, LLC, a Florida limited liability company ("Saltleaf Marina"), Saltleaf Investments I, LLC, a Florida limited liability company ("Saltleaf Investments"), Kersey Smoot Investments, LLC, a Florida limited liability company ("Kersey Smoot") and LB Estero Bay Investments, LLC, a Florida limited liability company ("LB Estero Bay" and together with the Developer, Saltleaf Marina, Saltleaf Investments, Kersey Smoot and LB Estero Bay, the "Landowners"), and Wrathell, Hunt & Associates, LLC, a Florida limited liability company, as dissemination agent (the "Dissemination Agent") in connection with the Issuer's Capital Improvement Revenue Bonds, Series 2024 (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of April 1, 2024 (the "Master Indenture") and a First Supplemental Trust Indenture dated as of April 1, 2024 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each entered into by and between the Issuer and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Fort Lauderdale, Florida, as trustee (the "Trustee"). The Issuer, the Landowners and the Dissemination Agent covenant and agree as follows:

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

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

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

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

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

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

"Assessments" shall mean the non-ad valorem Series 2024 Assessments pledged to the payment of the Bonds pursuant to the Indenture.

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

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

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

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

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

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

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

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

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

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

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

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

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated [\_\_\_\_], 2024, prepared in connection with the issuance of the Bonds.

"Listed Events" shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer and any owners of District Lands responsible for payment of at least 20% of the Assessments; provided, however, each of the Landowners shall remain "Obligated Person(s)" under this Disclosure Agreement for so long as any of the Landowners or their affiliates (or any successors or assigns who are not residential end users and have not executed an Assignment (as defined herein)) in the aggregate are the owners of District Lands responsible for payment of at least 20% of the Assessments.

"Participating Underwriter" shall mean FMSbonds, Inc.

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

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

"SEC" means the Securities and Exchange Commission.

"Semi-Annual Filing Date" shall mean for the six month period ending: (i) March 31, each May 1; and (ii) September 30, each November 1. The first Semi-Annual Filing Date shall be November 1, 2024.

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

"State" shall mean the State of Florida.

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

### **3. Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than March 31st following the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 2024 which shall be due no later than March 31, 2025. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15<sup>th</sup>) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that



a Listed Event as described in Section 6(a)(xvii) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

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

(d) The Dissemination Agent shall:

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

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

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

#### 4. **Content of Annual Reports.**

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

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

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

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

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

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

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

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

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

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

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

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

## **5. Semi-Annual Reports.**

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

(b) Each Semi-Annual Report shall contain an update of the following information to the extent available:

(i) An update of the following table from the Limited Offering Memorandum, along with any updates for units and buildings as the result of any rezoning:

<u>Product/Building</u>	<u># of Units</u>	<u>Sales Start</u>	<u>Vertical Start</u>	<u>Closing Start</u>	<u>Sales</u>	<u>Closings</u>
High-rise Building #1	112	April 2022	September 2023	March 2026	95	0
High-rise Building #2	112	March 2024	January 2025	May 2027	0	0
High-rise Building #3	120	January 2026	November 2027	February 2030	0	0
High-rise Building #4	120	January 2028	November 2029	February 2032	0	0
High-rise Building #5	120	January 2030	November 2031	February 2034	0	0
High-rise Building #6	120	January 2032	November 2033	February 2036	0	0
Villa Units	76	January 2025	June 2025	September 2026	0	0
Mid-rise Units	23	January 2026	November 2026	May 2028	0	0
3-Story Over Parking	241	January 2025	January 2026	July 2028	0	0

(ii) An update on the status of development and ownership for lands in the District not included in the table above (marina, commercial, etc.).

(iii) The number of units subject to recorded condominium declarations.

(iv) The number of units that have received certificates of occupancy.

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

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

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

## 6. Reporting of Listed Events.

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

(i) Principal and interest payment delinquencies;

- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Series 2024 Reserve Account reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;\*
- (v) Substitution of credit or liquidity providers, or their failure to perform;\*
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;\*
- (xii) Bankruptcy, insolvency, receivership or similar event of the Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person);
- (xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

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

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

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

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

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

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

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Events described in Section 6(a)(xvii) and (xviii), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice by the Issuer to the Dissemination Agent shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Dissemination Agent to disseminate the information (provided that such date is in compliance within the filing dates provided within this Section 6(b)).

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

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

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

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

9. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall

not be deemed a default by the Issuer hereunder and no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Disclosure Representative, any Obligated Person, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

12. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Landowners and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, each Obligated Person and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

13. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Landowners, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Dissemination Agent, the Trustee, Participating Underwriter and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

14. **Tax Roll and Budget.** Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the Lee County Tax Collector and the Issuer's most recent adopted budget.

15. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Lee County, Florida.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and each of which shall be considered an original and all of which shall constitute but one and the same instrument. A scanned copy of the signatures delivered in a PDF format may be relied upon as if the original had been received.

17. **Trustee Cooperation.** The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports readily available to and in the possession of the Trustee that the Dissemination Agent requests in writing.

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to a Landowner or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]



**IN WITNESS WHEREOF**, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**SALTLEAF COMMUNITY DEVELOPMENT DISTRICT, AS ISSUER AND OBLIGATED PERSON**

[SEAL]

By: \_\_\_\_\_  
Susan H. Watts, Chairperson  
Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
\_\_\_\_\_, Secretary

**LB RAPTOR INVESTMENTS, LLC**, a Florida limited liability company, AS OBLIGATED PERSON

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

**SALTLEAF MARINA INVESTMENTS, LLC**, a Florida limited liability company, AS OBLIGATED PERSON

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

**SALTLEAF INVESTMENTS I, LLC**, a Florida limited liability company, AS OBLIGATED PERSON

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

**LB ESTERO BAY INVESTMENTS, LLC,**  
a Florida limited liability company, AS  
OBLIGATED PERSON

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

**KERSEY SMOOT INVESTMENTS, LLC,**  
a Florida limited liability company, AS  
OBLIGATED PERSON

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

**WRATHELL, HUNT & ASSOCIATES, LLC,**  
and its successors and assigns, AS  
DISSEMINATION AGENT

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

**CONSENTED TO AND AGREED TO BY:**

**DISTRICT MANAGER**

**WRATHELL, HUNT & ASSOCIATES,**  
**LLC, AS DISTRICT MANAGER**

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

Acknowledged and agreed to for purposes of  
Sections 11, 13 and 17 only:

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, AS TRUSTEE**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**FORM OF NOTICE TO REPOSITORIES OF FAILURE  
TO FILE [ANNUAL REPORT]  
[AUDITED FINANCIAL STATEMENTS][SEMI-ANNUAL REPORT]**

Name of Issuer: Saltleaf Community Development District

Name of Bond Issue: \$[ ] original aggregate principal amount of Capital Improvement Revenue Bonds, Series 2024

Obligated Person(s): Saltleaf Community Development District;  
\_\_\_\_\_.

Original Date of Issuance: April [ ], 2024

CUSIP Numbers: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Semi-Annual Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated April [ ], 2024, by and between the Issuer, the Landowners and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Semi-Annual Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_

\_\_\_\_\_, as Dissemination Agent

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

cc: Issuer  
Trustee

## **SCHEDULE A**

### **FORM OF DISTRICT'S ANNUAL REPORT (Due 3/31)**

#### **1. Fund Balances**

<b>Combined Trust Estate Assets</b>	<b><u>Quarter Ended – 12/31</u></b>
Acquisition and Construction Fund	
Revenue Fund	
Reserve Fund	
Prepayment Fund	
Other	
<b>Total Bonds Outstanding</b>	
<b>TOTAL</b>	

#### **2. Assessment Certification and Collection Information**

1. For the Current District Fiscal Year – Manner in which Assessments are collected (On Roll vs. Off Roll)

	<b><u>\$ Certified</u></b>
On Roll	\$ _____
Off Roll	\$ _____
<b>TOTAL</b>	\$ _____

2. Attach to Report the following:
- A. On Roll – Copy of certified assessment roll for the District's current Fiscal Year
- B. Off Roll – List of folios and ownership for all off roll Assessments, together with par and annual Assessment assigned to each folio

#### **3. For the immediately ended Bond Year, provide the levy and collection information**

<b><u>Total Levy</u></b>	<b><u>\$ Levied</u></b>	<b><u>\$ Collected</u></b>	<b><u>% Collected</u></b>	<b><u>% Delinquent</u></b>
On Roll	\$ _____	\$ _____	____%	____%
Off Roll	\$ _____	\$ _____	____%	____%
<b>TOTAL</b>				

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

5. If available, the amount of tax certificates sold for lands within the District, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year

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

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**APPENDIX E**  
**ASSESSMENT METHODOLOGY**

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# SALTLEAF COMMUNITY DEVELOPMENT DISTRICT

## Master Special Assessment Methodology Report

December 8, 2023



Provided by:

**Wrathell, Hunt and Associates, LLC**

2300 Glades Road, Suite 410W

Boca Raton, FL 33431

Phone: 561-571-0010

Fax: 561-571-0013

Website: [www.whhassociates.com](http://www.whhassociates.com)

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## **1.0 Introduction**

### **1.1 Purpose**

This Master Special Assessment Methodology Report (the “Report”) was developed to provide a master financing plan and a master special assessment methodology for the Saltleaf Community Development District (the “District”), located in the City of Bonita Springs, and Lee County, Florida, as related to funding the costs of the acquisition and construction of public infrastructure improvements contemplated to be provided by the District.

### **1.2 Scope of the Report**

This Report presents projections for financing the District’s public infrastructure improvements (the “Capital Improvement Plan” or “CIP”) as described in the Engineer’s Report of Barraco and Associates, Inc. (the “District Engineer”) dated September 8, 2023 and revised December 8, 2023 (the “Engineer’s Report”), as well as describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of the CIP.

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

Improvements undertaken and funded by the District as part of the CIP create special and peculiar benefits, different in kind and degree than general benefits, for properties within its borders as well as general benefits to the public at large. However, as discussed within this Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within the District. The District’s CIP enables properties within its boundaries to be developed.

There is no doubt that the general public, property owners, and property outside the District will benefit from the provision of the CIP. However, these benefits are only incidental since the CIP is designed solely to provide special benefits peculiar to property within the District. Properties outside the District are not directly served by the CIP and do not depend upon the CIP to obtain or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which District properties receive compared to those lying outside of the District’s boundaries.

The CIP will provide infrastructure and improvements which are all necessary in order to make the lands within the District developable

and saleable. The installation of such improvements will cause the value of the developable and saleable lands within the District to increase by more than the sum of the financed cost of the individual components of the CIP. Even though the exact value of the benefits provided by the CIP is hard to estimate at this point, it is without doubt greater than the costs associated with providing the same.

#### **1.4 Organization of the Report**

*Section Two* describes the development program as proposed by the Developer, as defined below.

*Section Three* provides a summary of the CIP as determined by the District Engineer.

*Section Four* discusses the current financing program for the District.

*Section Five* discusses the special assessment methodology for the District.

### **2.0 Development Program**

#### **2.1 Overview**

The District serves the Saltleaf development (the “Development” or “Saltleaf”), a master planned, residential development located in the City of Bonita Springs, and Lee County, Florida. The land within the District consists of approximately 209.32 +/- acres and is generally located east of Estero Bay, west of South Tamiami Trail (US 41) and north of Coconut Road.

#### **2.2 The Development Program**

The development of Saltleaf is anticipated to be conducted by LB Raptor Investments, LLC or its associates (the “Developer”). Based upon the information provided by the Developer, the current development plan for the District envisions 644 Highrise Condominium units, 324 Midrise Condominium units, and 76 Attached Villas for a total of 1,044 residential units, although land use types and unit numbers may change throughout the development period. Table 1 in the *Appendix* illustrates the development plan for the District.

### **3.0 The CIP**

#### **3.1 Overview**

The public infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only public infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes and under the Internal Revenue Code of 1986, as amended, was included in these estimates.

#### **3.2 The Capital Improvement Plan**

The public infrastructure improvements which are part of the CIP and are needed to serve the Development are projected to consist of improvements which will serve all of the lands in the District. The CIP needed to serve the Development is projected to consist of onsite roadway improvements, surface water management/ drainage/ environmental, hardscape/ landscape/ trail system and irrigation, marina/ marine facility/ parking, offsite improvements and land acquisition as well as professional/ permit fees and contingency all as set forth in more detail in the Engineer's Report.

The infrastructure included in the CIP will comprise an interrelated system of improvements, which means that all of the improvements will serve the entire District and improvements will be interrelated such that they will reinforce one another. At the time of this writing, the total costs of the CIP (including the costs attributable to the Expansion Parcel) are estimated at \$50,044,800. Table 2 in the *Appendix* illustrates the specific components of the CIP and their costs.

### **4.0 Financing Program**

#### **4.1 Overview**

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands within the District. Generally, construction of public improvements is either funded by the Developer and then acquired by the District or funded directly by the District. The choice of the exact mechanism for providing public infrastructure has not yet been made at the time of this writing, and the District may either acquire the public infrastructure from the Developer or construct it, or even partly acquire it and partly construct it.

Even though the actual financing plan may change to include multiple series of bonds, it is likely that in order to fully fund costs of the CIP as described in *Section 3.2* in one financing transaction, the District would have to issue approximately \$71,500,000 in par amount of special assessment bonds (the "Bonds").

**Please note that the purpose of this Report is to allocate the benefit of the CIP to the various land uses in the District and based on such benefit allocation to apportion the maximum debt necessary to fund the CIP. The discussion of the structure and size of the indebtedness is based on various estimates and is subject to change.**

## **4.2 Types of Bonds Proposed**

The proposed financing plan for the District provides for the issuance of the Bonds in the principal amount of \$71,500,000 to finance CIP costs at \$50,044,800. The Bonds as projected under this master financing plan would be structured to be amortized in 30 annual installments following a 24-month capitalized interest period. Interest payments on the Bonds would be made every May 1 and November 1, and principal payments on the Bonds would be made every May 1 or November 1.

In order to finance the improvement costs, the District would need to borrow more funds and incur indebtedness in the total amount of \$71,500,000. The difference is comprised of funding debt service reserves, funding capitalized interest, and paying costs of issuance, including the underwriter's discount.

**Please note that the structure of the Bonds as presented in this Report is preliminary and may change due to changes in the development program, market conditions, timing of infrastructure installation as well as for other reasons. The District maintains complete flexibility as to the structure of the Bonds and reserves the right to modify it as necessary.**

## **5.0 Assessment Methodology**

### **5.1 Overview**

The issuance of the Bonds provides the District with funds necessary to construct/acquire the infrastructure improvements which are part of the CIP outlined in *Section 3.2* and described in more detail by the District Engineer in the Engineer's Report. These improvements

lead to special and general benefits, with special benefits accruing to properties within the boundaries of the District. General benefits accrue to areas outside the District and being only incidental in nature. The debt incurred in financing the public infrastructure will be secured by assessing properties that derive special and peculiar benefits from the CIP. All properties that receive special benefits from the CIP will be assessed for their fair share of the debt issued in order to finance all or a portion of the CIP.

## **5.2 Benefit Allocation**

The current development plan for the District envisions 644 Highrise Condominium units, 324 Midrise Condominium units, and 76 Attached Villas for a total of 1,044 residential units, although land use types and unit numbers may change throughout the development period.

The public infrastructure included in the CIP will comprise an interrelated system of improvements, which means that all of the improvements will serve the entire District and such public improvements will be interrelated such that they will reinforce each other and their combined benefit will be greater than the sum of their individual benefits. All of the land uses within the District will benefit from each infrastructure improvement category, as the improvements provide basic infrastructure to all land within the District and benefit all land within the District as an integrated system of improvements.

As stated previously, the public infrastructure improvements included in the CIP have a logical connection to the special and peculiar benefits received by the land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the District, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the land receiving such special and peculiar benefits (herein the "Bond Assessments"). Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the cost of, or the actual non-ad valorem assessment amount levied on that parcel.

The benefit associated with the CIP of the District is proposed to be allocated to the different unit types within the District in proportion to

the density of development and intensity of use of the infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 4 in the Appendix illustrates the ERU weights that are proposed to be assigned to the unit types contemplated to be developed within the District based on the relative density of development and the intensity of use of master infrastructure, the total ERU counts for each unit type, and the share of the benefit received by each unit type.

The rationale behind different ERU weights is supported by the fact that generally and on average smaller units, such as townhomes, will use and benefit from the District's improvements less than larger units, such as single-family units, as for instance, generally and on average smaller units or units produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than larger units. Additionally, the value of the larger units is likely to appreciate by more in terms of dollars than that of the smaller units as a result of the implementation of the CIP. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received by the different unit types from the District's improvements.

Table 5 in the *Appendix* presents the apportionment of the Bond Assessments in accordance with the ERU benefit allocation method presented in Table 4. Table 5 also presents the annual levels of the Bond Assessments per unit.

### **5.3 Assigning Debt**

As the land in the District is not yet platted for its intended final use and the precise location of the residential units by lot or parcel is unknown, the Bond Assessments in the amount of \$71,500,000 will be preliminarily levied on approximately 209.32 +/- acres at a rate of \$341,582.27 per acre on an equal pro-rata gross acre basis.

When the land is platted, the Bond Assessments will be allocated to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 5 in the *Appendix*. Such allocation of Bond Assessments to platted parcels will reduce the amount of Bond Assessments levied on unplatted gross acres within the District.

Further, to the extent that any residential land which has not been platted is sold to another developer or builder, the Bond Assessments will be assigned to such parcel at the time of the sale



based upon the development rights associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document to the buyer evidencing the amount of Bond Assessments transferred at sale.

***Transferred Property.*** In the event unplatted land is sold to a third party (the “Transferred Property”), the Bond Assessments will be assigned to such Transferred Property at the time of the sale based on the maximum total number of ERUs (as herein defined) assigned by the Developer to that Transferred Property, subject to review by the District’s methodology consultant, to ensure that any such assignment is reasonable, supported by current development rights and plans, and otherwise consistent with this Report. The owner of the Transferred Property will be responsible for the total Bond Assessments applicable to the Transferred Property, regardless of the total number of ERUs ultimately actually platted. This total Bond Assessment is allocated to the Transferred Property at the time of the sale. If the Transferred Property is subsequently sub-divided into smaller parcels, the total Bond Assessments initially allocated to the Transferred Property will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e., equal assessment per gross acre until platting).

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

As first discussed in *Section 1.3*, Special Benefits and General Benefits, public infrastructure improvements undertaken by the District create special and peculiar benefits to certain properties within the District. The District's improvements benefit assessable properties within the District and accrue to all such assessable properties on an ERU basis.

Public infrastructure improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property within the District. The special and peculiar benefits resulting from each improvement include, but are not limited to:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums;
- d. increased marketability and value of the property.

The public infrastructure improvements which are part of the CIP make the land in the District developable and saleable and when implemented jointly as parts of the CIP, provide special and peculiar benefits which are greater than the benefits of any single category of

improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

#### **5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay**

A reasonable estimate of the proportion of special and peculiar benefits received from the improvements is delineated in Table 4 (expressed as ERU factors) in the *Appendix*.

The apportionment of the Bond Assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable property within the District according to reasonable estimates of the special and peculiar benefits derived from the CIP by different unit types.

#### **5.6 True-Up Mechanism**

The District's assessment program is predicated on the development of lots in a manner sufficient to include all of the planned ERUs as set forth in Table 1 in the Appendix ("Development Plan"). At such time as site plans are to be approved (or re-approved), each site plan (either, herein, "Proposed Site Plan") shall be presented to the District for a "true-up" review as follows:

a. If a Proposed Site Plan results in the same amount of ERUs (and thus Bond Assessments) able to be imposed on the "Remaining Lands Without Site Plan" (i.e., those remaining lands without a site plan after the Proposed Site Plan is recorded) as compared to what was originally contemplated under the Development Plan, then the District shall allocate the Bond Assessments to the product types receiving site plans and the remaining property in accordance with this Report, and cause the Bond Assessments to be recorded in the District's Improvement Lien Book.

b. If a Proposed Site Plan results in a greater amount of ERUs (and thus Bond Assessments) able to be imposed on the Remaining Lands Without Site Plan as compared to what was originally contemplated under the Development Plan, then the District may undertake a pro rata reduction of Bond Assessments for all assessed properties within the District or may otherwise address such net decrease as permitted by law.

c. If a Proposed Site Plan results in a lower amount of ERUs (and thus Bond Assessments) able to be imposed on the Remaining Lands Without Site Plan as compared to what was originally contemplated under the Development Plan, then the District shall require the landowner(s) of the lands encompassed by the Proposed Site Plan to pay a "True-Up Payment" equal to the difference between: (i) the Bond Assessments originally contemplated to be imposed on the lands subject to the Proposed Site Plan, and (ii) the Bond Assessments able to be imposed on the lands subject to the Proposed Site Plan, after the Proposed Site Plan (plus applicable interest, collection costs, penalties, etc.).<sup>1</sup>

With respect to the foregoing true-up analysis, the District's Assessment Consultant, in consultation with the District Engineer, District Counsel and the District's Bond Counsel, shall determine in his or her sole discretion what amount of ERUs (and thus Bond Assessments) are able to be imposed on the Remaining Lands Without Site Plan, taking into account a Proposed Site Plan, by reviewing: a) the original, overall development plan showing the number and type of units reasonably planned for the Development, b) the overall development plan showing the number and type of units reasonably planned for the Development, c) proof of the amount of entitlements for the Remaining Lands Without Site Plan, d) evidence of allowable zoning conditions that would enable those entitlements to be placed in accordance with the development plan, and e) documentation that shows the feasibility of implementing the proposed development plan. Prior to any decision by the District not to impose a true-up payment, a supplemental methodology shall be produced demonstrating that there will be sufficient Bond Assessments to pay debt service on the applicable series of bonds and the District will conduct new proceedings under Chapters 170, 190 and 197, Florida Statutes upon the advice of District Counsel.

Any True-Up Payment shall become due and payable that tax year by the landowner of the lands subject to the Proposed Site Plan, shall be in addition to the regular Bond Assessments installment payable for such lands, and shall constitute part of the Bond Assessments liens imposed against the Proposed Site Plan property until paid. A True-Up Payment shall include accrued interest on the applicable

---

<sup>1</sup> For example, if the first platting includes 644 Highrise Condominium units, 324 Midrise Condominium units, and 56 Attached Villas, which equates to a total allocation of \$70,130,268.20 in Bond Assessments, then the remaining unplatted land would be required to absorb 20 Attached Villas, which equates to \$1,369,731.80 in Bond Assessments. If the remaining unplatted land would only be able to absorb 10 instead of 20 Attached Villas or \$684,865.90 in Bond Assessments, then a true-up, payable by the owner of the unplatted land, would be due in the amount of \$684,865.90 in Bond Assessments plus applicable accrued interest to the extent described in this Section.

bond series to the interest payment date that occurs at least 45 days after the True-Up Payment (or the second succeeding interest payment date if such True-Up Payment is made within forty-five (45) calendar days before an interest payment date (or such other time as set forth in the supplemental indentures for the applicable bond series)).

All Bond Assessments levied run with the land, and such Bond Assessment liens include any True-Up Payments. The District will not release any liens on property for which True-Up Payments are due, until provision for such payment has been satisfactorily made. Further, upon the District's review of the final site plan for the developable acres, any unallocated Bond Assessments shall become due and payable and must be paid prior to the District's approval of that site plan. This true-up process applies for both site plans and/or revised site plans.

Such review shall be limited solely to the function and the enforcement of the District's Bond Assessment liens and/or true-up agreements. Nothing herein shall in any way operate to or be construed as providing any other site plan approval or disapproval powers to the District. For further detail on the true-up process, please refer to the true-up agreement(s) and applicable assessment resolution(s).

## **5.7 Assessment Roll**

The Bond Assessments of \$71,500,000 are proposed to be levied over the area described in Exhibit "A". Excluding any capitalized interest period, debt service assessments shall be paid in thirty (30) annual principal installments.

## **5.8 Additional Items Regarding Bond Assessment Imposition and Allocation**

**Master Lien** - This master assessment allocation methodology is intended to establish the necessary benefit and fair and reasonable allocation findings for a master assessment lien, which may give rise to one or more individual assessment liens relating to individual bond issuances necessary to fund all or a portion of the project(s) referenced herein comprising the CIP. All such liens shall be within the benefit limits established herein and using the allocation methodology described herein and shall be described in one or more supplemental reports.

**System of Improvements** - As noted herein, the CIP functions as a system of improvements. Among other implications, this means that proceeds from any particular bond issuance can be used to fund master improvements within any benefitted property or designated assessment area within the District, regardless of where the Bond Assessments are levied, provided that Bond Assessments are fairly and reasonably allocated across all benefitted properties.

**Contributions** - As set forth in any supplemental report, and for any particular bond issuance, the Developer may opt to “buy down” the Bond Assessments on particular product types and/or lands using a contribution of cash, infrastructure or other consideration, and in order for Bond Assessments to reach certain target levels. Note that any “true-up,” as described herein, may require a payment to satisfy “true-up” obligations as well as additional contributions to maintain such target assessment levels. Any amounts contributed by the Developer to pay down Bond Assessment will not be eligible for “deferred costs” or any other form of repayment, if any are provided for in connection with any particular bond issuance.

Please note that among other possible contributions, the Developer will agree to provide contributions of improvements, work product and/or land (based on appraised value) in order to offset any Bond Assessments on the two restaurants planned for the development. Note that no CIP cost allocation and/or contribution is required for the golf course, which is outside the District’s boundaries, because the golf course does not benefit from the CIP, as described in the Engineer’s Report.

**Amenities** - No Bond Assessments will be allocated herein to any platted amenities or other platted common areas planned for the development. If owned by a homeowner’s association, the amenities and common areas would be considered a common element for the exclusive benefit of certain property owners and would not be subject to Bonds Assessments. If the amenities are owned by the District, then they would be governmental property not subject to the Bond Assessments and would be open to the general public, subject to District rules and policies.

**Government Property** - Real property owned by units of local, state, and federal governments, or similarly exempt entities, shall not be subject to the Bond Assessments without specific consent thereto. If at any time, any real property on which Bond Assessments are imposed is sold or otherwise transferred to a unit of local, state, or federal government, or similarly exempt entity, all future unpaid Assessments for such tax parcel shall become due and payable

immediately prior to such transfer without any further action of the District.

***New Unit Types*** - As noted herein, this report identifies the anticipated product types for the development and associates particular ERU factors with each product type. If new product types are identified in the course of development, the District's Assessment Consultant – without a further hearing – may determine the ERU factor for the new product type, provided that such determination is made on a pro-rated basis and derived from the methodology pertaining to existing product types and their corresponding ERUs.

## **6.0 Additional Stipulations**

### **6.1 Overview**

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments related to the District's Capital Improvement Plan. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report. For additional information on the Bond structure and related items, please refer to the Offering Statement associated with this transaction.

**Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.**

## 7.0 Appendix

Table 1

### Saltleaf

#### Community Development District

##### Development Plan

Product Type	Total Number of Units
Highrise Condominium	644
Midrise Condominium	324
Attached Villa	76
<b>Total</b>	<b>1,044</b>

Table 2

### Saltleaf

#### Community Development District

##### Capital Improvement Plan

Improvement	Total CIP Costs
Onsite Roadway	\$4,800,000
Surface Water Management/ Drainage/ Environmental	\$9,800,000
Hardscape/ Landscape/ Trail System and Irrigation	\$6,100,000
Marina/ Marine Facility/ Parking	\$5,400,000
Offsite Improvements	\$4,400,000
Professional Fees/ Permit Fees	\$4,900,000
Land Acquisition	\$6,304,000
Contingency (20%)	\$8,340,800
<b>Total</b>	<b>\$50,044,800</b>

Table 3

### Saltleaf

#### Community Development District

##### Preliminary Sources and Uses of Funds

###### Sources

Bond Proceeds:	
Par Amount	\$71,500,000.00
<b>Total Sources</b>	<b>\$71,500,000.00</b>

###### Uses

Project Fund Deposits:	
Project Fund	\$50,044,800.00
Other Fund Deposits:	
Debt Service Reserve Fund	\$6,653,116.13
Capitalized Interest Fund	\$12,155,000.00
Delivery Date Expenses:	
Costs of Issuance	\$2,645,000.00
Rounding	\$2,083.87
<b>Total Uses</b>	<b>\$71,500,000.00</b>

Assumptions: Coupon Rate: 8.5% | CAPI Length: 24 months | Number of Principal Repayments: 30 | Underwriter's Discount: 3% | Cost of Issuance: \$500,000

Table 4

## Saltleaf

### Community Development District

#### Benefit Allocation

Product Type	Total Number of Units	ERU per Unit	Total ERU
Highrise Condominium	644	1.00	644.00
Midrise Condominium	324	1.00	324.00
Attached Villa	76	1.00	76.00
<b>Total</b>	<b>1,044</b>		<b>1,044.00</b>

Table 5

## Saltleaf

### Community Development District

#### Bond Assessment Apportionment

Product Type	Total Number of Units	Total Cost Allocation	Total Bond Assessment Apportionment	Bond Assessment Apportionment per Unit	Annual Bond Assessment Debt Service per Unit - paid in March*
Highrise Condominium	644	\$30,870,547.13	\$44,105,363.98	\$68,486.59	\$6,642.41
Midrise Condominium	324	\$15,531,144.83	\$22,189,655.17	\$68,486.59	\$6,642.41
Attached Villa	76	\$3,643,108.05	\$5,204,980.84	\$68,486.59	\$6,642.41
<b>Total</b>	<b>1,044</b>	<b>\$50,044,800.00</b>	<b>\$71,500,000.00</b>		

\*Includes costs of collection estimated at \$4 per folio (subject to change) and an allowance for early payment discount estimated at 4% (subject to change)



## **Exhibit “A”**

Bond Assessments in the amount of \$71,500,000 are proposed to be levied over the area as described below designating the boundary of the District:

**DESCRIPTION**

Parcel in  
Sections 5, 6, 7 and 8, Township 47 South, Range 25 East,  
Lee County, Florida

A tract or parcel of land lying in Sections 5, 6, 7 and 8, Township 47 South, Range 25 East, Lee County, Florida, said tract or parcel being more particularly described as follows:

COMMENCING at the Southeast corner of Government Lot 2, of said Section 7 run N01°34'27"W along the East line of said Government Lot 2 for 40.02 feet; thence run S89°43'05"E for 25.01 feet to an intersection with the East right of way line of Coconut Road as described in a County Commissioners Minutes Book 6, at Page 288, Lee County Records, and the POINT OF BEGINNING.

From said Point of Beginning run N01°34'27"W along said East line for 424.66 feet to an intersection with the Northerly right of way line of Coconut Road, (width varies) as described in deed recorded in Official Record Book 3421 at Page 1095, Lee County Records; thence run along said Northerly right of way line the following three (3) courses: S89°06'16"W for 288.98 feet; S89°09'28"W for 666.22 feet and S89°06'16"W for 247.49 feet to the Southwest Corner of lands described in deed recorded in Official Record Book 2750 at Page 3666, Lee County Records; thence run N09°16'44"W along the Westerly line of said lands for 199.49 feet to an intersection with the North line of the South Half (S 1/2) of said Government Lot 2; thence run S89°06'16"W along said North Line for 511.94 feet; thence run N21°20'24"E for 260.38 feet; thence run N04°28'03"E for 270.90 feet; thence run N27°03'41"W for 168.94 feet to an intersection with the North line of said Government Lot 2; thence run N89°06'47"E along said North line for 257.63 feet to an intersection with the Easterly line of lands described in a deed recorded in Instrument No. 2013000240450, Lee County Records; thence run along said Easterly line the following twenty-three (23) courses: N39°36'41"W for 105.41 feet; N09°02'32"E for 80.80 feet; N89°00'08"E for 230.82 feet; N13°37'57"E for 52.21 feet; N04°32'08"W for 50.65 feet; N05°12'32"W for 50.79 feet; N29°06'14"W for 59.23 feet; N03°26'02"E for 49.83 feet; N10°16'42"W for 51.40 feet; N11°13'24"E for 49.00 feet; N41°15'02"W for 70.64 feet; N21°13'24"W for 54.88 feet; N25°50'13"W for 21.40 feet; N09°20'00"E for 55.12 feet; N25°52'22"W for 51.13 feet; N24°52'17"W for 50.48 feet; N04°21'29"W for 50.65 feet; N11°27'49"E for 56.18 feet; N10°24'54"W for 50.55 feet; N28°04'28"W for 51.29 feet; N18°52'38"W for 49.96 feet; N13°36'38"W for 49.89 feet and N02°48'29"W for 247.54 feet to an intersection with the North line of Government Lot 1, said Section 7; thence run S89°20'35"W along said North line for 1.00 feet to an intersection with the Westerly line of a Conservation Easement described in a deed recorded in Official Records Book 3627, at Page 2061, Lee County Records; thence run along said Westerly line the following twenty-two (22) courses: N46°11'03"W for 61.03 feet; N17°54'30"W for 56.94 feet; N20°31'47"W for 72.71 feet; N15°30'26"E for 84.12 feet; N02°32'45"E for 50.98 feet; N12°16'28"W for 49.94 feet; N35°06'58"W for 59.36 feet; N19°11'46"W for 52.20 feet; N14°29'27"W for 88.09 feet; N04°01'02"W for 63.86 feet; N10°27'59"W for 50.49 feet; N28°08'16"W for 55.46 feet; N31°44'44"W for 57.31 feet; N52°41'29"W for 78.10 feet; N18°08'21"W for 51.92 feet; N26°14'47"W for 54.63 feet; N02°29'49"W for 50.00 feet; N36°09'47"E for 64.03 feet; N13°48'24"W for 50.99 feet; N68°35'55"E for 154.32 feet; N20°14'29"W for 105.00 feet and N04°39'14"W for 104.21 feet to an intersection with the North line of Government Lot 4, said Section 6; thence run N89°14'26"E along said North line for 199.41 feet to an intersection with the Westerly line of lands described in a deed recorded in Official Records

Book 1762, at Page 4172, Lee County Records; thence run along the Westerly and Northerly line of said lands the following five (5) courses: N01°15'33"W for 775.71 feet; N45°44'29"E for 523.57 feet; S81°48'03"E for 600.65 feet; N01°16'23"W for 162.43 feet and N88°43'54"E for 349.45 feet to an intersection with the West line of the Southwest Quarter (SW-1/4) of said Section 5; thence run N01°54'31"W along said West line for 92.62 feet to the Northwest Corner of said Southwest Quarter (SW-1/4); thence run N89°07'39"E along the North line of said Southwest Quarter (SW-1/4) for 364.44 feet to an intersection with the Easterly line of said Conservation Easement; thence run along said Easterly line the following fifty-one (51) courses: S17°17'04"E for 44.28 feet; S12°53'12"E for 275.03 feet; S10°01'41"E for 113.67 feet; S08°08'35"E for 91.06 feet; S17°08'47"E for 137.48 feet; S17°18'43"E for 88.19 feet; S18°09'28"E for 215.81 feet; S52°49'03"E for 117.72 feet; S36°00'58"E for 30.20 feet; S15°19'13"E for 189.16 feet; S13°46'49"E for 68.98 feet; S03°50'59"E for 149.01 feet; S06°56'04"E for 151.69 feet; S25°09'05"E for 139.30 feet; S00°26'00"E for 99.47 feet; S04°02'24"E for 83.95 feet; S10°33'02"E for 53.63 feet; S16°45'11"W for 81.09 feet; S13°24'20"W for 99.81 feet; S00°12'02"W for 111.16 feet; S00°52'33"E for 19.20 feet; S02°40'03"E for 62.35 feet; S04°22'37"W for 36.69 feet; S08°48'24"E for 66.07 feet; S01°31'20"E for 56.66 feet; S27°45'47"E for 36.77 feet; S01°53'49"E for 40.39 feet; S09°48'23"E for 43.89 feet; S25°36'11"W for 126.65 feet; S00°21'49"W for 70.76 feet; S03°40'54"E for 99.02 feet; S36°58'20"E for 65.66 feet; S35°27'44"E for 80.56 feet; S06°21'08"E for 64.02 feet; S05°15'21"W for 183.55 feet; S14°17'46"W for 86.23 feet; S15°45'25"W for 96.56 feet; S26°25'19"E for 48.98 feet; S02°20'03"E for 40.55 feet; S02°26'12"W for 65.00 feet; S08°45'28"W for 139.88 feet; S05°55'58"W for 214.01 feet; S10°55'48"W for 131.88 feet; S01°38'29"E for 165.82 feet; S17°59'48"W for 154.60 feet; S01°55'49"E for 270.39 feet; S12°47'40"E for 240.61 feet to a point on a non-tangent curve; Southerly along an arc of a curve to the right of radius 57,646.43 feet (delta 00°08'39") (chord bearing S12°49'15"E) (chord 145.00 feet) for 145.00 feet to a point on a non-tangent curve; Southerly along an arc of a curve to the left of radius 133.52 feet (delta 11°06'42") (chord bearing S19°13'34"E) (chord 25.85 feet) for 25.89 feet; S34°59'52"W along a non-tangent line for 70.52 feet and S01°17'23"W for 139.46 feet to an intersection with the North line of the South 40 feet of the Northwest Quarter (NW 1/4) of said Section 8; thence run N89°43'05"W along said North line for 641.20 feet to the POINT OF BEGINNING. Containing 230.76 acres, more or less.

LESS AND EXCEPT a portion of those lands described in a deed recorded in Official Records Book 3539, at Page 3116, Lee County Records:

COMMENCING at the Southeast corner of said Section 6 run N32°24'58"W for 402.72 feet to the POINT OF BEGINNING.

From said Point of Beginning run along the Southerly line of said lands the following courses: N35°37'13"W for 153.86 feet and S58°57'13"W for 342.32 feet an intersection with the Westerly line of "COCONUT PLANTATION, A CONDOMINIUM", PHASE 1, as described in a deed recorded in Official Records Book 4033, at Page 3816, Lee County Records; thence run along said Westerly line the following courses: N31°02'47"W for 44.76 feet; N00°03'40"E for 125.64 feet; N13°25'10"W for 70.59 feet; N56°53'26"E for 107.37 feet to a point on a non-tangent curve; Northerly along an arc of a curve to the right of radius 182.00 feet (delta 20°03'07") (chord bearing N14°14'00"W) (chord 63.37 feet) for 63.69 feet to a point of reverse curvature; Northerly along an arc of a curve to the left of radius 266.00 feet (delta 20°49'18") (chord bearing N14°37'05"W) (chord 96.14 feet) for 96.67 feet to a point of compound curvature; Northwesterly along an arc of a curve to the left of radius 966.00 feet (delta 10°36'14") (chord bearing N30°19'52"W) (chord 178.53 feet) for 178.78 feet to a point of reverse curvature; Northerly along an arc of a curve to the right of radius 214.00 feet

(delta 40°41'43") (chord bearing N15°17'07"W) (chord 148.82 feet) for 152.00 feet to a point of tangency; N05°03'45"E for 277.10 feet to a point of curvature and Northerly along an arc of a curve to the left of radius 266.00 feet (delta 26°11'54") (chord bearing N08°02'12"W) (chord 120.57 feet) for 121.63 feet TO A POINT OF TANGENCY; thence run N21°08'09"W along said Westerly line and continuing along the Westerly and Northerly line of "COCONUT PLANTATION, A CONDOMINIUM", PHASE 4, as described in a deed recorded in Instrument Number 2023000146465, Lee County Records, for 101.90 feet to a point of curvature; thence run along the Westerly and Northerly line of said Phase 4 the following courses: Northerly along an arc of a curve to the right of radius 204.00 feet (delta 54°36'02") (chord bearing N06°09'52"E) (chord 187.13 feet) for 194.40 feet to a point of compound curvature; Northeasterly along an arc of a curve to the right of radius 134.00 feet (delta 16°26'18") (chord bearing N41°41'02"E) (chord 38.31 feet) for 38.45 feet to a point of compound curvature; Northeasterly along an arc of a curve to the right of radius 393.00 feet (delta 23°04'02") (chord bearing N61°26'12"E) (chord 157.15 feet) for 158.22 feet to a point of compound curvature; Easterly along an arc of a curve to the right of radius 184.00 feet (delta 56°21'48") (chord bearing S78°50'53"E) (chord 173.79 feet) for 181.01 feet to a point of compound curvature and Southeasterly along an arc of a curve to the right of radius 434.00 feet (delta 17°15'08") (chord bearing S42°02'25"E) (chord 130.19 feet) for 130.68 feet to a point of tangency; thence run S33°24'51"E along the Northerly line of said Phase 4 and continuing along the Northerly line of said Phase 1 for 27.61 feet to an intersection with the Northerly line of "COCONUT PLANTATION, A CONDOMINIUM", PHASE 3, as described in a deed recorded in Instrument Number 2019000287737, Lee County Records; thence run along the Northerly line of said Phase 3 the following courses: N56°35'09"E for 14.27 feet; S66°02'09"E for 78.97 feet; N64°31'27"E for 128.50 feet; N22°32'45"W for 125.49 feet and N67°27'15"E for 13.11 feet to an intersection with the Easterly line of said lands described in a deed recorded in Official Records Book 3539, at Page 3116, Lee County Records; thence run along the Easterly and Southerly line of said lands the following courses: S20°50'26"E for 152.26 feet; S25°28'33"E for 245.21 feet; S18°20'32"E for 130.83 feet; S27°46'07"W for 205.73 feet; S16°30'00"E for 265.70 feet; S54°23'52"E for 190.76 feet; S22°38'40"E for 87.71 feet; S71°46'53"W for 131.17 feet; S68°44'48"W for 363.26 feet; S21°12'13"E for 161.13 feet and S60°06'03"W for 62.68 feet to the POINT OF BEGINNING.  
Containing 21.44 acres, more or less.

Containing a net area of 209.32 acres, more or less.

Bearings hereinabove mentioned are State Plane for the Florida West Zone (NAD1983)(NSRS 2011) and are based on the East line of Government Lot 2 of Section 7 to bear N01°34'27"W. (Grid/Ground Scale factor = 0.999945)

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Scott A. Wheeler (For The Firm)  
Professional Surveyor and Mapper  
Florida Certificate No. 5949

# SALTLEAF COMMUNITY DEVELOPMENT DISTRICT

## Preliminary First Supplemental Special Assessment Methodology Report

March 14, 2024



Provided by:

**Wrathell, Hunt and Associates, LLC**

2300 Glades Road, Suite 410W

Boca Raton, FL 33431

Phone: 561-571-0010

Fax: 561-571-0013

Website: [www.whhassociates.com](http://www.whhassociates.com)

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## **1.0 Introduction**

### **1.1 Purpose**

This Preliminary First Supplemental Special Assessment Methodology Report (the "First Supplemental Report") was developed to supplement the Master Special Assessment Methodology Report (the "Master Report") dated December 8, 2023 and to provide a supplemental financing plan and a supplemental special assessment methodology for the financing of the CIP (hereinafter defined) benefiting the Saltleaf Community Development District (the "District") located in the City of Bonita Springs, and Lee County, Florida. This First Supplemental Report was developed in relation to funding by the District of a portion of the costs of certain master infrastructure contemplated to be acquired and/or constructed by the District (the "Capital Improvement Plan" or "CIP").

### **1.2 Scope of the First Supplemental Report**

This First Supplemental Report presents the projections for financing a portion of the CIP, delineated as Phase 1 of the CIP (defined below) in the Engineer's Report for the Saltleaf Community Development District prepared by Barraco and Associates, Inc. (the "District Engineer") and dated January 26, 2024 (the "Engineer's Report"). This First Supplemental Report also describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of a portion of the CIP.

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

Improvements undertaken and funded by the District as part of the CIP create special and peculiar benefits, different in kind and degree than general benefits, for certain assessable properties within the District. The CIP enables properties within the District's boundaries to be developed.

The CIP will provide public infrastructure improvements which are all necessary in order to make the assessable lands within the District developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within the District to increase by more than the sum of the financed cost of the individual components of the CIP. Even though the exact value of the benefits provided by the CIP is hard to estimate at this point, it is nevertheless greater than the costs associated with providing the same.

## **1.4 Organization of the First Supplemental Report**

*Section Two* describes the development program for the District as proposed by the Developer, as defined below.

*Section Three* provides a summary of the CIP as determined by the District Engineer.

*Section Four* discusses the financing program for the District.

*Section Five* introduces the supplemental special assessment methodology for the District.

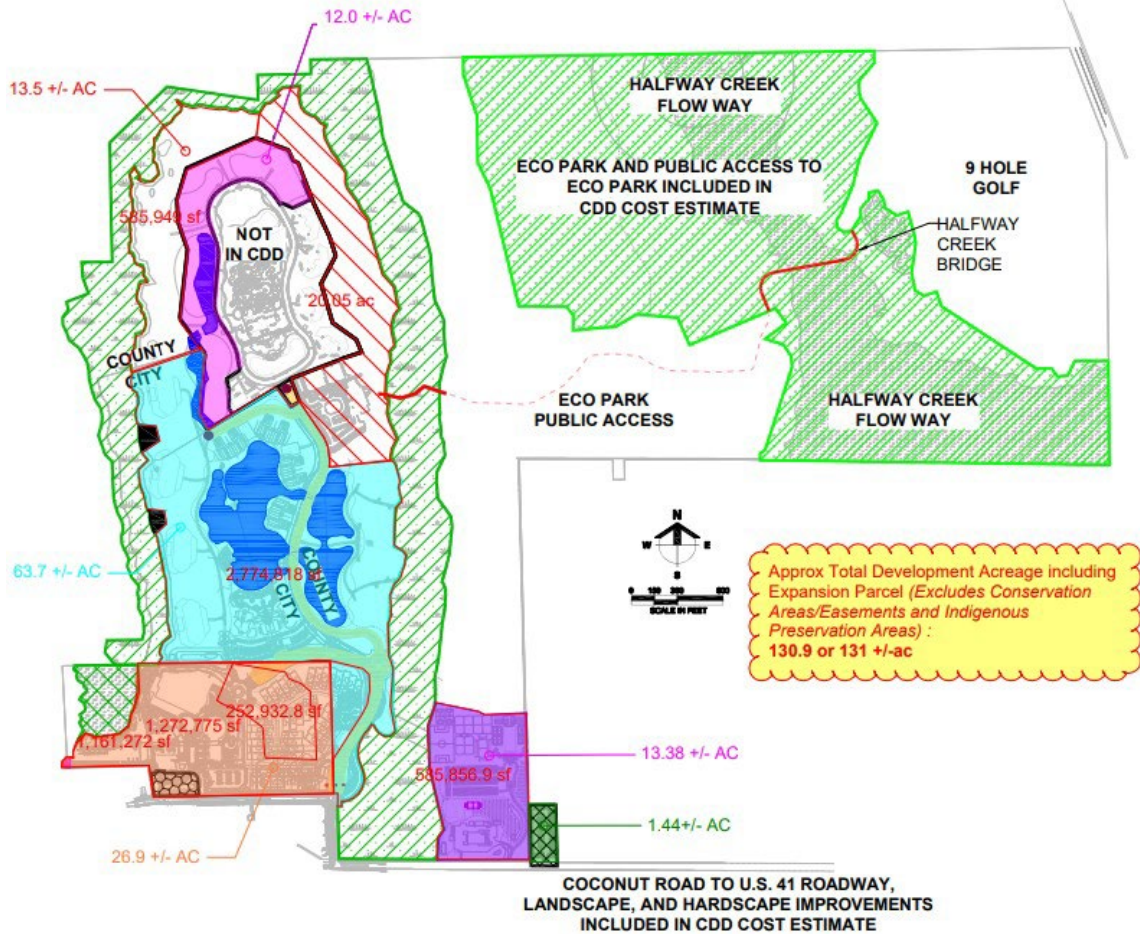
## **2.0 Development Program**

### **2.1 Overview**

The District serves the Saltleaf development (the “Development” or “Saltleaf”), a master planned, mixed-use development located in the City of Bonita Springs, and Lee County, Florida. The land within the District currently consists of approximately 209.32 +/- acres (the “Existing District”) and is generally located east of Estero Bay, west of South Tamiami Trail (US 41) and north of Coconut Road. Please note that the District is anticipated to be expanded. Once the currently contemplated boundary expansion of approximately 157.35 acres is complete (“Boundary Amendment”), the District will comprise a total land area of approximately 368.11 +/- acres.

Within the existing 209.32 acres of land in the District, 70.7 acres are presently designated as conservation areas, and 20.05 acres are part of the golf course, and the balance of 118.57 acres will initially be subject to the Series 2024 Bond Assessments (defined herein). Further, only 13.38 acres of the boundary amendment parcel are intended to be developed. Accordingly, after the boundary amendment, there will be approximately 131.95 acres of land subject to the Series 2024 Bond Assessments. A depiction of the District Lands and boundary amendment parcel is shown below.





## 2.2 The Development Program

The development of Saltleaf is anticipated to be conducted by LB Raptor Investments, LLC or its affiliates and/or its assigns (the "Developer"). NOTE: At the time of issuance of the Series 2024 Bonds, the property within the Existing District is owned by five separate entities, including LB Estero Bay Investments, LLC, LB Raptor Investments, LLC, Saltleaf Marina Investments, LLC, Saltleaf Investments I, LLC, and Kersey Smoot Investments, LLC. All five of these entities are affiliated and together are considered the "Developer" for purposes of this Report.

Based upon the information provided by the Developer, the development plan for the District, based on current entitlements, encompasses a total of 1,044 residential units, 25,000 square feet of commercial space, and 72 boat slips developed within the Existing District. Twelve of the 72 boat slips will be public, and owned and operated by the District. It is anticipated that an additional approximately 157.35 +/- acres of land will be added to the District through a boundary amendment in 2024 (the "Expansion Area") and,

further, that a rezoning will occur in 2024 that will provide for a total of 1,532 residential units, 25,000 square feet of commercial space, and 72 boat slips – i.e., an additional 488 residential units (the "Rezoning") within the Existing District and Expansion Area, although land use types and unit numbers may change throughout the development period. Table 1 in the *Appendix* illustrates the development plan for the District.

### **3.0 The Capital Improvement Plan**

#### **3.1 Overview**

The public infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only public infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes and under the Internal Revenue Code of 1986, as amended, was included in these estimates.

#### **3.2 CIP**

The CIP needed to serve the Development is projected to consist of improvements which will provide benefits to all developable lands within the District as master infrastructure.

While the CIP may in the near future serve and benefit the lands within the Expansion Area, at present time the CIP's purpose is to serve and benefit the lands contained within the Existing District, as its provision is required for the development of lands contained within the Existing District. If, in the future, the boundaries of the District are expanded to include the Expansion Area and/or the Rezoning occurs, the costs of the CIP will be apportioned among all 131.95-acres of developable, benefitted lands within the District.

The CIP will consist of onsite roadway improvements, surface water management/ drainage/ environmental, hardscape/ landscape/ trail system and irrigation, marina/ marine facility/ parking, offsite improvements and land acquisition. At the time of this writing, the total cost of the CIP, including applicable costs of professional services and contingencies, is estimated to total approximately \$52,537,200. Table 2 in the *Appendix* illustrates the specific components of the CIP.

## **4.0 Financing Program**

### **4.1 Overview**

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands within the District. It is the District's intention to finance a portion of the costs of the CIP with proceeds of its Capital Improvement Revenue Bonds, Series 2024, in the preliminary estimated principal amount of \$30,000,000\* (the "Series 2024 Bonds") to fund an estimated \$20,307,407.89\* in CIP costs.

It is anticipated that any costs of the CIP which are not funded by the Series 2024 Bonds will be completed or funded by the Developer pursuant to a Completion Agreement and an Acquisition Agreement that will be entered into by the Developer and the District, or alternatively may be financed by a future series of bonds issued by the District in its sole discretion.

### **4.2 Types of Series 2024 Bonds Proposed**

The proposed financing plan for the District provides for the issuance of the Series 2024 Bonds in the total estimated principal amount of \$30,000,000\* to finance a portion of the CIP costs in the total amount estimated at \$20,307,407.89\*.

The Series 2024 Bonds as projected under this supplemental financing plan are structured to be amortized in 30 annual installments following an approximately 12-month capitalized interest period. Interest payments on the Series 2024 Bonds will be made every May 1 and November 1, and annual principal payments on the Series 2024 Bonds will be made on either every May 1 or November 1.

In order to finance a portion of the costs of the CIP, the District will need to borrow more funds and incur indebtedness in the total amount estimated at \$30,000,000\*. The difference is comprised of funding a debt service reserve, paying capitalized interest, and paying the costs of issuance, including the underwriter's discount. Preliminary sources and uses of funding for the Series 2024 Bonds are presented in Table 3 in the *Appendix*.

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\* Preliminary, subject to change.

## **5.0 Assessment Methodology**

### **5.1 Overview**

The issuance of the Series 2024 Bonds provides the District with funds necessary to construct and/or acquire a portion of the infrastructure improvements which are part of the CIP outlined in Section 3.2 and described in more detail by the District Engineer in the Engineer's Report. The CIP is a portion of the District's total capital improvement plan ("CIP"). These improvements lead to special benefits accruing to the assessable properties within the boundaries of the District. The debt incurred in financing the public infrastructure will be paid off by assessing properties that derive special and peculiar benefits from the CIP. All properties within the District that receive special benefits from the CIP will be assessed for their fair share of the debt issued to fund the CIP.

### **5.2 Benefit Allocation**

The development plan based on current entitlements and District boundaries envisions a total of 1,044 residential units, 25,000 square feet of commercial space, and 60 private boat slips. The development plan based on the anticipated Rezoning and the addition of the Expansion Area, will provide for an additional 488 residential units, although land use types and unit numbers may change throughout the development period.

The public infrastructure included in the CIP will comprise an interrelated system of improvements, which means that all of the improvements will serve the entire District and such public improvements will be interrelated such that they will reinforce each other and their combined benefit will be greater than the sum of their individual benefits. All of the land uses within the District will benefit from each infrastructure improvement category, as the public improvements provide basic infrastructure to all land within the District and benefit all land within the District as an integrated system of public improvements working together with the other components of the overall CIP.

As stated previously, the public infrastructure improvements included in the CIP have a logical connection to the special and peculiar benefits received by the land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the District, the District can assign or allocate a portion of the

District's debt through the imposition of non-ad valorem assessments, to the land receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the cost of, or the actual non-ad valorem assessment amount levied for, the improvement or debt allocated to the parcel of land.

In following the Master Report, this First Supplemental Report allocates the benefit associated with the CIP to the different product types proposed to be developed within the District on an equal per residential unit basis. Table 4 in the *Appendix* shows the number of residential units planned for The District.

Tables 6A and 6B in the *Appendix* present the apportionment of the assessments associated with the Series 2024 Bonds (the "Series 2024 Bond Assessments") to the various units contemplated to be developed within the District and also presents the annual levels of the debt service on the Series 2024 Bonds (the "Annual Debt Service") per unit.

**Amenities** - No Series 2024 Bond Assessments are allocated herein to any private amenities or other common areas planned for the Development. If owned by a homeowner's association, the amenities and common areas would be considered a common element for the exclusive benefit of property owners. Accordingly, any benefit to the amenities and common areas would directly benefit all units in the District. If the amenities are owned by the District, then they would be governmental property not subject to the Series 2024 Bond Assessments and would be open to the general public, subject to District rules and policies. As such, no Series 2024 Bond Assessments will be assigned to the amenities and common areas. NOTE: The 25,000 square feet of planned commercial square footage is not considered part of the community amenities for purposes of this paragraph.

**Governmental Property** - If at any time, any portion of the property contained in the District is sold or otherwise transferred to a unit of local, state, or federal government (without consent of such governmental unit to the imposition of Series 2024 Bond Assessments thereon), or similarly exempt entity, all future unpaid Series 2024 Bond Assessments for such tax parcel shall become due and payable immediately prior to such transfer.

### 5.3 Assigning Debt

The land within the District has not yet been expanded to include the Expansion Area and has not yet been subdivided into individual units salable to end-users. Consequently, the precise location of the planned units by parcel cannot be determined and the Series 2024 Bond Assessments will be levied on all District Lands but initially will be assigned solely to 118.57 developable acres of land within the District on an equal per gross developable acre basis. Consequently, the Series 2024 Bond Assessments will be assigned to the initial developable acres of approximately 118.57 +/- gross acres and thus the total bonded debt in the preliminary estimated principal amount of \$30,000,000\* will be preliminarily levied on approximately 118.57 +/- gross acres at a rate of \$253,015.10\* per gross acre. If the expansion of the Existing District to include the Expansion Area occurs prior to any Assignment Events (defined below), the preliminary estimated principal amount of \$30,000,000\* would be preliminarily assigned to the approximately 131.95 +/- gross developable acres at a rate of \$227,358.85\* per acre. Notwithstanding anything herein to the contrary, in the event of any change in District Lands subject to conservation easements prior to the full assignment of debt to platted lots or condominium units, then the remaining unassigned debt will be adjusted on an equal acre basis to include all District Lands not subject to conservation easements

Series 2024 Bond Assessments will be assigned at the time when distinct tax parcels are created (e.g., upon the recording of a recreational condominium declaration, plat for commercial property, or equivalent event) (each, an “Assignment Event”). At the time of an Assignment Event, the Series 2024 Bond Assessments will be allocated to each parcel based on the location and planned use for that parcel as reflected in the appropriate (pre-expansion or post-expansion) portion of Tables 6A and 6B in the *Appendix*. Such allocation of Series 2024 Bond Assessments to parcels within the District will reduce the amount of Series 2024 Bond Assessments levied on any remaining gross developable acres for which no residential and/or commercial units are ready to be assigned (“Unassigned Property”).

The District plans to issue the Series 2024 Bonds and allocate the Series 2024 Bond Assessments evenly across the District’s initial 118.57 gross developable acres. It is anticipated that the Developer will endeavor to secure additional entitlements for the development. Once these entitlements are secured and the Boundary Amendment

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\* Preliminary, subject to change.

is effectuated, the District will reallocate the Series 2024 Bond Assessments across the planned 131.95 gross developable acres. Table 6C in the *Appendix* demonstrates the intention to issue a subsequent series of bonds to layer debt upon the existing Series 2024 Bond Assessments as depicted in this Report.

***Transferred Property*** - In the event unassigned land (the “Transferred Property”) is sold to a third party not affiliated with the Developer, the Series 2024 Bond Assessments will be assigned to such Transferred Property at the time of the sale based on the maximum total number of residential and/or commercial units assigned by the Developer to that Transferred Property, subject to review by the District’s methodology consultant, to ensure that any such assignment is reasonable, supported by current development rights and plans, and otherwise consistent with this First Supplemental Report. The owner of the Transferred Property will be responsible for the total Series 2024 Bond Assessments applicable to the Transferred Property, regardless of the total number of units ultimately actually developed. These total Series 2024 Bond Assessments are fixed to the Transferred Property at the time of the sale. If the Transferred Property is further sub-divided into smaller parcels, the total Series 2024 Bond Assessments initially allocated to the Transferred Property will be re-allocated to the smaller parcels pursuant to this methodology as described herein (i.e., equal assessment per acre until an Assignment Event).

Any of the various parcels owned by the Developer, regardless of which Developer entity, are not considered Transferred Property under this methodology. Instead, the lien of the Series 2024 Bond Assessments is spread across the entirety of the developable acres on a gross acre basis, regardless of which Developer entity owns which parcels of property.

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

As first discussed in *Section 1.3*, Special Benefits and General Benefits, improvements undertaken by the District create special and peculiar benefits to certain properties within the District. The CIP benefits assessable properties within the District and such benefits are allocated to all such assessable properties on an ERU basis.

The CIP and CIP create special and peculiar benefits to assessable property within the District. The special and peculiar benefits resulting from each improvement include, but are not limited to:

- a. added use of the property;

- b. added enjoyment of the property;
- c. decreased insurance premiums;
- d. increased marketability and value of the property; and
- e. increased future appreciation.

The improvements which are part of the CIP make the land in the District developable and saleable and provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of a precise numerical value; however, such benefits are more valuable than both the cost of, and the actual assessment levied for, the improvement or debt allocated to the parcel of land.

#### **5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay**

The apportionment of the Series 2024 Bond Assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable property within the District according to reasonable estimates of the special benefits derived from the CIP.

Accordingly, no acre or parcel of property within the District will be lienied for the payment of Series 2024 Bond Assessments more than the determined special benefit peculiar to that property.

#### **5.6 True-Up Mechanism**

The District's assessment program is predicated on the development of units in a manner sufficient to include all of the planned units as set forth in Table 1 in the *Appendix* (the "Development Plan"). At such time as an Assignment Event occurs, the document ("Assignment Document") evidencing the Assignment Event (e.g., condominium declaration, plat, etc.) shall be presented to the District for a "true-up" review as follows:

- a. If an Assignment Document results in the same amount of units (and thus Series 2024 Bond Assessments) able to be imposed on the "Remaining Unassigned Developable Lands" within the District (i.e., those remaining unassigned developable lands after the Assignment Event occurs) as compared to what was originally contemplated under the Development Plan, then the District shall allocate the Series 2024 Bond Assessments to the product types being assigned and the remaining property in accordance with this



Report, and cause the Series 2024 Bond Assessments to be recorded in the District's Improvement Lien Book.

b. If an Assignment Document has more than the anticipated units (and Series 2024 Bond Assessments) such that the Remaining Unassigned Developable Lands would be assigned fewer units (and Series 2024 Bond Assessments) than originally contemplated in the Development Plan, then the District may undertake a pro rata reduction of Series 2024 Bond Assessments for all assessed properties within the District, or may otherwise address such net decrease as permitted by law.

c. If an Assignment Document has fewer than the anticipated units (and Series 2024 Bond Assessments) such that the Remaining Unassigned Developable Lands would have to be assigned more units (and Series 2024 Bond Assessments) in order to fully assign all of the units originally contemplated in the Development Plan, then the District shall require the landowner(s) of the lands encompassed by the Assignment Document (and possibly other lands within the District, in the reasonable discretion of the District's Assessment Consultant) to pay a "True-Up Payment" equal to the difference between: (i) the Series 2024 Bond Assessments originally contemplated to be imposed on the lands subject to the Assignment Document, and (ii) the Series 2024 Bond Assessments able to be imposed on the lands subject to the Assignment Document, after the Assignment Event (plus applicable interest, collection costs, penalties, etc.).

With respect to the foregoing true-up analysis, the District's Assessment Consultant, in consultation with the District Engineer and District Counsel, shall determine in his or her sole but reasonable discretion what amount of units (and thus Series 2024 Bond Assessments) are able to be imposed on the Remaining Unassigned Developable Lands within the District, taking into account a proposed Assignment Document, by reviewing: a) the original, overall development plan showing the number and type of units reasonably planned, b) the revised, overall development plan showing the number and type of units reasonably planned, c) proof of the amount of entitlements for the Remaining Unassigned Developable Lands, d) evidence of allowable zoning conditions that would enable those entitlements to be placed in accordance with the revised development plan, and e) documentation that shows the feasibility of implementing the proposed development plan. Prior to any decision by the District not to impose a True-Up Payment, a supplemental methodology shall be produced demonstrating that there will be sufficient Series 2024 Bond Assessments to pay debt service on the Series 2024 Bonds and the District will conduct new

proceedings under Chapters 170, 190 and 197, Florida Statutes upon the advice of District Counsel.

Any True-Up Payment shall become due and payable by the landowner of the lands subject to the Assignment Document prior to recording and/or otherwise effecting the same. This shall be in addition to the regular Series 2024 Bond Assessment installment payable for such lands, and shall constitute part of the debt assessment liens imposed against the Assignment Event property until paid. A True-Up Payment shall include accrued interest on the Series 2024 Bonds to the interest payment date that occurs at least 45 days after the True-Up Payment (or the second succeeding interest payment date if such True-Up Payment is made within forty-five (45) calendar days before an interest payment date (or such other time as set forth in the supplemental indenture for the Series 2024 Bonds)).

All Series 2024 Bond Assessments levied run with the land, and such assessment liens include any True-Up Payments. The District will not release any liens on property for which True-Up Payments are due, until payment has been satisfactorily made. Further, upon the District's review of the final Assignment Document for the developable acres within the District, any unallocated Series 2024 Bond Assessments shall become due and payable and must be paid prior to the District's approval of that Assignment Document. This true-up process applies for both initial Assignment Documents and any revisions or resubmittals of the same (e.g., re-plat, re-recording of condominium declaration, etc.).

All four of the Developer entities (and any other Developer affiliates that may own land within the District in the future) shall be jointly and severally responsible for any True-Up Payments.

Such review shall be limited solely to the function and the enforcement of the District's assessment liens and/or true-up agreements. Nothing herein shall in any way operate to or be construed as providing any other Assignment Document approval or disapproval powers to the District. For further detail on the true-up process, please refer to the True-Up Agreement and applicable assessment resolution(s).

## **5.7 Preliminary Assessment Roll**

The Series 2024 Bond Assessments in the preliminary estimated principal amount of \$30,000,000\* are proposed to be initially levied only over the area described in Exhibit "A", which excludes the

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\* Preliminary, subject to change.

Expansion Area. If the Boundary Amendment and Rezoning are successful, the Series 2024 Bond Assessments will be re-allocated to include the additional 13.38 acres of developable land within the Expansion Area. Excluding any capitalized interest period, debt service assessments shall be paid in thirty (30) annual principal installments.

## **6.0 Additional Stipulations**

### **6.1 Overview**

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the Series 2024 Bond Assessments related to the CIP. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation Methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report. For additional information on the Series 2024 Bond structure and related items, please refer to the Offering Statement associated with this transaction.

**Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.**

## 7.0 Appendix

Table 1

### Saltleaf

#### Community Development District

##### Development Plan

Product Type	Current Units	Anticipated Additional Units*	Total Number of Units
Highrise Condominium	704	480	1,184
Midrise Condominium	264	8	272
Attached Villa	76	-	76
Commercial**	25,000	-	25,000
<b>Total Residential</b>	<b>1,044</b>	<b>488</b>	<b>1,532</b>
<b>Total Commercial (sf)</b>	<b>25,000</b>	<b>-</b>	<b>25,000</b>

\* The anticipated additional units are contingent upon the Developer successfully securing additional entitlements.

\*\* Includes an anticipated 72 boat slips

Table 2

### Saltleaf

#### Community Development District

##### Capital Improvement Plan

Improvement	Series 2024 CIP	Future CIP	Total CIP
Onsite Roadway	\$1,900,000.00	\$2,900,000.00	\$4,800,000.00
Surface Water Management/ Drainage/ Environmental	\$1,600,000.00	\$8,200,000.00	\$9,800,000.00
Hardscape/ Landscape/ Trail System and Irrigation	\$3,900,000.00	\$2,200,000.00	\$6,100,000.00
Marina/ Marine Facility/ Parking	\$5,400,000.00	-	\$5,400,000.00
Offsite Improvements	\$2,300,000.00	\$2,100,000.00	\$4,400,000.00
Professional Fees/ Permit Fees	\$2,700,000.00	\$2,200,000.00	\$4,900,000.00
Land Acquisition	\$2,813,200.00	\$3,490,800.00	\$6,304,000.00
Contingency (20%)	\$4,122,640.00	\$4,218,160.00	\$8,340,800.00
<b>Total</b>	<b>\$24,735,840.00</b>	<b>\$25,308,960.00</b>	<b>\$50,044,800.00</b>

Table 3

### Saltleaf

#### Community Development District

##### Preliminary Sources and Uses of Funds

		Series 2024 Bonds*
<b>Sources</b>		
Bond Proceeds:		
Par Amount		\$30,000,000.00
<b>Total Sources</b>		<b>\$30,000,000.00</b>
<b>Uses</b>		
Project Fund Deposits:		
Project Fund		\$20,307,407.89
Other Fund Deposits:		
Debt Service Reserve Fund		\$2,417,592.11
Capitalized Interest Fund		\$6,475,000.00
		\$8,892,592.11
Delivery Date Expenses:		
Costs of Issuance		\$600,000.00
Underwriter's Discount		\$200,000.00
		\$800,000.00
<b>Total Uses</b>		<b>\$30,000,000.00</b>

\* The District intends to issue future bonds in addition to the Series 2024 Bonds.

Table 4

## Saltleaf

### Community Development District

#### Benefit Allocation

Product Type	Current Units	ERU per Unit	Total ERU	Percent of Total
Highrise Condominium	704	1.00	704.00	45.58%
Midrise Condominium	264	1.00	264.00	17.09%
Attached Villa	76	1.00	76.00	4.92%
Commercial (per 2,000 square feet)	25,000	1.00	12.50	0.81%
<b>Total Residential</b>	<b>1,044</b>		<b>1,044.00</b>	<b>67.59%</b>
<b>Total Commercial (sf)</b>	<b>25,000</b>		<b>12.50</b>	<b>0.81%</b>
<b>Total ERU of Current Units</b>			<b>1,056.50</b>	

Product Type	Anticipated Additional Units	ERU per Unit	Total ERU	Percent of Total
Highrise Condominium	480	1.00	480.00	31.08%
Midrise Condominium	8	1.00	8.00	0.52%
Attached Villa	-	1.00	-	-
Commercial (per 2,000 square feet)	-	1.00	-	-
<b>Total Residential</b>	<b>488</b>		<b>488.00</b>	<b>31.60%</b>
<b>Total Commercial (sf)</b>	<b>-</b>		<b>0.00</b>	<b>-</b>
<b>Total ERU of Anticipated Additional Units</b>			<b>976.00</b>	

Product Type	Total Number of Units	ERU per Unit	Total ERU	Percent of Total
Highrise Condominium	1,184	1.00	1,184.00	76.66%
Midrise Condominium	272	1.00	272.00	17.61%
Attached Villa	76	1.00	76.00	4.92%
Commercial (per 2,000 square feet)	25,000	1.00	12.50	0.81%
<b>Total Residential</b>	<b>1,532</b>		<b>1,532.00</b>	<b>99.19%</b>
<b>Total Commercial (sf)</b>	<b>25,000</b>		<b>12.50</b>	<b>0.81%</b>
<b>Total ERU of All Units</b>			<b>1,544.50</b>	<b>100.00%</b>

Table 5A

## Saltleaf

### Community Development District

#### Allocation of Costs of CIP - Current Units

Product Type	Total Current Units	CIP Cost Allocation of Current Units*	CIP Costs of Current Units Financed with Series 2024 Bonds	CIP Costs of Current Units to be Contributed by the Developer and/ or funded by a future series of bonds.
Highrise Condominium	704	\$16,482,755.66	\$13,531,864.80	\$2,950,890.87
Midrise Condominium	264	\$6,181,033.37	\$5,074,449.30	\$1,106,584.08
Attached Villa	76	\$1,779,388.40	\$1,460,826.31	\$318,562.08
Commercial	25,000	\$292,662.57	\$240,267.49	\$52,395.08
<b>Total</b>		<b>\$24,735,840.00</b>	<b>\$20,307,407.89</b>	<b>\$4,428,432.11</b>

\* Allocation based on ERU benefit allocation in Table 4

Table 5B

## Saltleaf

### Community Development District

#### Allocation of Costs of CIP - All Units

Product Type	Total Units	CIP Cost Allocation of Units After Re-Zoning*	CIP Costs of Units After Re-Zoning Financed with Series 2024 Bonds	CIP Costs of Units After Re-Zoning to be Contributed by the Developer and/ or funded by a future series of bonds.
Highrise Condominium	1,184	\$18,962,275.53	\$15,567,478.76	\$3,394,796.77
Midrise Condominium	272	\$4,356,198.43	\$3,576,312.69	\$779,885.74
Attached Villa	76	\$1,217,173.09	\$999,263.84	\$217,909.25
Commercial	25,000	\$200,192.94	\$164,352.61	\$35,840.34
<b>Total</b>		<b>\$24,735,840.00</b>	<b>\$20,307,407.89</b>	<b>\$4,428,432.11</b>

\* Allocation based on ERU benefit allocation in Table 4

Table 6A

## Saltleaf

### Community Development District

#### Series 2024 Bond Assessments Apportionment - Current Units

Product Type	Total Current Units	CIP Costs of Current Units Financed with Series 2024 Bonds	Total Series 2024 Bond Assessments Apportionment	Series 2024 Bond Assessments Apportionment per Unit	Annual Series 2024 Bond Assessments Apportionment per Unit	Annual Series 2024 Bond Assessments Apportionment per Unit*
Highrise Condominium	704	\$13,531,864.80	\$19,990,534.78	\$28,395.65	\$2,288.30	\$2,387.82
Midrise Condominium	264	\$5,074,449.30	\$7,496,450.54	\$28,395.65	\$2,288.30	\$2,387.82
Attached Villa	76	\$1,460,826.31	\$2,158,069.10	\$28,395.65	\$2,288.30	\$2,387.82
Commercial	25,000	\$240,267.49	\$354,945.58	\$28,395.65	\$2,288.30	\$2,387.82
<b>Total Residential</b>	<b>1,044</b>	<b>\$20,067,140.41</b>	<b>\$29,645,054.42</b>			
<b>Total Commercial (sf)</b>	<b>25,000</b>	<b>\$240,267.49</b>	<b>\$354,945.58</b>			
<b>TOTAL</b>		<b>\$20,307,407.89</b>	<b>\$30,000,000.00</b>			

\* Includes costs of collection estimated at \$4 per folio (subject to change) and an allowance for early payment discount estimated at 4% (subject to change)

Table 6B

## Saltleaf

### Community Development District

#### Series 2024 Bond Assessments Apportionment - All Units

Product Type	Total Units	CIP Costs of Units After Re-Zoning Financed with Series 2024 Bonds	Total Series 2024 Bond Assessments Apportionment	Series 2024 Bond Assessments Apportionment per Unit	Annual Series 2024 Bond Assessments Apportionment per Unit	Annual Series 2024 Bond Assessments Apportionment per Unit*
Highrise Condominium	1,184	\$15,567,478.76	\$22,997,733.89	\$19,423.76	\$1,565.29	\$1,634.68
Midrise Condominium	272	\$3,576,312.69	\$5,283,263.19	\$19,423.76	\$1,565.29	\$1,634.68
Attached Villa	76	\$999,263.84	\$1,476,205.89	\$19,423.76	\$1,565.29	\$1,634.68
Commercial	25,000	\$164,352.61	\$242,797.02	\$19,423.76	\$1,565.29	\$1,634.68
<b>Total Residential</b>	<b>1,532</b>	<b>\$20,143,055.29</b>	<b>\$29,757,202.98</b>			
<b>Total Commercial (sf)</b>	<b>25,000</b>	<b>\$164,352.61</b>	<b>\$242,797.02</b>			
<b>TOTAL</b>		<b>\$20,307,407.89</b>	<b>\$30,000,000.00</b>			

\* Includes costs of collection estimated at \$4 per folio (subject to change) and an allowance for early payment discount estimated at 4% (subject to change)

Table 6C

## Saltleaf

### Community Development District

#### Series 2024 and Future Bond Assessments Apportionment

##### Allocation with Existing Zoning

Product Type	Number of Units	Series 2024 Bond Principal per Unit	Future Bond Principal per Unit	Total Bond Principal per Unit	Series 2024 Annual Assessment per Unit	Future Bond Annual Assessment per Unit	Total Annual Assessment per Unit	Total Annual Assessment per Unit*
Highrise Condominium	704	\$28,395.65	\$15,035.49	\$43,431.14	\$2,288.30	\$1,211.70	\$3,500.00	\$3,650.00
Midrise Condominium	264	\$28,395.65	\$15,035.49	\$43,431.14	\$2,288.30	\$1,211.70	\$3,500.00	\$3,650.00
Attached Villa	76	\$28,395.65	\$15,035.49	\$43,431.14	\$2,288.30	\$1,211.70	\$3,500.00	\$3,650.00
Commercial	25,000	\$28,395.65	\$15,035.49	\$43,431.14	\$2,288.30	\$1,211.70	\$3,500.00	\$3,650.00
<b>Total Residential</b>	<b>1,044</b>							
<b>Total Commercial (sf)</b>	<b>25,000</b>							

\* Includes costs of collection estimated at \$4 per folio (subject to change) and an allowance for early payment discount estimated at 4% (subject to change)

##### Allocation After Re-Zoning

Product Type	Number of Units	Series 2024 Bond Principal per Unit	Future Bond Principal per Unit	Total Bond Principal per Unit	Series 2024 Annual Assessment per Unit	Future Bond Annual Assessment per Unit	Total Annual Assessment per Unit	Total Annual Assessment per Unit*
Highrise Condominium	1,184	\$19,423.76	\$24,007.77	\$43,431.53	\$1,565.29	\$1,934.71	\$3,500.00	\$3,650.00
Midrise Condominium	272	\$19,423.76	\$24,007.77	\$43,431.53	\$1,565.29	\$1,934.71	\$3,500.00	\$3,650.00
Attached Villa	76	\$19,423.76	\$24,007.77	\$43,431.53	\$1,565.29	\$1,934.71	\$3,500.00	\$3,650.00
Commercial	25,000	\$19,423.76	\$24,007.77	\$43,431.53	\$1,565.29	\$1,934.71	\$3,500.00	\$3,650.00
<b>Total Residential</b>	<b>1,532</b>							
<b>Total Commercial (sf)</b>	<b>25,000</b>							

\* Includes costs of collection estimated at \$4 per folio (subject to change) and an allowance for early payment discount estimated at 4% (subject to change)

## **Exhibit “A”**

The Series 2024 Bond Assessments in the amount of \$30,000,000\* are proposed to be levied over the area as described below:

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\* Preliminary, subject to change.

**DESCRIPTION**

Parcel in  
Sections 5, 6, 7 and 8, Township 47 South, Range 25 East,  
Lee County, Florida

A tract or parcel of land lying in Sections 5, 6, 7 and 8, Township 47 South, Range 25 East, Lee County, Florida, said tract or parcel being more particularly described as follows:

COMMENCING at the Southeast corner of Government Lot 2, of said Section 7 run N01°34'27"W along the East line of said Government Lot 2 for 40.02 feet; thence run S89°43'05"E for 25.01 feet to an intersection with the East right of way line of Coconut Road as described in a County Commissioners Minutes Book 6, at Page 288, Lee County Records, and the POINT OF BEGINNING.

From said Point of Beginning run N01°34'27"W along said East line for 424.66 feet to an intersection with the Northerly right of way line of Coconut Road, (width varies) as described in deed recorded in Official Record Book 3421 at Page 1095, Lee County Records; thence run along said Northerly right of way line the following three (3) courses: S89°06'16"W for 288.98 feet; S89°09'28"W for 666.22 feet and S89°06'16"W for 247.49 feet to the Southwest Corner of lands described in deed recorded in Official Record Book 2750 at Page 3666, Lee County Records; thence run N09°16'44"W along the Westerly line of said lands for 199.49 feet to an intersection with the North line of the South Half (S 1/2) of said Government Lot 2; thence run S89°06'16"W along said North Line for 511.94 feet; thence run N21°20'24"E for 260.38 feet; thence run N04°28'03"E for 270.90 feet; thence run N27°03'41"W for 168.94 feet to an intersection with the North line of said Government Lot 2; thence run N89°06'47"E along said North line for 257.63 feet to an intersection with the Easterly line of lands described in a deed recorded in Instrument No. 2013000240450, Lee County Records; thence run along said Easterly line the following twenty-three (23) courses: N39°36'41"W for 105.41 feet; N09°02'32"E for 80.80 feet; N89°00'08"E for 230.82 feet; N13°37'57"E for 52.21 feet; N04°32'08"W for 50.65 feet; N05°12'32"W for 50.79 feet; N29°06'14"W for 59.23 feet; N03°26'02"E for 49.83 feet; N10°16'42"W for 51.40 feet; N11°13'24"E for 49.00 feet; N41°15'02"W for 70.64 feet; N21°13'24"W for 54.88 feet; N25°50'13"W for 21.40 feet; N09°20'00"E for 55.12 feet; N25°52'22"W for 51.13 feet; N24°52'17"W for 50.48 feet; N04°21'29"W for 50.65 feet; N11°27'49"E for 56.18 feet; N10°24'54"W for 50.55 feet; N28°04'28"W for 51.29 feet; N18°52'38"W for 49.96 feet; N13°36'38"W for 49.89 feet and N02°48'29"W for 247.54 feet to an intersection with the North line of Government Lot 1, said Section 7; thence run S89°20'35"W along said North line for 1.00 feet to an intersection with the Westerly line of a Conservation Easement described in a deed recorded in Official Records Book 3627, at Page 2061, Lee County Records; thence run along said Westerly line the following twenty-two (22) courses: N46°11'03"W for 61.03 feet; N17°54'30"W for 56.94 feet; N20°31'47"W for 72.71 feet; N15°30'26"E for 84.12 feet; N02°32'45"E for 50.98 feet; N12°16'28"W for 49.94 feet; N35°06'58"W for 59.36 feet; N19°11'46"W for 52.20 feet; N14°29'27"W for 88.09 feet; N04°01'02"W for 63.86 feet; N10°27'59"W for 50.49 feet; N28°08'16"W for 55.46 feet; N31°44'44"W for 57.31 feet; N52°41'29"W for 78.10 feet; N18°08'21"W for 51.92 feet; N26°14'47"W for 54.63 feet; N02°29'49"W for 50.00 feet; N36°09'47"E for 64.03 feet; N13°48'24"W for 50.99 feet; N68°35'55"E for 154.32 feet; N20°14'29"W for 105.00 feet and N04°39'14"W for 104.21 feet to an intersection with the North line of Government Lot 4, said Section 6; thence run N89°14'26"E along said North line for 199.41 feet to an intersection with the Westerly line of lands described in a deed recorded in Official Records



Book 1762, at Page 4172, Lee County Records; thence run along the Westerly and Northerly line of said lands the following five (5) courses: N01°15'33"W for 775.71 feet; N45°44'29"E for 523.57 feet; S81°48'03"E for 600.65 feet; N01°16'23"W for 162.43 feet and N88°43'54"E for 349.45 feet to an intersection with the West line of the Southwest Quarter (SW-1/4) of said Section 5; thence run N01°54'31"W along said West line for 92.62 feet to the Northwest Corner of said Southwest Quarter (SW-1/4); thence run N89°07'39"E along the North line of said Southwest Quarter (SW-1/4) for 364.44 feet to an intersection with the Easterly line of said Conservation Easement; thence run along said Easterly line the following fifty-one (51) courses: S17°17'04"E for 44.28 feet; S12°53'12"E for 275.03 feet; S10°01'41"E for 113.67 feet; S08°08'35"E for 91.06 feet; S17°08'47"E for 137.48 feet; S17°18'43"E for 88.19 feet; S18°09'28"E for 215.81 feet; S52°49'03"E for 117.72 feet; S36°00'58"E for 30.20 feet; S15°19'13"E for 189.16 feet; S13°46'49"E for 68.98 feet; S03°50'59"E for 149.01 feet; S06°56'04"E for 151.69 feet; S25°09'05"E for 139.30 feet; S00°26'00"E for 99.47 feet; S04°02'24"E for 83.95 feet; S10°33'02"E for 53.63 feet; S16°45'11"W for 81.09 feet; S13°24'20"W for 99.81 feet; S00°12'02"W for 111.16 feet; S00°52'33"E for 19.20 feet; S02°40'03"E for 62.35 feet; S04°22'37"W for 36.69 feet; S08°48'24"E for 66.07 feet; S01°31'20"E for 56.66 feet; S27°45'47"E for 36.77 feet; S01°53'49"E for 40.39 feet; S09°48'23"E for 43.89 feet; S25°36'11"W for 126.65 feet; S00°21'49"W for 70.76 feet; S03°40'54"E for 99.02 feet; S36°58'20"E for 65.66 feet; S35°27'44"E for 80.56 feet; S06°21'08"E for 64.02 feet; S05°15'21"W for 183.55 feet; S14°17'46"W for 86.23 feet; S15°45'25"W for 96.56 feet; S26°25'19"E for 48.98 feet; S02°20'03"E for 40.55 feet; S02°26'12"W for 65.00 feet; S08°45'28"W for 139.88 feet; S05°55'58"W for 214.01 feet; S10°55'48"W for 131.88 feet; S01°38'29"E for 165.82 feet; S17°59'48"W for 154.60 feet; S01°55'49"E for 270.39 feet; S12°47'40"E for 240.61 feet to a point on a non-tangent curve; Southerly along an arc of a curve to the right of radius 57,646.43 feet (delta 00°08'39") (chord bearing S12°49'15"E) (chord 145.00 feet) for 145.00 feet to a point on a non-tangent curve; Southerly along an arc of a curve to the left of radius 133.52 feet (delta 11°06'42") (chord bearing S19°13'34"E) (chord 25.85 feet) for 25.89 feet; S34°59'52"W along a non-tangent line for 70.52 feet and S01°17'23"W for 139.46 feet to an intersection with the North line of the South 40 feet of the Northwest Quarter (NW 1/4) of said Section 8; thence run N89°43'05"W along said North line for 641.20 feet to the POINT OF BEGINNING. Containing 230.76 acres, more or less.

LESS AND EXCEPT a portion of those lands described in a deed recorded in Official Records Book 3539, at Page 3116, Lee County Records:

COMMENCING at the Southeast corner of said Section 6 run N32°24'58"W for 402.72 feet to the POINT OF BEGINNING.

From said Point of Beginning run along the Southerly line of said lands the following courses: N35°37'13"W for 153.86 feet and S58°57'13"W for 342.32 feet an intersection with the Westerly line of "COCONUT PLANTATION, A CONDOMINIUM", PHASE 1, as described in a deed recorded in Official Records Book 4033, at Page 3816, Lee County Records; thence run along said Westerly line the following courses: N31°02'47"W for 44.76 feet; N00°03'40"E for 125.64 feet; N13°25'10"W for 70.59 feet; N56°53'26"E for 107.37 feet to a point on a non-tangent curve; Northerly along an arc of a curve to the right of radius 182.00 feet (delta 20°03'07") (chord bearing N14°14'00"W) (chord 63.37 feet) for 63.69 feet to a point of reverse curvature; Northerly along an arc of a curve to the left of radius 266.00 feet (delta 20°49'18") (chord bearing N14°37'05"W) (chord 96.14 feet) for 96.67 feet to a point of compound curvature; Northwesterly along an arc of a curve to the left of radius 966.00 feet (delta 10°36'14") (chord bearing N30°19'52"W) (chord 178.53 feet) for 178.78 feet to a point of reverse curvature; Northerly along an arc of a curve to the right of radius 214.00 feet

(delta 40°41'43") (chord bearing N15°17'07"W) (chord 148.82 feet) for 152.00 feet to a point of tangency; N05°03'45"E for 277.10 feet to a point of curvature and Northerly along an arc of a curve to the left of radius 266.00 feet (delta 26°11'54") (chord bearing N08°02'12"W) (chord 120.57 feet) for 121.63 feet TO A POINT OF TANGENCY; thence run N21°08'09"W along said Westerly line and continuing along the Westerly and Northerly line of "COCONUT PLANTATION, A CONDOMINIUM", PHASE 4, as described in a deed recorded in Instrument Number 2023000146465, Lee County Records, for 101.90 feet to a point of curvature; thence run along the Westerly and Northerly line of said Phase 4 the following courses: Northerly along an arc of a curve to the right of radius 204.00 feet (delta 54°36'02") (chord bearing N06°09'52"E) (chord 187.13 feet) for 194.40 feet to a point of compound curvature; Northeasterly along an arc of a curve to the right of radius 134.00 feet (delta 16°26'18") (chord bearing N41°41'02"E) (chord 38.31 feet) for 38.45 feet to a point of compound curvature; Northeasterly along an arc of a curve to the right of radius 393.00 feet (delta 23°04'02") (chord bearing N61°26'12"E) (chord 157.15 feet) for 158.22 feet to a point of compound curvature; Easterly along an arc of a curve to the right of radius 184.00 feet (delta 56°21'48") (chord bearing S78°50'53"E) (chord 173.79 feet) for 181.01 feet to a point of compound curvature and Southeasterly along an arc of a curve to the right of radius 434.00 feet (delta 17°15'08") (chord bearing S42°02'25"E) (chord 130.19 feet) for 130.68 feet to a point of tangency; thence run S33°24'51"E along the Northerly line of said Phase 4 and continuing along the Northerly line of said Phase 1 for 27.61 feet to an intersection with the Northerly line of "COCONUT PLANTATION, A CONDOMINIUM", PHASE 3, as described in a deed recorded in Instrument Number 2019000287737, Lee County Records; thence run along the Northerly line of said Phase 3 the following courses: N56°35'09"E for 14.27 feet; S66°02'09"E for 78.97 feet; N64°31'27"E for 128.50 feet; N22°32'45"W for 125.49 feet and N67°27'15"E for 13.11 feet to an intersection with the Easterly line of said lands described in a deed recorded in Official Records Book 3539, at Page 3116, Lee County Records; thence run along the Easterly and Southerly line of said lands the following courses: S20°50'26"E for 152.26 feet; S25°28'33"E for 245.21 feet; S18°20'32"E for 130.83 feet; S27°46'07"W for 205.73 feet; S16°30'00"E for 265.70 feet; S54°23'52"E for 190.76 feet; S22°38'40"E for 87.71 feet; S71°46'53"W for 131.17 feet; S68°44'48"W for 363.26 feet; S21°12'13"E for 161.13 feet and S60°06'03"W for 62.68 feet to the POINT OF BEGINNING.  
Containing 21.44 acres, more or less.

Containing a net area of 209.32 acres, more or less.

Bearings hereinabove mentioned are State Plane for the Florida West Zone (NAD1983)(NSRS 2011) and are based on the East line of Government Lot 2 of Section 7 to bear N01°34'27"W. (Grid/Ground Scale factor = 0.999945)

Digitally signed

 J. A. Wheeler

LESS AND EXCEPT "TRACT P" CONSERVATION AREA:

Tract "P," Bayview Plat One, according to the plat thereof, as recorded in Instrument No. 2022000346672, of the public records of Lee County, Florida.

AND LESS AND EXCEPT THE "HORSESHOE" CONSERVATION AREA:



First American Title™

ALTA Commitment for Title Insurance  
Florida Modified - 2021 v. 01.00 (07-01-2021)

**Exhibit "A"**

**Easement 1:**

All that part of Sections 5 and 8, Township 47 South, Range 25 East, Lee County, Florida, being more particularly described as follows:

Commencing on the East line 40 feet North of the West 1/2 of the Northwest 1/4 of Section 8;

thence North 89°42'53" West 601.73 feet to the Point of Beginning of the easement herein described;

thence North 89°42'53" West 641.18 feet;

thence North 01°34'22" West 323.17 feet;

thence North 01°34'22" West 17.23 feet;

thence Northeasterly 42.71 feet along the arc of a circular curve concave Southeasterly having a radius of 30.00 feet through a central angle of 81°34'32" and being subtended by a chord which bears North 39°12'54" East 39.20 feet;

thence North 80°00'10" East 21.77 feet;

thence Northeasterly and Northerly 293.55 feet along the arc of a circular curve concave Northwesterly having a radius of 154.00 feet through a central angle of 109°12'53" and being subtended by a chord which bears North 25°23'43" East 251.08 feet to a point of reverse curvature;

thence Northerly 91.90 feet along the arc of a circular curve concave Easterly having a radius of 189.00 feet through a central angle of 27°51'36" and being subtended by a chord which bears North 15°16'55" West 91.00 feet;

thence along a non-tangential line North 00°30'39" West 5.55 feet;

thence Northerly 93.98 feet along the arc of a non-tangential circular curve concave Easterly having a radius of 139.00 feet through a central angle of 38°44'22" and being subtended by a chord which bears North 19°42'00" East 92.20 feet;

thence along a non-tangential line North 39°04'11" East 45.97 feet;

thence Northeasterly 78.18 feet along the arc of a circular curve concave Northwesterly having a radius of 225.00 feet through a central angle of 19°54'33" and being subtended by a chord which bears North 29°06'54" East 77.79 feet;

thence along a non-tangential line South 29°34'49" East 40.33 feet;

thence South 33°54'29" East 26.13 feet;

thence South 57°47'45" East 58.09 feet;

thence North 80°32'48" East 38.99 feet;

thence North 42°00'52" East 43.10 feet;

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thence North 08°45'16" West 168.49 feet;  
thence North 04°16'34" East 30.25 feet;  
thence North 04°16'34" East 98.87 feet;  
thence North 00°34'25" East 106.75 feet;  
thence North 17°00'59" West 91.08 feet;  
thence North 02°29'19" West 202.39 feet;  
thence North 14°58'12" East 65.73 feet;  
thence North 01°55'43" West 58.95 feet;  
thence North 01°44'48" West 63.95 feet;  
thence North 20°23'05" East 77.02 feet;  
thence North 34°29'27" East 59.56 feet;  
thence North 20°13'18" East 24.21 feet;  
thence North 23°47'36" East 66.53 feet;  
thence North 10°21'47" East 61.15 feet;  
thence North 40°01'57" West 38.86 feet;  
thence North 62°50'18" West 60.66 feet;  
thence North 00°32'14" East 92.24 feet;  
thence North 03°30'48" East 121.23 feet;  
thence North 12°46'03" East 53.79 feet;  
thence North 36°40'33" East 44.20 feet;  
thence North 14°32'02" West 39.35 feet;  
thence North 08°51'39" West 49.29 feet;  
thence North 29°13'40" East 22.47 feet;  
thence North 05°15'55" West 35.99 feet;  
thence North 17°33'38" West 57.56 feet;  
thence North 14°47'51" West 38.71 feet;  
thence North 34°38'14" West 52.25 feet;

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thence North 11°25'02" East 59.41 feet;  
thence North 27°10'06" East 73.44 feet;  
thence North 24°49'39" West 78.92 feet;  
thence North 24°34'24" West 37.97 feet;  
thence North 17°20'28" West 62.86 feet;  
thence North 07°42'33" East 85.57 feet;  
thence North 48°07'22" West 31.59 feet;  
thence North 03°14'18" East 142.56 feet;  
thence North 14°47'31" East 56.72 feet;  
thence North 26°38'56" East 31.23 feet;  
thence North 05°33'05" West 69.85 feet;  
thence North 40°24'17" East 49.50 feet;  
thence North 05°41'05" West 38.55 feet;  
thence North 13°23'32" West 81.80 feet;  
thence North 12°05'47" East 73.55 feet;  
thence North 32°31'45" East 37.24 feet;  
thence North 43°59'18" East 29.50 feet;  
thence North 26°42'49" West 39.78 feet;  
thence North 08°03'55" West 73.24 feet;  
thence North 15°10'34" West 42.11 feet;  
thence North 40°52'46" West 52.74 feet;  
thence North 43°18'53" West 52.24 feet;  
thence North 17°35'34" West 148.39 feet;  
thence North 15°24'59" West 85.11 feet;  
thence North 15°41'39" West 71.88 feet;  
thence North 09°27'33" West 72.99 feet;  
thence North 38°32'03" West 68.94 feet;

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thence North 25°30'18" West 60.61 feet;  
thence North 36°07'48" West 70.82 feet;  
thence North 36°51'16" West 38.68 feet;  
thence North 15°30'43" West 40.27 feet;  
thence North 01°10'19" East 60.61 feet;  
thence North 31°18'16" West 27.25 feet;  
thence North 31°38'35" West 104.79 feet;  
thence North 39°50'14" West 32.00 feet;  
thence North 28°44'56" West 54.89 feet;  
thence North 25°18'36" West 43.41 feet;  
thence North 10°05'25" West 53.53 feet;  
thence North 23°09'37" East 39.22 feet;  
thence North 13°50'17" East 0.91 feet;  
thence North 75°25'20" West 35.14 feet;  
thence North 42°02'12" West 61.03 feet;  
thence North 75°51'40" West 29.39 feet;  
thence North 58°33'10" West 43.66 feet;  
thence North 37°50'30" West 37.83 feet;  
thence North 12°27'57" West 55.38 feet;  
thence North 04°27'45" West 37.95 feet;  
thence North 08°54'32" East 39.69 feet;  
thence North 22°02'31" West 10.30 feet;  
thence South 83°00'02" West 65.92 feet;  
thence South 84°18'40" West 49.13 feet;  
thence South 51°24'40" West 55.31 feet;  
thence South 39°08'51" East 24.76 feet;  
thence South 50°51'09" West 70.75 feet;

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thence South 79°11'08" West 34.31 feet;  
thence South 28°27'26" West 66.04 feet;  
thence North 83°24'39" West 75.12 feet;  
thence North 55°04'56" West 37.19 feet;  
thence South 76°15'21" West 29.26 feet;  
thence South 84°32'05" West 41.75 feet;  
thence North 73°58'11" West 54.74 feet;  
thence South 82°07'59" West 29.49 feet;  
thence North 83°19'38" West 68.21 feet;  
thence North 74°06'24" West 14.14 feet;  
thence North 89°31'34" West 4.57 feet;  
thence North 76°54'21" West 34.87 feet;  
thence North 86°44'53" West 19.60 feet;  
thence South 74°55'20" West 41.63 feet;  
thence North 75°10'39" West 66.76 feet;  
thence North 59°19'10" West 44.57 feet;  
thence South 70°20'06" West 2.37 feet;  
thence South 54°47'26" East 38.78 feet;  
thence South 05°16'42" West 46.82 feet;  
thence South 47°21'49" West 55.82 feet;  
thence South 31°23'06" West 40.74 feet;  
thence South 65°22'32" West 57.68 feet;  
thence South 31°18'08" West 25.90 feet;  
thence South 25°23'43" West 79.26 feet;  
thence North 58°11'10" West 11.52 feet;  
thence South 08°32'41" West 15.67 feet;  
thence South 02°46'22" East 36.46 feet;

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thence South 24°54'25" West 26.05 feet;  
thence South 30°35'23" East 24.66 feet;  
thence South 14°11'41" West 29.47 feet;  
thence South 10°37'30" West 20.36 feet;  
thence South 55°11'10" East 26.16 feet;  
thence South 14°00'47" East 34.39 feet;  
thence South 10°18'48" East 38.23 feet;  
thence South 46°50'12" West 32.98 feet;  
thence South 49°17'52" West 34.23 feet;  
thence North 89°37'51" West 24.46 feet;  
thence North 73°18'25" West 77.25 feet;  
thence North 51°20'48" East 29.54 feet;  
thence North 12°17'14" West 17.10 feet;  
thence North 59°20'01" West 15.09 feet;  
thence North 22°09'15" West 38.92 feet;  
thence South 26°09'29" West 33.59 feet;  
thence South 48°31'16" West 27.31 feet;  
thence South 16°31'22" East 77.15 feet;  
thence South 51°53'11" West 25.03 feet;  
thence South 24°37'35" East 17.36 feet;  
thence South 06°16'12" West 42.55 feet;  
thence South 35°36'17" East 29.15 feet;  
thence South 02°10'15" West 40.65 feet;  
thence South 11°46'24" East 29.02 feet;  
thence South 14°58'35" West 32.64 feet;  
thence South 30°07'06" West 33.70 feet;  
thence South 83°53'35" West 6.41 feet;

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thence South 16°31'20" East 26.48 feet;  
thence South 07°45'01" East 31.67 feet;  
thence South 30°08'32" East 8.69 feet;  
thence South 15°23'48" West 16.30 feet;  
thence South 00°35'21" West 13.43 feet;  
thence South 07°07'02" East 47.52 feet;  
thence South 43°34'27" West 21.48 feet;  
thence South 04°21'42" East 41.60 feet;  
thence South 01°44'32" East 12.78 feet;  
thence South 81°37'01" East 15.62 feet;  
thence South 34°08'37" East 33.03 feet;  
thence South 00°05'05" East 21.74 feet;  
thence South 06°25'07" West 7.36 feet;  
thence South 08°34'32" East 5.15 feet;  
thence South 28°11'48" East 13.93 feet;  
thence South 47°06'14" East 5.84 feet;  
thence North 81°10'28" East 8.91 feet;  
thence South 75°10'12" East 35.83 feet;  
thence South 15°06'47" East 37.58 feet;  
thence South 27°11'56" West 23.09 feet;  
thence South 37°16'33" East 51.55 feet;  
thence South 80°34'20" West 51.26 feet;  
thence South 22°17'50" West 11.09 feet;  
thence South 13°19'17" West 39.49 feet;  
thence South 13°18'30" West 36.10 feet;  
thence South 03°05'17" West 12.76 feet;  
thence South 08°06'51" East 16.10 feet;

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thence South 29°58'53" East 20.68 feet;  
thence South 37°41'22" East 37.13 feet;  
thence South 14°57'55" West 28.99 feet;  
thence South 50°54'23" East 22.28 feet;  
thence South 20°24'14" East 31.46 feet;  
thence South 10°15'08" East 37.74 feet;  
thence South 14°23'01" West 22.43 feet;  
thence South 09°45'03" West 25.42 feet;  
thence South 51°05'44" West 26.79 feet;  
thence South 80°14'29" West 34.27 feet;  
thence South 63°56'55" West 4.16 feet;  
thence South 04°07'38" West 12.46 feet;  
thence South 19°28'32" West 9.51 feet;  
thence South 12°19'39" East 13.96 feet;  
thence South 03°56'51" West 28.13 feet;  
thence South 00°41'59" West 30.42 feet;  
thence South 40°26'50" West 51.16 feet;  
thence South 12°29'20" West 5.66 feet;  
thence South 06°37'23" East 16.77 feet;  
thence South 64°07'28" East 2.04 feet;  
thence South 33°53'07" West 2.65 feet;  
thence South 06°37'23" East 47.53 feet;  
thence South 53°58'26" West 1.69 feet;  
thence South 09°49'29" East 59.49 feet;  
thence South 52°27'08" West 1.54 feet;  
thence South 74°03'50" East 21.16 feet;  
thence South 10°07'45" West 62.94 feet;

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thence South 71°01'34" West 12.68 feet;  
thence South 13°21'41" East 17.46 feet;  
thence South 01°36'35" West 8.10 feet;  
thence South 44°02'44" East 12.91 feet;  
thence South 63°19'55" East 24.47 feet;  
thence South 05°44'46" East 27.53 feet;  
thence South 77°06'30" East 6.89 feet;  
thence South 10°15'13" West 17.81 feet;  
thence South 14°38'58" East 19.08 feet;  
thence South 19°12'22" West 28.72 feet;  
thence South 50°02'33" West 5.57 feet;  
thence South 10°15'13" West 46.53 feet;  
thence South 16°37'29" East 6.62 feet;  
thence South 10°15'47" East 39.75 feet;  
thence South 31°14'54" East 22.85 feet;  
thence South 02°29'59" East 105.80 feet;  
thence South 11°33'37" East 83.96 feet;  
thence South 40°29'24" East 63.19 feet;  
thence South 46°19'30" West 90.47 feet;  
thence South 07°41'43" East 102.43 feet;  
thence South 20°01'43" East 46.70 feet;  
thence South 30°37'37" East 35.29 feet;  
thence South 02°42'48" East 60.46 feet;  
thence South 27°53'42" East 49.74 feet;  
thence South 03°10'03" East 51.72 feet;  
thence South 15°24'27" East 37.03 feet;  
thence South 18°16'10" East 30.56 feet;

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thence South 32°50'04" East 55.18 feet;  
thence South 11°55'15" East 48.20 feet;  
thence South 04°55'05" East 36.38 feet;  
thence South 13°35'09" East 63.14 feet;  
thence South 08°39'39" East 57.55 feet;  
thence South 14°10'27" East 76.28 feet;  
thence South 02°07'23" East 99.34 feet;  
thence South 04°28'55" East 51.59 feet;  
thence South 05°40'58" East 68.61 feet;  
thence South 07°27'22" West 45.43 feet;  
thence South 12°47'46" East 103.88 feet;  
thence South 51°14'24" West 73.27 feet;  
thence South 15°30'15" West 63.83 feet;  
thence South 29°34'42" East 35.84 feet;  
thence South 32°12'02" West 49.42 feet;  
thence South 00°53'02" East 3.65 feet;  
thence South 89°07'03" West 280.96 feet;  
thence North 39°36'41" West 104.86 feet;  
thence North 09°02'32" East 82.09 feet;  
thence North 89°00'08" East 230.89 feet;  
thence North 13°37'57" East 51.28 feet;  
thence North 04°32'08" West 50.49 feet;  
thence North 05°12'32" West 50.57 feet;  
thence North 29°06'14" West 59.31 feet;  
thence North 03°26'02" East 50.00 feet;  
thence North 10°16'42" West 51.47 feet;  
thence North 11°13'24" East 48.70 feet;

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thence North 41°15'02" West 70.32 feet;  
thence North 21°13'24" West 55.02 feet;  
thence North 25°50'13" West 21.68 feet;  
thence North 09°20'00" East 55.12 feet;  
thence North 25°52'22" West 50.82 feet;  
thence North 24°52'17" West 50.67 feet;  
thence North 04°21'29" West 50.97 feet;  
thence North 11°27'49" East 56.13 feet;  
thence North 10°24'54" West 50.20 feet;  
thence North 28°04'28" West 51.22 feet;  
thence North 18°52'38" West 50.08 feet;  
thence North 13°36'38" West 50.03 feet;  
thence North 02°48'29" West 72.72 feet;  
thence North 02°48'29" West 66.76 feet;  
thence North 02°48'29" West 108.19 feet;  
thence North 46°11'03" West 61.03 feet;  
thence North 17°54'30" West 56.94 feet;  
thence North 20°31'47" West 72.71 feet;  
thence North 15°30'26" East 84.12 feet;  
thence North 02°32'45" East 50.98 feet;  
thence North 12°16'28" West 49.94 feet;  
thence North 35°06'58" West 59.36 feet;  
thence North 19°11'46" West 52.20 feet;  
thence North 14°29'27" West 88.09 feet;  
thence North 04°01'02" West 63.86 feet;  
thence North 10°27'59" West 50.49 feet;  
thence North 28°08'16" West 55.46 feet;

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thence North 31°44'44" West 57.31 feet;  
thence North 52°41'29" West 78.10 feet;  
thence North 18°08'21" West 51.92 feet;  
thence North 26°14'47" West 54.63 feet;  
thence North 02°29'49" West 50.00 feet;  
thence North 36°09'47" East 64.03 feet;  
thence North 13°48'24" West 50.99 feet;  
thence North 68°35'55" East 154.32 feet;  
thence North 20°14'29" West 105.00 feet;  
thence North 04°39'14" West 104.21 feet;  
thence North 89°14'26" East 199.41 feet;  
thence North 01°15'33" West 775.71 feet;  
thence North 45°44'29" East 523.57 feet;  
thence South 81°48'03" East 600.65 feet;  
thence North 01°16'23" West 162.43 feet;  
thence North 88°43'54" East 349.32 feet;  
thence North 01°54'35" West 92.76 feet;  
thence North 89°06'29" East 364.50 feet;  
thence South 17°17'04" East 44.56 feet;  
thence South 12°53'12" East 275.03 feet;  
thence South 10°01'41" East 113.67 feet;  
thence South 08°08'35" East 91.06 feet;  
thence South 17°08'47" East 137.48 feet;  
thence South 17°18'43" East 88.19 feet;  
thence South 18°09'28" East 215.81 feet;  
thence South 52°49'03" East 117.72 feet;  
thence South 36°00'58" East 30.20 feet;

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thence South 15°19'13" East 189.16 feet;  
thence South 13°46'49" East 68.98 feet;  
thence South 03°50'59" East 149.01 feet;  
thence South 06°56'04" East 151.69 feet;  
thence South 25°09'05" East 139.30 feet;  
thence South 00°26'00" East 99.47 feet;  
thence South 04°02'24" East 83.95 feet;  
thence South 10°33'02" East 53.63 feet;  
thence South 16°45'11" West 81.09 feet;  
thence South 13°24'20" West 99.81 feet;  
thence South 00°12'02" West 111.16 feet;  
thence South 00°52'33" East 19.20 feet;  
thence South 02°40'03" East 62.35 feet;  
thence South 04°22'37" West 36.69 feet;  
thence South 08°48'24" East 66.07 feet;  
thence South 01°31'20" East 56.66 feet;  
thence South 27°45'47" East 36.77 feet;  
thence South 01°53'49" East 40.39 feet;  
thence South 09°48'23" East 43.89 feet;  
thence South 25°36'11" West 126.65 feet;  
thence South 00°21'49" West 70.76 feet;  
thence South 03°40'54" East 99.02 feet;  
thence South 36°58'20" East 65.66 feet;  
thence South 35°27'44" East 80.56 feet;  
thence South 06°21'08" East 64.02 feet;  
thence South 05°15'21" West 183.55 feet;  
thence South 14°17'46" West 86.23 feet;

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thence South 15°45'25" West 96.56 feet;  
thence South 26°25'19" East 48.98 feet;  
thence South 02°20'03" East 40.55 feet;  
thence South 02°26'12" West 65.00 feet;  
thence South 08°45'28" West 139.88 feet;  
thence South 05°55'58" West 214.01 feet;  
thence South 10°55'48" West 131.88 feet;  
thence South 01°38'29" East 165.82 feet;  
thence South 17°59'48" West 108.91 feet;  
thence South 17°59'48" West 45.69 feet;  
thence South 01°55'49" East 270.39 feet;  
thence South 12°47'40" East 44.37 feet;  
thence South 12°47'40" East 196.25 feet;

thence Southerly 145.00 feet along the arc of a non-tangential circular curve concave Westerly having a radius of 57626.98 feet through a central angle of 00°08'39" and being subtended by a chord which bears South 12°49'15" East 145.00 feet;

thence Southerly 25.89 feet along the arc of a non-tangential circular curve concave Easterly having a radius of 133.52 feet through a central angle of 11°06'42" and being subtended by a chord which bears South 19°13'34" East 25.85 feet;

thence along a non-tangential line South 34°59'52" West 70.52 feet;

thence South 01°17'23" West 139.73 feet to the Point of Beginning of the easement herein described;

Subject to easements and restrictions of record.

Bearings are based on the South line of said Section 5, North 89°13'05" West.

#### **Easement 2:**

All that part of Section 5, Township 47 South, Range 25 East, Lee County, Florida, being more particularly described as follows:

Commencing on the Southeast corner of said Section 5;

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thence along the East line of said Section 5, North 00°34'24" West 1266.99 feet; thence leaving said section line, South 89°25'36" West 1278.86 feet to the Point of Beginning of the easement herein described;

thence South 74°22'32" West 54.40 feet;

thence North 57°01'27" West 87.75 feet;

thence North 20°26'02" East 79.85 feet;

thence North 84°00'40" West 24.34 feet;

thence South 42°05'58" West 22.30 feet;

thence North 55°46'23" West 112.23 feet;

thence North 23°20'58" West 89.96 feet;

thence North 36°48'09" West 73.27 feet;

thence North 18°33'17" West 74.07 feet;

thence North 04°30'56" West 43.00 feet;

thence North 38°03'50" East 49.17 feet;

thence North 45°15'18" East 31.60 feet;

thence North 02°50'12" East 48.65 feet;

thence North 80°42'08" East 59.96 feet;

thence South 31°27'01" East 73.19 feet;

thence South 07°02'24" East 49.29 feet;

thence South 59°01'15" East 95.30 feet;

thence North 69°30'43" East 74.26 feet;

thence South 15°28'46" East 153.74 feet;

thence South 10°14'59" East 57.84 feet;

thence South 08°01'29" West 193.82 feet to the Point of Beginning of the easement herein described.

Subject to easements and restrictions of record.

Bearings are based on the East line of said Section 5, North 00°34'24" West.

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LESS AND EXCEPT GOLF COURSE LANDS AS DESCRIBED BELOW [LEGAL DESCRIPTION TO COME]:

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**APPENDIX F**  
**APPRAISAL OF REAL PROPERTY**

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**Integra Realty Resources**  
**Southwest Florida**

**Appraisal of Real Property**

**Saltleaf CDD**

Mixed Use

5000 Coconut Road

Bonita Springs, Lee County, Florida 34134

**Prepared For:**

Saltleaf CDD

**Date of the Report:**

February 16, 2024

**Report Format:**

Appraisal Report

**IRR - Southwest Florida**

File Number: 152-2023-0413



## Subject Photographs



**Saltleaf CDD**  
5000 Coconut Road  
Bonita Springs, Florida



Integra Realty Resources  
Miami/Caribbean  
Orlando  
Southwest Florida  
  
www.irr.com

In Miami/Caribbean  
Dadeland Centre  
9155 South Dadeland Blvd.  
Suite 1208  
Miami, FL 33156  
(305) 670-0001

In Orlando  
The Magnolia Building  
326 N. Magnolia Ave.  
  
Orlando, FL 32801  
(407) 843-3377

In Naples/Sarasota  
Horseshoe Professional Park  
2770 Horseshoe Drive S.  
Suite 3  
Naples, FL 34104  
(239)-643-6888



February 16, 2024

Saltleaf CDD  
c/o Mr. Chuck Adams  
District Manager  
Wrathel, Hunt & Associates, LLC  
2300 Glades Road Suite 410W  
Boca Raton, FL 33431

SUBJECT:       Market Value Appraisal  
                  Saltleaf CDD  
                  5000 Coconut Road  
                  Bonita Springs, Lee County, Florida 34134  
                  IRR - Southwest Florida File No. 152-2023-0413

Dear Mr. Adams:

Integra Realty Resources – Southwest Florida is pleased to submit the accompanying appraisal of the referenced property.

The “Subject” is comprised of multiple parcels within the Saltleaf CDD. These parcels are summarized in the following paragraphs.

The subject includes a proposed 112-unit high rise residential condominium in a 22-story tower. The Ritz Carlton branded development will include amenities such as private garages and storage units, multiple pools, wine lockers, fitness center, beauty salon, etc. The condominium will be in excellent condition upon completion. Construction is currently underway with an estimated completion in late May 2026. We have assumed a completion date of 6/1/2026. The property is located along north side of Coconut Road approximately 530 feet west of Weeks Street. The condominium area totals 12.62 acres with 6.31 acres attributable to Phase I (South Tower) and 6.31 acres attributable to Phase II (North Tower). Phase II (North Tower) will also have 112-units.

To date, 75 units (67.0%) are presold. The developer has projected total residential sales of \$505,002,600 or an average of \$4,508,952 per unit. Additional gross sales potential includes the sale of pool side cabanas, tower suites (10 additional residential units with similar utility as hotel units), storage units, whiskey/wine storage and the sale of additional parking spaces.

The subject also includes additional residential components. The total Saltleaf development is zoned for 1,044 units comprising of 704 high rise units (inclusive of Phase I (South Tower) and Phase II (North Tower), 264 mid-rise units and 76 villa units. The developer is in the process of rezoning the properties to increase the number of developable units to 1,532. The current and proposed unit mix is summarized below.

<b>Unit Summary</b>		
	<b><i>As Is</i></b>	<b><i>As Rezoned</i></b>
High Rise	704	1,184
Mid Rise	264	235
Villa	76	113
Total	1,044	1,532
Ritz Carlton Phase 1 Units	112	112
Remaining High Rise Units	592	1,072
Total Mid/Villa Units	340	348

For the remaining high-rise units, we have deducted the 112-units dedicated to Phase I of the Ritz Carlton condominium component as this component is being valued separately. The Total Mid/Villa unit account was used in the valuation.

The subject also includes a proposed marina and restaurant. The marina will have 72-wet slips, a public boat ramp, and parking. Of the 72-slips, 60-will be available for rent. The marina and restaurant will share a two-story building totaling 11,240 gross square feet. The ground floor will have a ship store, conference room, marina/restaurant offices, storage, and bathroom servicing the marina. The second-floor restaurant will total 6,749 square feet. This is inclusive of a 1,587 square foot outdoor dining terrace. The restaurant will have 170-seats (indoor and outdoor). In addition, there are seven ground floor cabanas. The cabanas are available to be purchased by owners of units within the neighboring Ritz-Carlton residential condominium. As of the inspection date, the seawalls were being placed in the marina basin and was partially complete. The public boat ramp was under construction. The anticipated completion date of the marina is expected in 5/25/2025. Construction of the restaurant is anticipated in May 2024 with completion on 12/19/2025.

The purpose of the appraisal is to develop the following opinions of value:



- The market value as is - tower 1 of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The prospective market value as completed - tower 1 of the fee simple interest in the subject property as of the effective date of the appraisal, June 1, 2026
- The prospective aggregate retail value at completion - tower 1 of the fee simple interest in the subject property as of the effective date of the appraisal, June 1, 2026
- The aggregate retail value as is - high rise pads 2 through 6 of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The prospective aggregate retail value as rezoned - high rise pads 2-10 of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The market value as is - midrise/villa land - 340 units of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The prospective market value as rezoned - midrise/villa land - 348 units of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The market value as is - marina/restaurant of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The prospective market value as completed/stabilized - marina/restaurant of the fee simple interest in the subject property as of the effective date of the appraisal, December 19, 2025

The client for the assignment is Saltleaf CDD. The intended user of this report is the client. The intended use of the report is for The intended use of the appraisal is to assist the client with a potential bond offering for the CDD. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.



Saltleaf CDD  
c/o Mr. Chuck Adams  
Wrathel, Hunt & Associates, LLC  
February 16, 2024  
Page 4

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is - Tower 1	Fee Simple	January 27, 2024	\$39,200,000
Prospective Market Value As Completed - Tower 1	Fee Simple	June 1, 2026	\$471,000,000
Prospective Aggregate Retail Value at Completion - Tower 1	Fee Simple	June 1, 2026	\$524,100,000
Aggregate Retail Value As Is - High Rise Pads 2 through 6	Fee Simple	January 27, 2024	\$246,400,000
Prospective Aggregate Retail Value As Rezoned - High Rise Pads 2-10	Fee Simple	January 27, 2024	\$414,400,000
Market Value As Is - Midrise/Villa Land - 340 units	Fee Simple	January 27, 2024	\$51,000,000
Prospective Market Value As Rezoned - Midrise/Villa Land - 348 units	Fee Simple	January 27, 2024	\$52,200,000
Market Value As Is - Marina/Restaurant	Fee Simple	January 27, 2024	\$3,230,000
Prospective Market Value As Completed/Stabilized - Marina/Restaurant	Fee Simple	December 19, 2025	\$23,700,000

The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.

#### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The prospective market value upon completion assumes the completion of the proposed improvements in a timely and workmanlike manner.
2. The developer has estimated high rise tower I construction will be completed in late May 2026. We have assumed a completion date of 6/1/2026.
3. This appraisal assumes construction of the restaurant and marina will be completed by 12/19/2025.
4. This appraisal assumes the subject can be successfully rezoned for 1,532 units.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

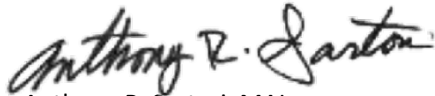
If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.



Saltleaf CDD  
c/o Mr. Chuck Adams  
Wrathel, Hunt & Associates, LLC  
February 16, 2024  
Page 5

Respectfully submitted,

**Integra Realty Resources - Southwest Florida**



Anthony R. Sartori, MAI  
Florida State Certified General RE Appraiser  
#RZ3511  
Telephone: 239.643.6888, ext. 433  
Email: asartori@irr.com



Carlton Lloyd, MAI  
Florida State Certified General RE Appraiser  
#RZ2618  
Telephone: 239.687.5801  
Email: clloyd@irr.com



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# Quality Assurance

## IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

## Designated IRR Certified Reviewer

An internal quality assurance assessment was conducted by an IRR Certified Reviewer prior to delivery of this appraisal report. This assessment should not be construed as an appraisal review as defined by USPAP.

## Executive Summary

Property Name	Saltleaf CDD
Address	5000 Coconut Road Bonita Springs, Lee County, Florida 34134
Property Type	Residential
Owner of Record	LB Estero Bay Investments
Tax ID	07-47-25-B2-010C1.0000, 07-47-25-B2-010C2.0000, 07-47-25-B2-0100P.00CE, 08-47-25-00-00001.0030 and 07-47-25-B2-00000.0010
Legal Description	See Addenda
Land Area (Gross)	591.89 acres; 25,782,859 SF
Land Area (Usable)	482.13 acres; 21,001,713 SF
Number of Units	112 Tower 1
Gross Building Area	534,409 SF
Rentable Floor Area	384,191 SF
Year Built	Proposed 2025-2026
Zoning Designation	Bayview on Estero Bay CPD/RPD
Highest and Best Use - As if Vacant	Mixed use residential
Highest and Best Use - As Improved	Continued mixed use residential
Exposure Time; Marketing Period	9-12 months; 9-12 months
Date of the Report	February 16, 2024

### Value Conclusions

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is - Tower 1	Fee Simple	January 27, 2024	\$39,200,000
Prospective Market Value As Completed - Tower 1	Fee Simple	June 1, 2026	\$471,000,000
Prospective Aggregate Retail Value at Completion - Tower 1	Fee Simple	June 1, 2026	\$538,300,000
Aggregate Retail Value As Is - High Rise Pads 2 through 6	Fee Simple	January 27, 2024	\$246,400,000
Prospective Aggregate Retail Value As Rezoned - High Rise Pads 2-10	Fee Simple	January 27, 2024	\$414,400,000
Market Value As Is - Midrise/Villa Land - 340 units	Fee Simple	January 27, 2024	\$51,000,000
Prospective Market Value As Rezoned - Midrise/Villa Land - 348 units	Fee Simple	January 27, 2024	\$52,200,000
Market Value As Is - Marina/Restaurant	Fee Simple	January 27, 2024	\$3,230,000
Prospective Market Value As Completed/Stabilized - Marina/Restaurant	Fee Simple	December 19, 2025	\$23,700,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Saltleaf CDD may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.



---

**Extraordinary Assumptions and Hypothetical Conditions**

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The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The prospective market value upon completion assumes the completion of the proposed improvements in a timely and workmanlike manner.
2. The developer has estimated high rise tower I construction will be completed in late May 2026. We have assumed a completion date of 6/1/2026.
3. This appraisal assumes construction of the restaurant and marina will be completed by 12/19/2025.
4. This appraisal assumes the subject can be successfully rezoned for 1,532 units.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

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## Identification of the Appraisal Problem

### Subject Description

The "Subject" is comprised of multiple parcels within the Saltleaf CDD. These parcels are summarized in the following paragraphs.

The subject includes a proposed 112-unit high rise residential condominium in a 22-story tower. The Ritz Carlton branded development will include amenities such as private garages and storage units, multiple pools, wine lockers, fitness center, beauty salon, etc. The condominium will be in excellent condition upon completion. Construction is currently underway with an estimated completion in late May 2026. We have assumed a completion date of 6/1/2026. The property is located along north side of Coconut Road approximately 530 feet west of Weeks Street. The condominium area totals 12.62 acres with 6.31 acres attributable to Phase I (South Tower) and 6.31 acres attributable to Phase II (North Tower). Phase II (North Tower) will also have 112-units.

To date, 75 units (67.0%) are presold. The developer has projected total residential sales of \$505,002,600 or an average of \$4,508,952 per unit. Additional gross sales potential includes the sale of pool side cabanas, tower suites (10 additional residential units with similar utility as hotel units), storage units, whiskey/wine storage and the sale of additional parking spaces.

The subject also includes additional residential components. The total Saltleaf development is zoned for 1,044 units comprising of 704 high rise units (inclusive of Phase I (South Tower) and Phase II (North Tower), 264 mid-rise units and 76 villa units. The developer is in the process of rezoning the properties to increase the number of developable units to 1,532. The current and proposed unit mix is summarized below.

<b>Unit Summary</b>		
	<i><b>As Is</b></i>	<i><b>As Rezoned</b></i>
High Rise	704	1,184
Mid Rise	264	235
Villa	76	113
<b>Total</b>	<b>1,044</b>	<b>1,532</b>
Ritz Carlton Phase 1 Units	112	112
Remaining High Rise Units	592	1,072
<b>Total Mid/Villa Units</b>	<b>340</b>	<b>348</b>

For the remaining high-rise units, we have deducted the 112-units dedicated to Phase I of the Ritz Carlton condominium component as these components are being valued separately. The Total Mid/Villa unit account was used in the valuation.

The subject also includes a proposed marina and restaurant. The marina will have 72-wet slips, a public boat ramp, and parking. Of the 72-slips, 60-will be available for rent. The marina and restaurant will share a two-story building totaling 11,240 gross square feet. The ground floor will have a ship store, conference room, marina/restaurant offices, storage, and bathroom servicing the marina. The second-floor restaurant will total 6,749 square feet. This is inclusive of a 1,587 square foot outdoor dining terrace. The restaurant will have 170-seats (indoor and outdoor). In addition, there are seven ground floor cabanas. The cabanas are available to be purchased by owners of units within the neighboring Ritz-Carlton residential condominium. As of the inspection date, the seawalls were being placed in the marina basin and was partially complete. The public boat ramp was under construction. The anticipated completion date of the marina is expected in 5/25/2025. Construction of the restaurant is anticipated in May 2024 with completion on 12/19/2025.

A legal description of the property is provided in the addenda.

#### Property Identification

Property Name	Saltleaf CDD
Address	5000 Coconut Road Bonita Springs, Florida 34134
Tax ID	07-47-25-B2-010C1.0000, 07-47-25-B2-010C2.0000, 07-47-25-B2-0100P.00CE, 08-47-25-00-00001.0030 and 07-47-25-B2-00000.0010
Owner of Record	LB Estero Bay Investments

#### Sale History

The subject properties are currently owned by entities controlled by London Bay. No known arm's length sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date. Ownership is summarized below.

#### Ownership Summary

Tax ID	Component	Sale Date	Seller	Buyer
07-47-25-B2-010C1.0000	Ritz Carlton North/South Tower	Apr-18	Sugar Mountain Development, LLC	LB ESTERO BAY INVESTMENTS LLC
07-47-25-B2-010C2.0000	Marina/Restaurant	Oct-23	LB ESTERO BAY INVESTMENTS LLC	SALTLEAF MARINA INVESTMENTS LLC
07-47-25-B2-0100P.00CE	Marina/Restaurant			
08-47-25-00-00001.0030	Residential Land	Dec-20	WCI Communities	LB RAPTOR INVESTMENTS LLC
07-47-25-B2-00000.0010	Residential Land			

The Ritz parcel, marina/restaurant parcels and portions of the residential parcel were originally acquired in April 2018. The sale price was \$12,750,000 for the total 30 +/- acres, inclusive of the subject property parcel and surrounding land. The subject was listed for \$21,500,000, however, the seller was unable to obtain development approvals and was experiencing significant negative press for development of the site. The buyer (current owner) then purchased the property and has since obtained approvals for the subject site and surrounding parcels. The remainder of the residential land

was acquired from WCI in December 2020. This transaction included the neighboring Raptor Bay golf course.

### **Pending Transactions**

Based on discussions with the appropriate contacts, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date. We note there are numerous pending contracts associated with condominium units. This is summarized later in the report.

### **Appraisal Purpose**

The purpose of the appraisal is to develop the following opinion(s) of value:

- The market value as is - tower 1 of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The prospective market value as completed - tower 1 of the fee simple interest in the subject property as of the effective date of the appraisal, June 1, 2026
- The prospective aggregate retail value at completion - tower 1 of the fee simple interest in the subject property as of the effective date of the appraisal, June 1, 2026
- The aggregate retail value as is - high rise pads 2 through 6 of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The prospective aggregate retail value as rezoned - high rise pads 2-10 of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The market value as is - midrise/villa land - 340 units of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The prospective market value as rezoned - midrise/villa land - 348 units of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The market value as is - marina/restaurant of the fee simple interest in the subject property as of the effective date of the appraisal, January 27, 2024
- The prospective market value as completed/stabilized - marina/restaurant of the fee simple interest in the subject property as of the effective date of the appraisal, December 19, 2025

The date of the report is February 16, 2024. The appraisal is valid only as of the stated effective date or dates.

## Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

### Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

## Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

### As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.<sup>2</sup>

### Prospective Market Value As Completed

The market value of a property as of a future date when all construction is expected to be completed. It is based on market conditions forecasted to exist as of the completion date. This value premise assumes the project is complete and ready to lease to individual tenants.<sup>3</sup>

### Bulk Value

The value of multiple units, subdivided lots or properties in a portfolio as though sold to a single buyer in one transaction.<sup>4</sup>

### Aggregate of Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail

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<sup>1</sup> Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

<sup>2</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

<sup>3</sup> Compiled and summarized from several industry sources

<sup>4</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.<sup>5</sup>

## Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

### Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>6</sup>

## Client and Intended User(s)

The client and intended user is Saltleaf CDD. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

## Intended Use

The intended use of the appraisal is to assist the client with a potential bond offering for the CDD. The appraisal is not intended for any other use.

## Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

## Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

## Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have previously appraised the property that is the subject of this report for the current client. We have provided no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

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<sup>5</sup>Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

<sup>6</sup>Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

**Appraiser Competency**

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

## Scope of Work

### Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

### Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

### Subject Property Data Sources

The legal and physical features of the subject property, including size of the site and improvements, flood plain data, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

### Contacts

In addition to public records and other sources cited in this appraisal, information pertaining to the subject was obtained from the client.

### Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection		
Party	Inspection Type	Inspection Date
Anthony R. Sartori, MAI	On-site	January 27, 2024
Carlton Lloyd, MAI	None	N/A



## Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Applicable	Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

In valuing the condominium property, we have provided the Cost Approach and the Direct Sales Comparison Approach in conjunction with a Discounted Sellout Analysis to estimate the market value of the subject residential condominium units as complete. The Sales Comparison Approach is utilized to estimate the Gross Sellout of the subject condominium units based on sales of comparable condominium units in the subject sub-market. In order to convert a Total (Gross) Sellout to Bulk Market Value, a discounting process was utilized in order to account for sales expenses and holding costs during the absorption or sellout period of the units.

The cost and income approaches were used to value the marina/restaurant.

## Economic Analysis

### Lee County Area Analysis

Lee County is located in southwestern Florida approximately 175 miles south of Tampa. It is 785 square miles in size and has a population density of 1,030 persons per square mile.

#### Population

Lee County has an estimated 2023 population of 807,663, which represents an average annual 2.0% increase over the 2020 census of 760,822. Lee County added an average of 15,614 residents per year over the 2020-2023 period, and its annual growth rate exceeded the State of Florida rate of 0.9%.

Looking forward, Lee County's population is projected to increase at a 1.7% annual rate from 2023-2028, equivalent to the addition of an average of 14,431 residents per year. Lee County's growth rate is expected to exceed that of Florida, which is projected to be 1.0%.

#### Population Trends

	Population			Compound Ann. % Chng	
	2020 Census	2023 Estimate	2028 Projection	2020 - 2023	2023 - 2028
Florida	21,538,187	22,144,382	23,250,669	0.9%	1.0%
Lee County	760,822	807,663	879,816	2.0%	1.7%

Source: Claritas

#### Employment

Total employment in Lee County was estimated at 291,172 jobs at year-end 2022. Between year-end 2012 and 2022, employment rose by 79,730 jobs, equivalent to a 37.7% increase over the entire period. There were gains in employment in nine out of the past ten years. Consistent with national trends, there were losses in 2020, with the onset of the COVID-19 pandemic, followed by a return to positive growth in 2021. Lee County's rate of employment growth over the last decade surpassed that of Florida, which experienced an increase in employment of 27.6% or 2,078,171 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, Lee County has had a 5.4% average unemployment rate, which is the same as the rate for Florida. The two areas are performing similarly according to this measure.

Recent data shows that the Lee County unemployment rate is 3.2% in comparison to a 2.8% rate for Florida, a negative sign that is consistent with the fact that Lee County has underperformed Florida in the rate of job growth over the past two years.

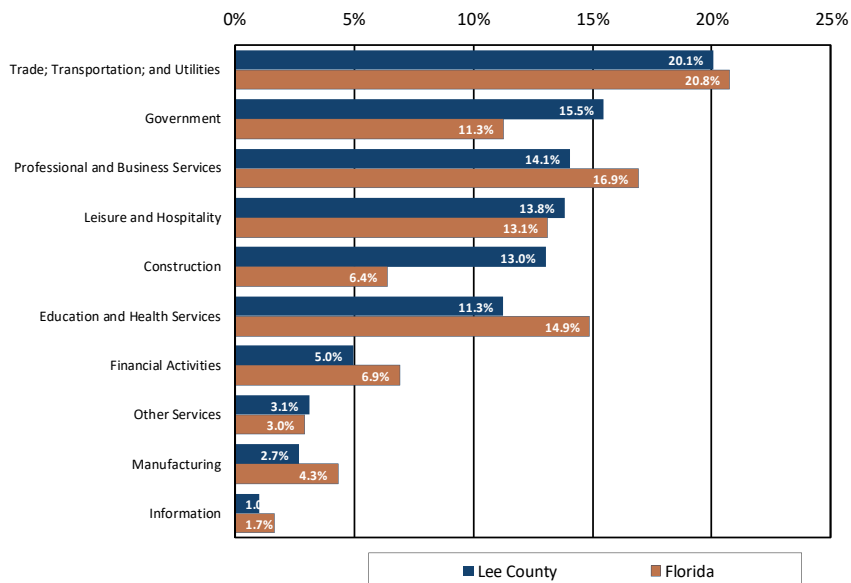
**Employment Trends**

Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Lee County	% Change	Florida	% Change	Lee County	Florida
2012	211,442		7,538,166		9.1%	8.6%
2013	223,635	5.8%	7,741,539	2.7%	7.6%	7.5%
2014	238,081	6.5%	8,012,496	3.5%	6.2%	6.5%
2015	253,428	6.4%	8,314,343	3.8%	5.2%	5.5%
2016	260,137	2.6%	8,542,086	2.7%	4.7%	4.9%
2017	266,067	2.3%	8,718,087	2.1%	4.2%	4.3%
2018	270,661	1.7%	8,907,904	2.2%	3.5%	3.6%
2019	277,909	2.7%	9,094,742	2.1%	3.3%	3.2%
2020	266,571	-4.1%	8,664,195	-4.7%	7.8%	8.2%
2021	287,508	7.9%	9,251,180	6.8%	4.2%	4.7%
2022	291,172	1.3%	9,616,337	3.9%	3.1%	2.9%
Overall Change 2012-2022	79,730	37.7%	2,078,171	27.6%		
Avg Unemp. Rate 2012-2022					5.4%	5.4%
Unemployment Rate - September 2023					3.2%	2.8%

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

**Employment Sectors**

The composition of the Lee County job market is depicted in the following chart, along with that of Florida. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Lee County jobs in each category.

**Employment Sectors - 2022**

Source: U.S. Bureau of Labor Statistics and Moody's Analytics

Lee County has greater concentrations than Florida in the following employment sectors:

1. Government, representing 15.5% of Lee County payroll employment compared to 11.3% for Florida as a whole. This sector includes employment in local, state, and federal government agencies.
2. Leisure and Hospitality, representing 13.8% of Lee County payroll employment compared to 13.1% for Florida as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
3. Construction, representing 13.0% of Lee County payroll employment compared to 6.4% for Florida as a whole. This sector includes construction of buildings, roads, and utility systems.
4. Other Services, representing 3.1% of Lee County payroll employment compared to 3.0% for Florida as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.

Lee County is underrepresented in the following sectors:

1. Trade; Transportation; and Utilities, representing 20.1% of Lee County payroll employment compared to 20.8% for Florida as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Professional and Business Services, representing 14.1% of Lee County payroll employment compared to 16.9% for Florida as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Education and Health Services, representing 11.3% of Lee County payroll employment compared to 14.9% for Florida as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
4. Financial Activities, representing 5.0% of Lee County payroll employment compared to 6.9% for Florida as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

## Major Employers

Major employers in Lee County are shown in the following table.

Major Employers - Lee County		
	Name	Number of Employees
1	Lee Memorial Health System	13,500
2	Lee County School District	13,500
3	Lee County Local Government	9,000
4	Florida Gulf Coast University	3,400
5	City of Cape Coral	2,253
6	Florida SouthWestern College	1,440
7	Gartner, Inc.	1,200
8	Hertz Global Holdings	1,110
9	Shell Point Retirement Community	1,100
10	Radiology Regional	900

Source: SWFL Relocation Guide

## Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been considerably higher in Lee County than Florida overall during the past decade. Lee County has grown at a 3.8% average annual rate while Florida has grown at a 2.9% rate. Lee County continues to perform better than Florida. GDP for Lee County rose by 8.9% in 2021 while Florida's GDP rose by 8.4%.

Lee County has a per capita GDP of \$40,854, which is 14% less than Florida's GDP of \$47,269. This means that Lee County industries and employers are adding relatively less value to the economy than their counterparts in Florida.

Gross Domestic Product				
Year	(\$,000s) Lee County	% Change	(\$,000s) Florida	% Change
2011	22,203,023		772,021,300	
2012	22,668,690	2.1%	778,545,000	0.8%
2013	23,150,505	2.1%	794,842,100	2.1%
2014	24,280,068	4.9%	817,233,500	2.8%
2015	25,739,463	6.0%	852,242,400	4.3%
2016	27,623,624	7.3%	881,539,200	3.4%
2017	28,253,372	2.3%	912,687,400	3.5%
2018	29,154,745	3.2%	941,626,700	3.2%
2019	29,515,140	1.2%	965,672,500	2.6%
2020	29,571,443	0.2%	950,164,400	-1.6%
2021	32,191,829	8.9%	1,029,575,600	8.4%
Compound % Chg (2011-2021)		3.8%		2.9%
GDP Per Capita 2021	\$40,854		\$47,269	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2022.  
The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted ""real"" GDP stated in 2012 dollars.

## Household Income

Lee County has a higher level of household income than Florida. Median household income for Lee County is \$68,417, which is 5.3% greater than the corresponding figure for Florida.

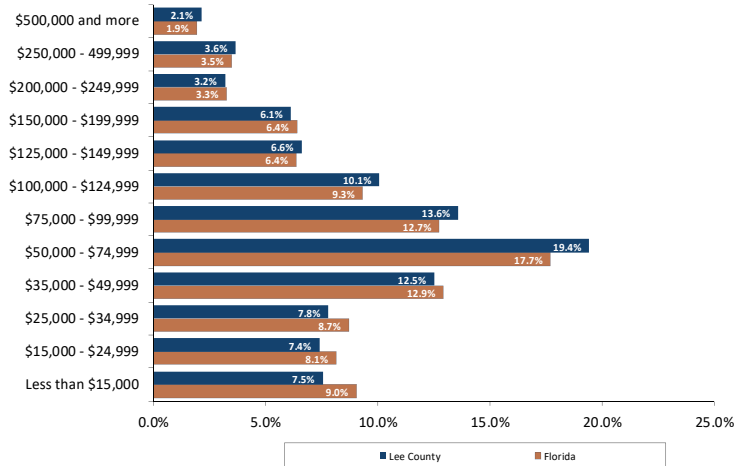
Median Household Income - 2023	
	Median
Lee County	\$68,417
Florida	\$64,983
Comparison of Lee County to Florida	+ 5.3%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. Lee County has a greater concentration of households in the higher income levels than Florida. Specifically, 45% of Lee County households are at the \$75,000 or greater levels in household income as compared to 43% of

Florida households. A lesser concentration of households is apparent in the lower income levels, as 23% of Lee County households are below the \$35,000 level in household income versus 26% of Florida households.

Household Income Distribution - 2023

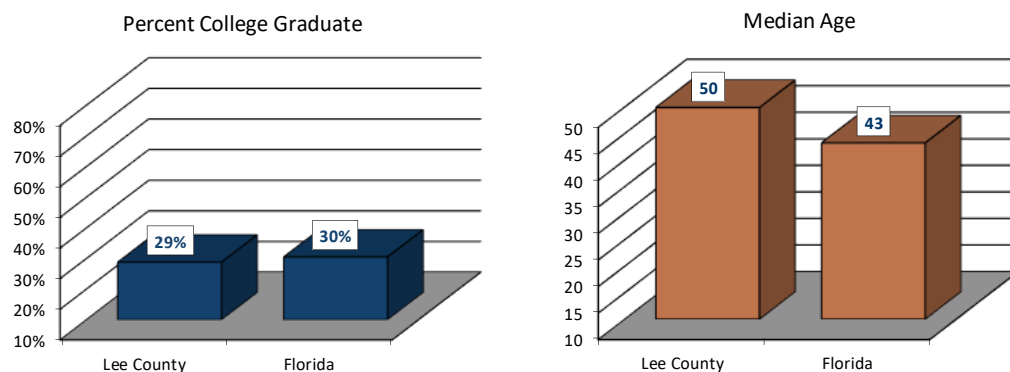


Source: Claritas

## Education and Age

Residents of Lee County have a slightly lower level of educational attainment than those of Florida. An estimated 29% of Lee County residents are college graduates with four-year degrees, versus 30% of Florida residents. People in Lee County are older than their Florida counterparts. The median age for Lee County is 50 years, while the median age for Florida is 43 years.

Education &amp; Age - 2023

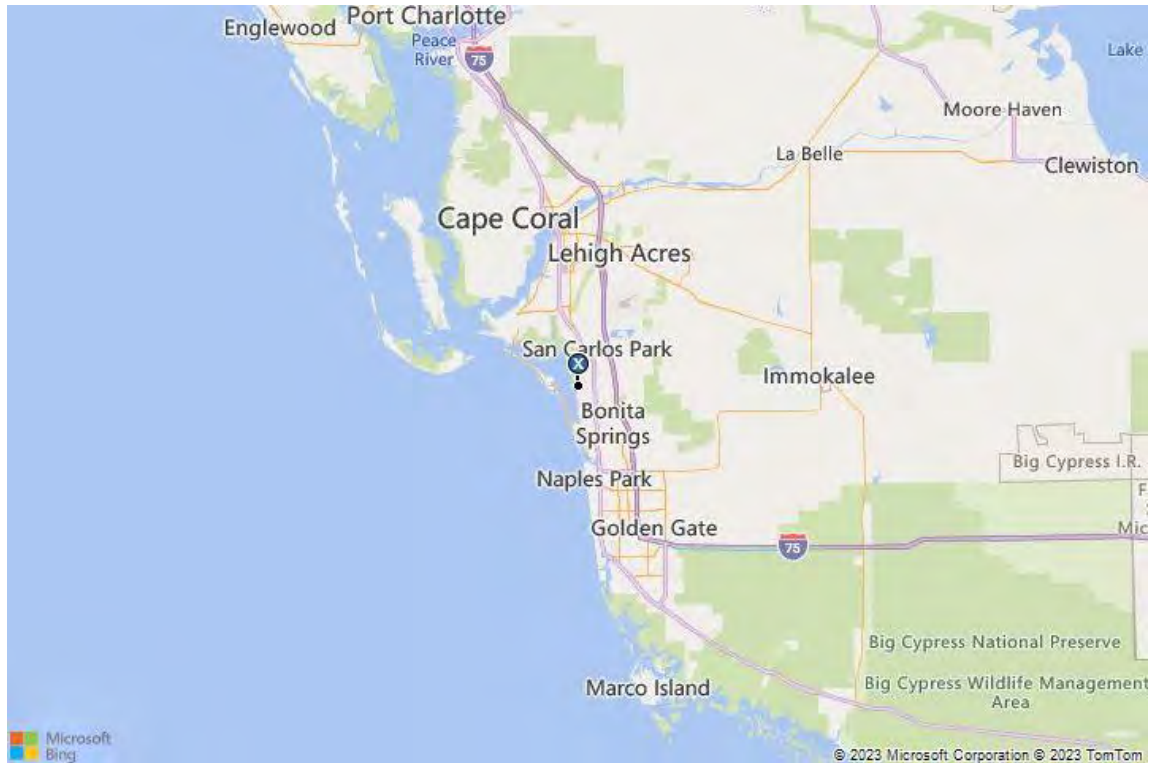


Source: Claritas

## Conclusion

The Lee County economy will benefit from a growing population base and a higher level of median household income. Lee County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. It is anticipated that the Lee County economy will improve and employment will grow, strengthening the demand for real estate.

## Area Map



## Surrounding Area Analysis

The subject is located along Coconut Point Resort Drive, just north of Coconut Road within Bonita Springs, Florida. Area boundaries and delineation are indicated in the following table. A map identifying the location of the property follows this section.

Boundaries & Delineation	
Boundaries	
Market Area	Lee County
Submarket	Bonita Springs
Area Type	Suburban
Delineation	
North	S Tamiami Trail
South	Collier/Lee County Line
East	S Tamiami Trail
West	Estero Boulevard

## Access and Linkages

Primary access and linkages to the subject area, including highways, roadways, public transit, traffic counts, and airports, are summarized in the following table.

Access & Linkages	
Vehicular Access	
Major Highways	Interstate 75
Primary Corridors	S Tamiami Trail
Vehicular Access Rating	Average
Public Transit	
Providers	Lee Tran
Transit Access Rating	Average
Airport(s)	
Name	RSW
Distance	15 miles
Driving Time	28 minutes
Primary Transportation Mode	Automobile

The subject benefits from average daily traffic counts. Furthermore, the downtown Bonita Springs Central Business District (CBD), the economic and cultural center of the region, is approximately 7-miles from the property.



## Demand Generators

The typical generators of demand affecting the subject property and its market are discussed and analyzed below.

### Nearby Retail Uses

The nearest shopping facilities serving the area are Shoppes at Pelican Landing and Prado at Spring Creek, both located just southeast of the subject. They offer basic convenience goods and personal services. The closest regional mall is Coconut Point Mall located about 3-miles from the property. Restaurants, principally along major arterials, such as Coconut Road and US 41 are within a 5-10-minute travel time of the property. The closest lodging facilities are located within a 4-minute drive of the subject and include Hyatt Regency Coconut Point Resort and Spa.

### Saltleaf on Estero Bay

Saltleaf on Estero Bay will be fully built-out over the next nine years into a world-class coastal community that consists of two Ritz-Carlton branded towers and villas residences, a continuing care retirement community, up to four additional residential towers, a marina, an upscale restaurant, and Saltleaf Golf Preserve. Currently under construction and delivering late 2023, Saltleaf Golf Preserve offers an 18-hole championship golf course designed by Raymond Floyd, a 9-hole family-friendly short course, and a newly renovated clubhouse.

## Population and Income

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2023 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Lee County	Florida
Population 2020	1,526	18,579	68,459	760,822	21,538,187
Population 2023	1,612	19,602	72,309	807,663	22,144,382
Population 2028	1,749	21,191	78,332	879,816	23,250,669
Compound % Change 2020-2023	1.8%	1.8%	1.8%	2.0%	0.9%
Compound % Change 2023-2028	1.6%	1.6%	1.6%	1.7%	1.0%
Households 2020	773	9,706	32,490	318,303	8,529,067
Households 2023	815	10,283	34,393	338,183	8,776,976
Households 2028	882	11,169	37,366	368,714	9,231,223
Compound % Change 2020-2023	1.8%	1.9%	1.9%	2.0%	1.0%
Compound % Change 2023-2028	1.6%	1.7%	1.7%	1.7%	1.0%
Median Household Income 2023	\$117,954	\$94,459	\$88,355	\$68,417	\$64,983
Average Household Size	2.0	1.9	2.1	2.4	2.5
College Graduate %	44%	45%	41%	29%	30%
Median Age	63	67	62	50	43
Owner Occupied %	89%	86%	83%	73%	66%
Renter Occupied %	11%	14%	17%	27%	34%
Median Owner Occupied Housing Value	\$696,850	\$501,453	\$449,131	\$328,177	\$319,277
Median Year Structure Built	2003	2000	1998	1995	1987
Average Travel Time to Work in Minutes	29	29	29	30	31

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 19,602, and the average household size is 1.9. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to Lee County overall, the population within a 3-mile radius is projected to grow at a slower rate.

Median household income is \$94,459, which is higher than the household income for Lee County. Residents within a 3-mile radius have a considerably higher level of educational attainment than those of Lee County, while median owner-occupied home values are considerably higher.

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

### Services and Amenities

The subject is served by the Lee County school district. The nearest public services, including police and fire departments, as well as public schools are summarized in the following table.

<b>Public Services</b>			
Service	Name/Station	Driving Distance (Miles)	Direction
Police Department	Lee County Sheriff	<10	SE
Fire Department	Estero Fire Rescue	>5	NE
Hospital	Bonita Health Center	<2	East
Elementary School	Spring Creek Elementary	<5	SE
Middle/Junior High School	Three Oaks Middle	<10	North
High School	Bonita Springs High	>5	SE

The closest college and universities are FGCU, Keiser University and Rasmussen College. They offer various continuing education programs. Proximity to parks, golf courses, and other recreational activities is average.

### Land Use

Predominant land uses in the immediate vicinity of the subject include a mix of vacant land, residential, retail and hospitality uses. Land use characteristics of the area are summarized below.

<b>Surrounding Area Land Uses</b>	
Character of Area	Suburban
Predominant Age of Improvements (Years)	New to 20+
Predominant Quality and Condition	Good
Approximate Percent Developed	85%
Infrastructure and Planning	Average
Predominant Location of Undeveloped Land	East
Prevailing Direction of Growth	East

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**Immediate Surroundings**

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North	Golf Course
South	Hotel/Resort
East	Golf Course
West	Waterways

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**Development Activity and Trends**

Properties currently under construction or proposed within a 3-mile radius of the subject are summarized below.

- Market Place at Coconut Point, a retail complex consisting of an 11,200 SF building, a 7,633 SF building and a 9,196 SF building are under construction along Via Rapallo Drive. This multi-tenant retail strip center is expected to be completed by March of 2025.
- Infinity at The Colony, a 96-unit apartment condominium property is under construction along Pelican Colony Boulevard. This single, 21-story, class B high-rise building will feature three and four-bedroom apartment homes. Delivery is scheduled for December of 2025.
- Coconut Trace, an 11,032 SF bank building is proposed along Lyden Drive.
- North Point Town Center, a 50,000 SF retail building is proposed along S Tamiami Trail.
- Via Coconut Urban Place, a 330-unit apartment building is proposed along Corkscrew Road. This single, class B building will begin construction by January of 2024.
- Coconut Crossings, a 631-unit apartment building is proposed along Lyden Drive. This single, 4-story, class A building will begin development by March of 2024.
- A 3,600 SF retail/office building is proposed along Murano Del Lago Drive.
- An 8,000 SF restaurant building is proposed along Sweetwater Ranch Boulevard.
- Hilton Garden Inn Estero, a 115-room hotel, is proposed along Sweetwater Ranch Boulevard.
- A 300-unit apartment complex is proposed along Via Coconut Place. This property will feature 5, 4-story, class B buildings. Construction is expected to begin by January of 2024.
- The Island at West Bay Club, an 86-unit condominium building is planned in the West Bay Club.

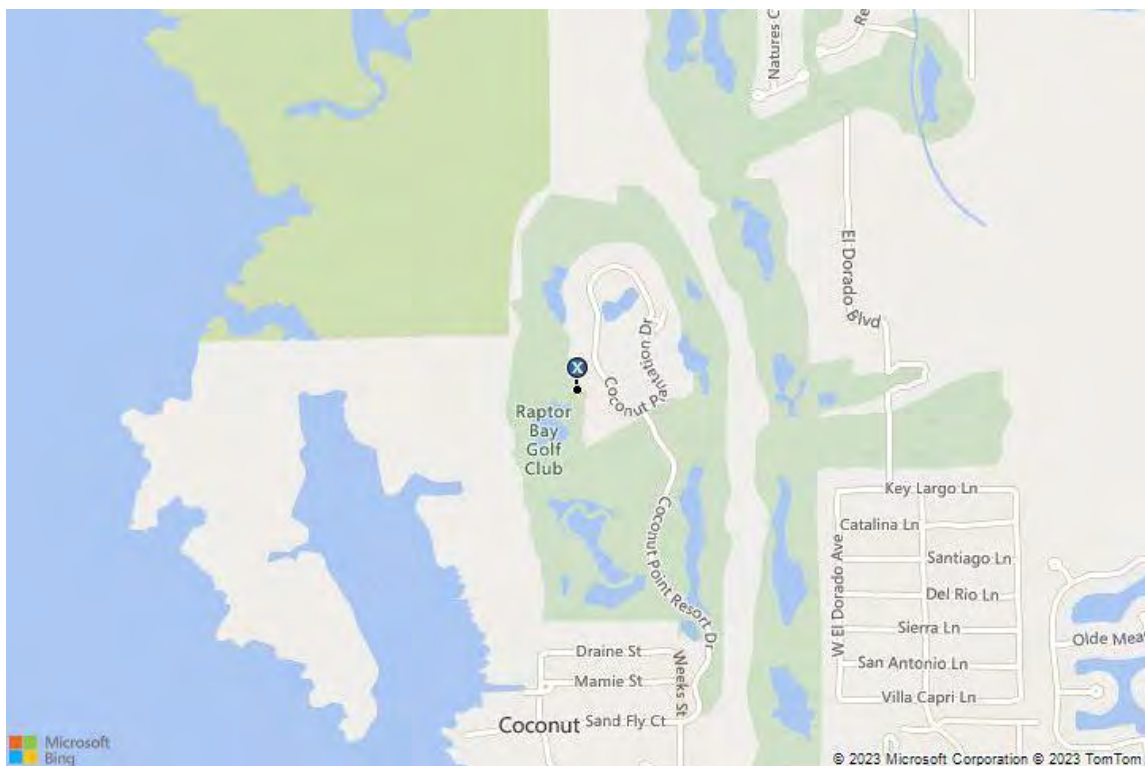
## Outlook and Conclusions

In comparison to other areas in the region, the area is rated as follows:

### Surrounding Area Ratings

Highway Access	Average
Demand Generators	Average
Convenience to Support Services	Average
Convenience to Medical Services	Average
Convenience to Public Transit	Average
Employment Stability	Average
Neighborhood Amenities	Average
Police and Fire Protection	Average
Barriers to Competitive Entry	Above Average
Price/Value Trends	Average
Property Compatibility	Average

## Surrounding Area Map



## Residential Market Analysis

An overview of local market conditions is a necessary aspect of the appraisal process. The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. In this section we consider the status of relevant market characteristics. The following information on the residential condominium in Lee County is based on MLS monthly Market Detail published for Q3 2023 (Most Recent available) presented by the Florida Realtors Association.

### Condominium/Townhome Market – Lee County

The following data is compiled from the Florida Realtors Association and provides an overview of Lee County's market trends for Townhouses and Condominiums.

#### Key Statistics

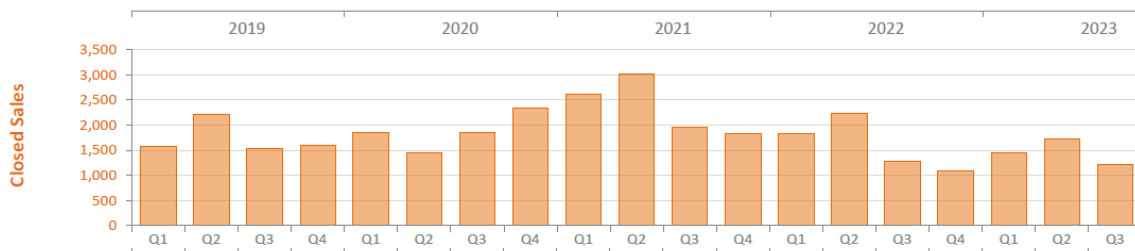
Summary Statistics	Q3 2023	Q3 2022	Percent Change Year-over-Year
Closed Sales	1,218	1,282	-5.0%
Paid in Cash	730	740	-1.4%
Median Sale Price	\$330,000	\$325,000	1.5%
Average Sale Price	\$440,645	\$402,008	9.6%
Dollar Volume	\$536.7 Million	\$515.4 Million	4.1%
Median Percent of Original List Price Received	95.5%	97.7%	-2.3%
Median Time to Contract	46 Days	17 Days	170.6%
Median Time to Sale	88 Days	55 Days	60.0%
New Pending Sales	1,223	1,289	-5.1%
New Listings	1,758	1,491	17.9%
Pending Inventory	642	721	-11.0%
Inventory (Active Listings)	2,208	1,080	104.4%
Months Supply of Inventory	4.8	1.8	166.7%

### Closed Sales

Closed Sales are one of the simplest—yet most important—indicators for the residential real estate market. When comparing Closed Sales across markets of different sizes, we recommend comparing the percent changes in sales rather than the number of sales. Closed Sales (and many other market metrics) are affected by seasonal cycles, so actual trends are more accurately represented by year-over-year changes (i.e. comparing a quarter's sales to the amount of sales in the same quarter in the previous year), rather than changes from one quarter to the next.

Quarter	Closed Sales	Percent Change Year-over-Year
Year-to-Date	4,377	-18.0%
Q3 2023	1,218	-5.0%
Q2 2023	1,719	-23.1%
Q1 2023	1,440	-21.0%
Q4 2022	1,092	-40.5%
Q3 2022	1,282	-34.2%
Q2 2022	2,235	-26.0%
Q1 2022	1,822	-30.4%
Q4 2021	1,836	-21.4%
Q3 2021	1,948	5.2%
Q2 2021	3,020	108.6%
Q1 2021	2,617	41.6%
Q4 2020	2,337	46.0%
Q3 2020	1,852	21.5%

The number of home sales in 3Q 2023 decreased 5.0% from the number sold in Q3 2022. YTD 2023 closed sales are 4,377. This is an 18% decline from the same time period in 2022.

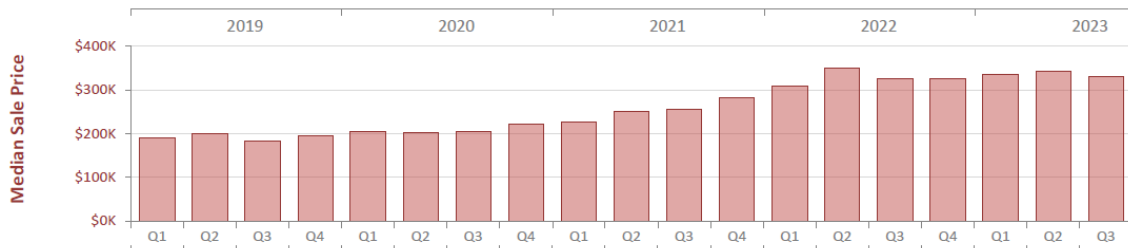


### Median Sale Price

Median Sale Price is the preferred summary statistic for price activity because, unlike Average Sale Price, Median Sale Price is not sensitive to high sale prices for small numbers of homes that may not be characteristic of the market area. Keep in mind that median price trends over time are not always solely caused by changes in the general value of local real estate. Median sale price only reflects the values of the homes that *sold* each quarter, and the mix of the types of homes that sell can change over time.

Quarter	Median Sale Price	Percent Change Year-over-Year
Year-to-Date	\$335,000	2.6%
Q3 2023	<b>\$330,000</b>	<b>1.5%</b>
Q2 2023	\$342,500	-1.9%
Q1 2023	\$335,000	8.1%
Q4 2022	\$325,000	15.6%
Q3 2022	\$325,000	27.7%
Q2 2022	\$349,000	39.7%
Q1 2022	\$310,000	36.9%
Q4 2021	\$281,250	26.7%
Q3 2021	\$254,500	24.1%
Q2 2021	\$249,900	23.4%
Q1 2021	\$226,500	10.5%
Q4 2020	\$222,000	14.2%
Q3 2020	\$205,000	12.3%

The median sale price as of 3Q 2023 was \$330,000. This is a 1.5% increase from the same time period in 2022. The YTD median sale price is \$335,000. This is an increase of 2.65 from 2022.

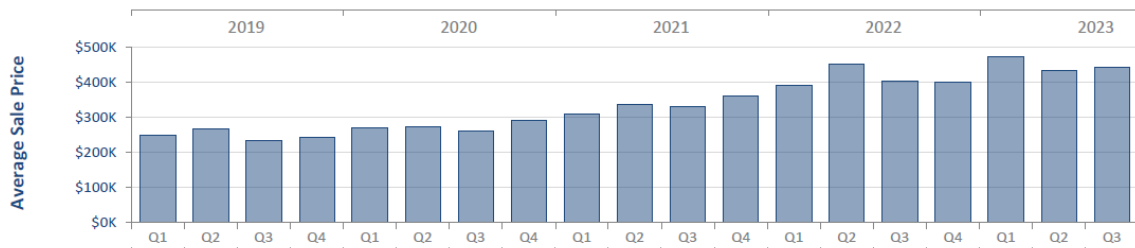


### Average Sale Price

Usually, the Median Sale Price is preferred over Average Sale Price as a summary statistic for home prices. However, Average Sale Price does have its uses—particularly when it is analyzed alongside the Median Sale Price. For one, the relative difference between the two statistics can provide some insight into the market for higher-end homes in an area.

Quarter	Average Sale Price	Percent Change Year-over-Year
Year-to-Date	\$447,402	7.0%
Q3 2023	<b>\$440,645</b>	<b>9.6%</b>
Q2 2023	\$432,051	-3.9%
Q1 2023	\$471,441	20.4%
Q4 2022	\$399,364	10.7%
Q3 2022	\$402,008	21.9%
Q2 2022	\$449,518	34.1%
Q1 2022	\$391,502	27.3%
Q4 2021	\$360,820	24.5%
Q3 2021	\$329,832	26.0%
Q2 2021	\$335,301	22.7%
Q1 2021	\$307,621	14.6%
Q4 2020	\$289,797	18.7%
Q3 2020	\$261,750	12.9%

The average sale price as of 3Q 2023 is \$440,645. This is a 9.6% increase from the same time period in 2022. The 2023 YTD average sale price is \$447,402 or 7.0% higher than 2022.



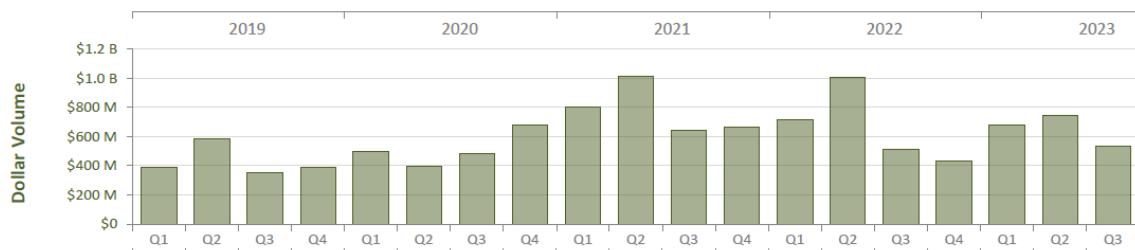


### Dollar Volume

Dollar Volume is simply the sum of all sale prices in a given time period, and can quickly be calculated by multiplying Closed Sales by Average Sale Price. It is a strong indicator of the health of the real estate industry in a market, and is of particular interest to real estate professionals, investors, analysts, and government agencies. Potential home sellers and home buyers, on the other hand, will likely be better served by paying attention to trends in the two components of Dollar Volume (i.e. sales and prices) individually.

Quarter	Dollar Volume	Percent Change Year-over-Year
Year-to-Date	\$2.0 Billion	-12.3%
Q3 2023	<b>\$536.7 Million</b>	<b>4.1%</b>
Q2 2023	\$742.7 Million	-26.1%
Q1 2023	\$678.9 Million	-4.8%
Q4 2022	\$436.1 Million	-34.2%
Q3 2022	\$515.4 Million	-19.8%
Q2 2022	\$1.0 Billion	-0.8%
Q1 2022	\$713.3 Million	-11.4%
Q4 2021	\$662.5 Million	-2.2%
Q3 2021	\$642.5 Million	32.5%
Q2 2021	\$1.0 Billion	155.9%
Q1 2021	\$805.0 Million	62.3%
Q4 2020	\$677.3 Million	73.3%
Q3 2020	\$484.8 Million	37.2%

The Q3 2023-dollar volume is \$536.7 million which is a 4.1% increase from 2022. The YTD 2023 volume is \$2.0 billion with is a decrease of 12.3% from 2022.

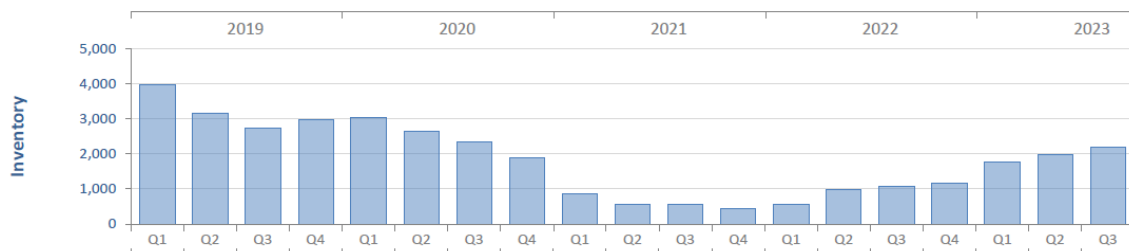


### Inventory (Active Listings)

There are a number of ways to define and calculate Inventory. Our method is to simply count the number of active listings on the last day of the quarter, and hold this number to compare with the same quarter the following year. Inventory rises when New Listings are outpacing the number of listings that go off-market (regardless of whether they actually sell). Likewise, it falls when New Listings aren't keeping up with the rate at which homes are going off-market.

Quarter	Inventory	Percent Change Year-over-Year
YTD (Monthly Avg)	1,862	135.0%
Q3 2023	<b>2,208</b>	<b>104.4%</b>
Q2 2023	1,985	100.7%
Q1 2023	1,780	216.2%
Q4 2022	1,179	168.0%
Q3 2022	1,080	93.5%
Q2 2022	989	72.3%
Q1 2022	563	-34.6%
Q4 2021	440	-76.7%
Q3 2021	558	-76.2%
Q2 2021	574	-78.4%
Q1 2021	861	-71.7%
Q4 2020	1,887	-36.8%
Q3 2020	2,346	-14.4%

As of 3Q 2023 there were 2,208 active listings. This is an increase of 104.4% from the same time period in 2022. The YTD monthly average is \$1,862 which is an increase of 135.0% from 2022.



### Months Supply of Inventory (MSI)

MSI is a useful indicator of market conditions. The benchmark for a balanced market (favoring neither buyer nor seller) is 5.5 months of inventory. Anything higher is traditionally a buyers' market, and anything lower is a sellers' market. There is no single accepted way of calculating MSI. A common method is to divide current Inventory by the most recent month's Closed Sales count, but this count is a usually poor predictor of future Closed Sales due to seasonal cycles. To eliminate seasonal effects, we use the 12-month average of monthly Closed Sales instead.

Quarter	Months Supply	Percent Change Year-over-Year
YTD (Monthly Avg)	3.9	225.0%
Q3 2023	4.8	166.7%
Q2 2023	4.3	186.7%
Q1 2023	3.5	337.5%
Q4 2022	2.2	266.7%
Q3 2022	1.8	157.1%
Q2 2022	1.5	114.3%
Q1 2022	0.8	-38.5%
Q4 2021	0.6	-80.0%
Q3 2021	0.7	-83.3%
Q2 2021	0.7	-86.0%
Q1 2021	1.3	-74.5%
Q4 2020	3.0	-42.3%
Q3 2020	4.2	-16.0%

### Conclusion

Based upon the available data, there remains an active market for townhomes and condominiums in the Lee County market. The market is indicating upward trends in terms of sale price through an apparent peak in mid-2022. Additionally, the months of inventory and increasing days on market indicate a demand decrease. Rising borrowing costs are hampered the buying power of homebuyers, slowing home sales.

Directly competitive properties are summarized in the following pages.

**Omega at Bonita Bay (1)**

Omega is a new 27-floor high-rise tower being built by Ronto and will be the final luxury high-rise tower built at Bonita Bay. The Omega has 67 residences, including 63 tower residences and four penthouses. The developer announced the project in late 2019. The building was substantially presold. As of June 2022, Ronto reported 63 presales. Construction was completed in the 4<sup>th</sup> quarter 2022.

Flooring in the living areas are of wood, stone, or porcelain tile. The island kitchens are outfitted with designer selected cabinetry, quartz or granite countertops, a 36-inch SubZero refrigerator and 18-inch freezer, Wolf gas ranges and ovens, a Miele dishwasher, and Dornbracht plumbing fixtures. The bathrooms also feature designer selected cabinetry and quartz or granite countertops, Dornbracht plumbing fixtures, and Toto toilets.

Located on the building's second level, Omega's outdoor amenity deck provides views to the south and west. Contemporary glass railings line the deck's curved perimeter and overlook one of Bonita Bay's three on-property golf courses. A pool with a beach entry and two sun shelves that each include six chaise lounges and built-in benches serve as the centerpiece of the amenity deck. Poolside day beds, referred to as "pool cocoons," are placed around the pool and feature retractable tops. Private poolside cabanas are available for purchase and will include full bathrooms and a beverage center with a sink and refrigerator. Day cabanas will be available on a first come, first served basis. A whirlpool spa will be situated under an attractive trellis. Other amenities include a fitness center, theatre, social room, etc.

Sales and listing history is summarized below.

<b>Omega at Bonita Bay</b>								
Address	Status	Sold Date	List Price	Sale Price	%	Beds/Baths	Living Area	\$/GLA
4991 BONITA BAY BLVD #701	Sold	08/31/23	\$4,199,000	\$4,025,000	95.9%	4+Den/4(1)	4,645	\$867
4991 BONITA BAY BLVD #2202	Sold	06/29/23	\$4,850,000	\$4,850,000	100.0%	3+Den/3(1)	4,210	\$1,152
4991 BONITA BAY BLVD #2302	Sold	06/15/23	\$4,950,000	\$4,950,000	100.0%	3+Den/3(1)	4,210	\$1,176
4991 BONITA BAY BLVD #2102	Sold	05/10/23	\$4,700,000	\$4,700,000	100.0%	3+Den/3(1)	4,210	\$1,116
4991 BONITA BAY BLVD #1902	Sold	04/27/23	\$3,425,000	\$3,425,000	100.0%	3+Den/3(1)	4,210	\$814
4991 BONITA BAY BLVD #2502	Sold	04/14/23	\$4,950,000	\$4,950,000	100.0%	3+Den/3(1)	4,210	\$1,176
4991 BONITA BAY BLVD #401	Sold	04/13/23	\$4,650,000	\$4,650,000	100.0%	4+Den/4(1)	4,645	\$1,001
		<b>Min.</b>	<b>\$3,425,000</b>	<b>\$3,425,000</b>				<b>\$814</b>
		<b>Max.</b>	<b>\$4,950,000</b>	<b>\$4,950,000</b>				<b>\$1,176</b>
		<b>Avg.</b>	<b>\$4,532,000</b>	<b>\$4,507,143</b>				<b>\$1,043</b>
Address	Status	List Date	List Price	Beds/Baths	Living Area	\$/GLA		
4991 BONITA BAY BLVD #1701	Listing	08/17/23	\$4,995,000	4+Den/4(1)	4,645	\$1,075		
4991 BONITA BAY BLVD #2402	Listing	04/14/22	\$5,050,000	3+Den/3(1)	4,210	\$1,200		
4991 BONITA BAY BLVD #503	Listing	04/01/23	\$5,375,000	4+Den/4(1)	4,645	\$1,157		
4991 BONITA BAY BLVD #2101	Listing	03/17/23	\$5,450,000	4+Den/4(1)	4,645	\$1,173		
4991 BONITA BAY BLVD #1901	Listing	11/13/23	\$5,900,000	4 Bed/4(1)	4,645	\$1,270		
4991 BONITA BAY BLVD #2503	Pending	12/11/23	\$6,500,000	4 Bed/4(1)	4,645	\$1,399		
		<b>Min.</b>	<b>\$4,995,000</b>			<b>\$1,075</b>		
		<b>Max.</b>	<b>\$6,500,000</b>			<b>\$1,399</b>		
		<b>Avg.</b>	<b>\$5,545,000</b>			<b>\$1,212</b>		

Recent sales range from \$814 to \$1,176 per square foot with averages of \$1,043 per square foot. Current listings/pending sales range from \$1,075 to \$1,399 per square foot with an average of \$1,212 per square foot.

### **Kalea Bay (2)**



Kalea Bay is located in North Naples and is comprised of five, luxury high-rise condominium developments. The developer is Soave Real Estate. Kalea Bay is under construction with four of five towers having been built. Construction on the fifth tower is expected late 2023. The development totals 600 units. Kaela Bay Tower 100 was announced in 2015/2016. Tower 100 was nearing sellout in Summer 2017. As Tower 100 was nearing sellout, Tower 200 was released for sale. Tower 200 was completed in August 2020 and reportedly 95% sold out. Construction on Tower 300 began in Spring 2020 and was completed in October 2022. Tower 3 was reportedly 97% sold out at completion. Tower

400 went vertical in January 2022 and was nearing completion as of December 2023. As of December 2023 Tower 400 was 99% sold out. Tower 500 was released in November 2023.

Each of the five towers has a rooftop terrace features an open-air fitness center, sky lounge and negative-edge pool. Kaela Bay has a 100,000-square-foot amenity center offering all the features of a five-star resort, including three pools, expansive decks, two restaurants and state of the art wellness center. There are for tennis courts and eight pickle ball courts. Tower residents will enjoy spacious lanais, private elevators that lead directly into the residence, high ceilings, floor-to-ceiling window walls and all master suites, kitchens and main living areas face out to the water. Units have Wolf and Sub-Zero appliances, custom cabinets, stone countertops, etc.

Sales and listing history is summarized below.

Kalea Bay									
Address	Tower	Status	Sold Date	List Price	Sale Price	%	Beds/Baths	Living Area	\$/GLA
13935 OLD COAST RD #1205	300	Sold	5/30/2023	\$4,500,000	\$4,350,000	96.7%	4 Bed/4(0)	3,290	\$1,322.19
13935 OLD COAST RD #1006	300	Sold	1/26/2023	\$3,995,000	\$4,367,949	109.3%	3+Den/3(1)	3,226	\$1,353.98
13935 OLD COAST RD #1701	300	Sold	1/20/2023	\$3,285,000	\$3,525,000	107.3%	3+Den/3(1)	3,226	\$1,092.68
13935 OLD COAST RD #2302	300	Sold	1/20/2023	\$3,400,000	\$3,400,000	100.0%	4 Bed/3(1)	3,290	\$1,033.43
13935 OLD COAST RD #505	300	Sold	1/18/2023	\$3,505,000	\$3,505,000	100.0%	4 Bed/3(1)	3,290	\$1,065.35
13935 OLD COAST RD #505	300	Sold	1/18/2023	\$3,395,000	\$3,505,000	103.2%	4 Bed/3(1)	3,290	\$1,065.35
13935 OLD COAST RD #504	300	Sold	1/17/2023	\$3,515,000	\$3,515,000	100.0%	4 Bed/4(1)	3,290	\$1,068.39
13935 OLD COAST RD #2305	300	Sold	1/9/2023	\$3,500,000	\$3,500,000	100.0%	4 Bed/3(1)	3,290	\$1,063.83
13935 OLD COAST RD #2304	300	Sold	1/3/2023	\$3,400,000	\$3,400,000	100.0%	4 Bed/4(1)	3,290	\$1,033.43
13935 OLD COAST RD #2303	300	Sold	1/3/2023	\$3,400,000	\$3,400,000	100.0%	4 Bed/4(1)	3,290	\$1,033.43
Min.				\$3,285,000	\$3,400,000				\$1,033.43
Max.				\$4,500,000	\$4,367,949				\$1,353.98
Avg.				\$3,589,500	\$3,646,795				\$1,113.21

Address	Tower	Status	List Date	List Price	Beds/Baths	Living Area	\$/GLA
13945 OLD COAST RD #1902	400	Listing	8/25/2023	\$4,675,000	4 Bed/4(0)	3,290	\$1,420.97
13945 OLD COAST RD #2001	400	Listing	6/21/2023	\$4,800,000	4 Bed/4(0)	3,239	\$1,481.94
13945 OLD COAST RD #2205	400	Pending	8/29/2023	\$4,675,000	4 Bed/4(0)	3,290	\$1,420.97
13945 OLD COAST RD #1906	400	Pending	10/17/2023	\$4,700,000	4 Bed/4(0)	3,239	\$1,451.07
Min.				\$4,675,000			\$1,420.97
Max.				\$4,800,000			\$1,481.94
Avg.				\$4,712,500			\$1,443.74



**Infinity at the Colony (3)**

The Infinity luxury high-rise to be built by The Ronto Group in partnership with Wheelock Street Capital at The Colony in Pelican Landing in Bonita Springs. The tower will feature a landscaped exterior amenity deck with multiple swimming pools, including a 4,191 square foot family pool and a 2,500 square foot adult pool with a sun shelf. Hot/cold plunge pools are also planned. An approximately 2,000 square foot game room, bocce, and basketball courts, a children's playground, social seating, overlook terraces, and a nine-hole putting golf course will also be included. The amenities will be expanded to include second nine-hole putting course and a dog park during construction of a second high-rise. The 22-story tower will include 96 residences ranging from 2,950 to 3,915 square feet. Construction commenced in Summer 2023. At the time of commencement, the building was more than 50% presold.

Listing trends are summarized below.

<b>Infinity at the Colony</b>						
<b>Address</b>	<b>Status</b>	<b>List Date</b>	<b>List Price</b>	<b>Beds/Baths</b>	<b>Living Area</b>	<b>\$/GLA</b>
4810 PELICAN COLONY BLVD #1904	Listing	10/26/2023	\$3,345,000	3+Den/3(1)	3,075	\$1,087.80
4810 PELICAN COLONY BLVD #904	Listing	9/13/2022	\$3,430,000	3+Den/3(1)	3,075	\$1,115.45
4810 PELICAN COLONY BLVD #1702	Listing	10/26/2023	\$3,445,000	3+Den/3(1)	3,280	\$1,050.30
4810 PELICAN COLONY BLVD #301	Listing	10/19/2023	\$3,605,000	4 Bed/4(1)	3,890	\$926.74
4810 PELICAN COLONY BLVD #805	Listing	10/26/2023	\$4,090,000	4+Den/4(1)	4,102	\$997.07
4810 PELICAN COLONY BLVD #1401	Listing	10/26/2023	\$4,265,000	4+Den/4(1)	3,890	\$1,096.40
4810 PELICAN COLONY BLVD #1505	Pending	11/28/2023	\$4,465,000	4+Den/4(1)	4,102	\$1,088.49
		<b>Min.</b>	<b>\$3,345,000</b>			<b>\$926.74</b>
		<b>Max.</b>	<b>\$4,465,000</b>			<b>\$1,115.45</b>
		<b>Avg.</b>	<b>\$3,806,429</b>			<b>\$1,051.75</b>

**Seaglass at Bonita Springs (4)**

Seaglass at Bonita Bay is a 26-story high-rise condo development in Bonita Springs. This upscale building features 120-units with open floor plans and sweeping views of of Bonita Bay and out to the Gulf of Mexico. Construction began in the Fall of 2014 and completed in 2018. The condo was developed by Ronto. Reportedly 70% sold out at completion.

Sales and listing history is summarized below.

<b>Seaglass at Bonita Springs</b>								
<b>Address</b>	<b>Status</b>	<b>Sold Date</b>	<b>List Price</b>	<b>Sale Price</b>	<b>%</b>	<b>Beds/Baths</b>	<b>Living Area</b>	<b>\$/GLA</b>
4971 BONITA BAY BLVD #1405	Sold	8/11/2023	\$2,899,000	\$2,799,000	96.6%	3 Bed/3(1)	2,889	\$968.85
4971 BONITA BAY BLVD #1702	Sold	7/20/2023	\$3,000,000	\$2,895,000	96.5%	3 Bed/3(1)	2,889	\$1,002.08
4971 BONITA BAY BLVD #PH 2604	Sold	12/18/2023	\$4,900,000	\$4,400,000	89.8%	4+Den/4(1)	4,787	\$919.16
		Min.	\$2,899,000	\$2,799,000				\$919.16
		Max.	\$4,900,000	\$4,400,000				\$1,002.08
		Avg.	\$3,599,667	\$3,364,667				\$963.36
<b>Address</b>	<b>Status</b>		<b>List Price</b>	<b>Beds/Baths</b>	<b>Living</b>	<b>\$/GLA</b>		
4971 BONITA BAY BLVD #603	Listing		\$2,474,000	3+Den/3(1)	3,088	\$801.17		
4971 BONITA BAY BLVD #1902	Listing		\$2,795,000	3 Bed/3(1)	2,889	\$967.46		
4971 BONITA BAY BLVD #1704	Listing		\$3,250,000	3+Den/3(1)	3,088	\$1,052.46		
4971 BONITA BAY BLVD #PH2302	Listing		\$5,499,000	3+Den/3(1)	4,596	\$1,196.48		
		Min.	\$2,474,000			\$801.17		
		Max.	\$5,499,000			\$1,196.48		
		Avg.	\$3,504,500			\$1,004.39		



**The Ritz-Carlton Residences Naples (5)**

The Ritz-Carlton Residences Naples is being developed on the NEC of Vanderbilt Beach Road and Gulf Shore Drive in Naples, FL. The Residences are slated for delivery in 2026 and will feature a limited collection of just 128 estate-like dwellings and penthouses, along with over 50,000 SF of amenities, spread throughout five boutique buildings. The six-acre development, which is being developed by Naples-based STOCK Development, is more than 50% sold (11/2023).

The Ritz-Carlton Residences, Naples will include three, four, and five-bedroom homes, penthouses, and Grand Penthouses. The units will have outdoor terraces as well as contemporary European-style kitchens and baths, Cambria quartz countertops, 10 to 12-foot ceilings, Wolf and Sub-Zero appliances, porcelain and wood floors, and private elevator entrances.

Amenities include a 22-slip marina, verdant park with walking trails, a putting green, and covered pavilions, and The Vanderbilt Club -- a 28,000-square-foot club with a Grand Owner's atrium and lobby lounge, private restaurant, business center and coffee lounge, state-of-the-art fitness center, and a full-service spa. There will also be rooftop lounges, a kids' room, a teen room with a Formula 1 simulator, and a club lounge with a golf simulator and private theater, among other features. The project will additionally have 22,000 square feet of outdoor amenities, including a resort-style pool, lap pool, cabana suites, and fire pits.

Bay residence pricing starts from \$4.6 million - \$5.9 million. Tower Residences (floor 3 – 10) range from \$4.0 million to \$8.7 million. Penthouses (floor 11) range from \$12.0 million to \$15.0 million. Grand Penthouses (floor 12) \$24.5 million to \$26.5 million. The HOA fees for Bay Residences are estimated to be at approximately \$5,000 per month. The HOA fees for Tower Residences are estimated to be at approximately \$7,000. - \$8,200 per month (not including Penthouses and Grand Penthouses).

**Epique Pelican Bay (6)**

Epique is a 19-story luxury condominium in the Pelican Bay neighborhood. The condo will have 68-units. Pricing starts at \$6,500,000.

The “Estates”, which range in size from 4,001± to 5,213± air conditioned square feet, high levels of finishing and detailing. The 10' ceiling heights and floor-to-ceiling windows frame cinematic views toward the Gulf of Mexico. All residences offer higher levels of finishes and fittings and gourmet Chef’s Kitchens with Wolf/SubZero integrated appliances. Primary Baths feature a marble-clad, walk-in shower with frameless glass enclosure, and double custom vanities appointed with Dornbracht fittings. Each residence includes a SmartEstate integrated home technology system. Epique’s two penthouses and two SkyEstates each span a full half-floor, each with a private, expansive rooftop pool terrace and sweeping panoramic views toward the Gulf of Mexico

The condo has a private dining club featuring a full bar, lounging areas, inside dining, and al fresco dining. Concierge services are again available. A 24-hour staffed front desk, fire pits, and two golf simulators are also planned. A health and fitness center, steam rooms, massage room with on-call masseur/masseuse, club room, parlor, salon, library, solarium/card room, theater, and billiards room will also be designed. A pool with sundeck and pergolas will also be available. Rights to the Pelican Bay amenities will also be available, including two beach clubs, tennis courts and a soon-to-be renovated fitness center.

**The Island at West Bay Club (7)**

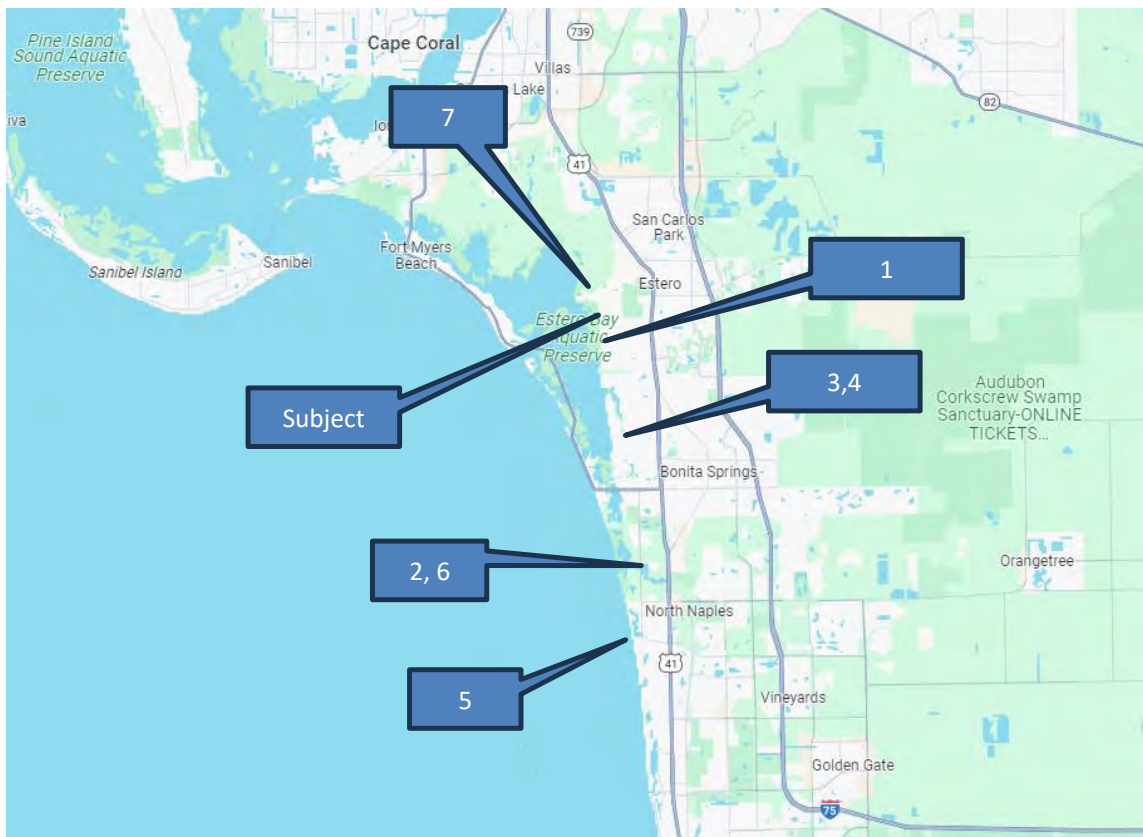
The Island is a proposed high-rise condo tower located at the West Bay Club in Estero. This 24-story building features 86 residences and is the final development at West Bay Club. Floor plans at The Island feature three + den and four bedroom configurations with 3,215 - 6,025 SF of living space. Panoramic views of both the Gulf of Mexico and West Bay Club's championship golf course are highlights of living at The Island. Construction is expected to commence in 2024.

Residence's modern styling feature large format porcelain tile adorned with crafted designer-coordinated kitchens, showcasing European cabinetry, premium quartz countertops, and Sub-Zero/Wolf stainless-steel appliances. Laundry rooms are complete with a full-size washer and dryer. Owners' suites are designed to inspire, featuring walk-in-closets and opulent spa-like bath retreats. Bathrooms within these will incorporate European cabinetry, quartz surfaces, soaking tubs, one-piece toilets, designer fixtures, and sleek glass shower enclosures. The Island at West Bay will be have a high level of amenities. Atop The Island's 24th floor, a rooftop oasis creates a backdrop for morning yoga in the shaded fitness and yoga space, refreshing dips in the adult relaxation pool, and sunsets overlooking Gulf of Mexico vistas. Main-level amenities include a Resident Club Room, a resort-style pool with lanes for lap swimming, state-of-the-art fitness center, and private guest suites. A family-friendly Splash Lounge will provide a gathering space to entertain visiting guests and the Sports Lounge will offer a high-tech sports simulator.

Below we have summarized MLS listings within The Island.

**The Island at West Bay**

Address	Status	List Price	Beds/Baths	Living Area	\$/GLA
5100 BAYBRIDGE BLVD #2301	Listing	\$5,039,000	4 Bed/4(0)	3,324	\$1,515.94
5100 BAYBRIDGE BLVD #2304	Listing	\$4,804,000	3+Den/4(1)	3,347	\$1,435.32
5100 BAYBRIDGE BLVD #2103	Listing	\$4,464,000	3+Den/4(1)	3,347	\$1,333.73
5100 BAYBRIDGE BLVD #1702	Listing	\$4,199,000	4 Bed/4(0)	3,379	\$1,242.68
5100 BAYBRIDGE BLVD #1203	Listing	\$3,664,000	3+Den/4(1)	3,347	\$1,094.71
5100 BAYBRIDGE BLVD #801	Listing	\$3,379,000	4 Bed/4(0)	3,324	\$1,016.55
5100 BAYBRIDGE BLVD #404	Listing	\$3,155,000	3+Den/4(1)	3,680	\$857.34
5100 BAYBRIDGE BLVD #202	Listing	\$3,010,000	4 Bed/4(0)	3,469	\$867.69

**Competitive Condominium Map**

# Property Analysis

## Land Description and Analysis

### Location

The property is located along north side of Coconut Road approximately 530 feet west of Weeks Street.

### Land Area

The following table summarizes the subject's land area.

Land Area Summary							
Tax ID	Component	SF	Usable SF	Unusable SF	Acres	Usable Acres	Unusable Acres
07-47-25-B2-010C1.0000	Ritz Carlton North/South Tower	549,858	549,858	0	12.62	12.62	0.00
07-47-25-B2-010C2.0000	Marina/Restaurant	194,713	71,874	122,839	4.47	1.65	2.82
07-47-25-B2-0100P.00CE	Marina/Restaurant	158,558	0	158,558	3.64	0.00	3.64
08-47-25-00-00001.0030	Residential	22,476,960	18,370,123	4,106,837	516.00	421.72	94.28
07-47-25-B2-00000.0010	Residential	2,402,770	2,009,858	392,911	55.16	46.14	9.02
Total		25,782,859	21,001,713	4,781,146	591.89	482.13	109.76
Source: Public Records							

The residential areas are located within larger parcels which include the golf course and common area. The parcel size above is for the larger parent tract.

### Land Area – Ritz Carlton

The Ritz Carlton condominium component represents Tract C1 of Bayview Plat 1 as described in instrument 2022000346672. The total site area of the tract is 12.62 acres. The condominium property will be developed in two phases. The first will include the south tower and most site amenities. The second phase will include development of the North Tower. For the purposes of our analysis, we have utilized half of the condominium site for Phase 1 and half of the site for Phase II. Therefore, we have valued the southern half of the site as Phase I and is further developed in the appraisal process with the intended development of 112 residential condominium units along with associated amenities. Phase II has a similar development potential of 112 residential condominium units and was valued as excess development land for future development. For the purposes of the residential condominium cost approach the land area has been separated as follows:



Land Parcels					
Name	SF	Acres	Units	Unit of Comparison	Used in Cost Approach
Phase 1 - South Tower	274,930	6.31	112	Units	X
Phase 2 - North Tower	274,930	6.31	112	Units	
Total	708,418	16.26	564		

### Shape and Dimensions

The subject parcels are irregular in shape, with varying dimensions. Site utility based on shape and dimensions is average.

### Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

### Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

### Flood Hazard Status

The following table indicates applicable flood hazard information for the subject property, as determined by review of available flood maps obtained from the Federal Emergency Management Agency (FEMA).

Flood Hazard Status	
Community Panel Number	12071C0589G
Date	November 17, 2022
Zone	AE
Description	Within 100-year floodplain
Insurance Required?	Yes

### Environmental Hazards

An environmental assessment report was not provided for review, and during the inspection, no obvious signs of contamination on or near the subject were observed. However, environmental issues are beyond the scope of expertise of the assignment participants. It is assumed the property is not adversely affected by environmental hazards.

### Ground Stability

A soils report was not provided for review. Based on the inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, soils

analyses are beyond the scope of expertise of the assignment participants. It is assumed the subject's soil bearing capacity is sufficient to support the existing improvements.

## Utilities

Utilities available to the subject are summarized below.

Utilities	
Service	Provider
Water	Municipal
Sewer	Municipal
Electricity	FPL
Local Phone	Multiple Carriers

## Zoning

The following table summarizes the applicable zoning requirements affecting the subject.

Zoning Summary - Ritz Carlton & Marina/Restaurant Parcels & Portion of Residential	
Zoning Jurisdiction	City of Bonita Springs
Zoning Designation	Bayview on Estero Bay CPD/RPD
Description	Commercial and Residential Planned Development
Legally Conforming?	Appears to be legally conforming
Permitted Uses	The approved development allows for a maximum of 300 multi-family, townhomes and/or two-family dwelling units or hotel/motel subject to conversion matrix; AND seventy-two (72) wet boat slips, twenty-five (25) dry boat slips (15 on-site and 10 off-site in the Bayview II CPD), and one (1) public boat ramp. Also includes a 7,500 SF restaurant. The CPD/RPD totals 30.51 acres.

The subject is zoned for residential and commercial development. The subject property has development approvals for 224 residential units with 112 units developed in Phase 1 and 112 units attributable to Phase II. The development approvals were granted through the larger Bayview on Estero Bay CPD/RPD project. The total project has approvals for up to 300 multifamily units, 72 boat slips and a 7,500 square foot restaurant as outlined in zoning ordinance 21-03 of the City of Bonita Springs official records.

The subject property has been granted initial approvals under the Bayview on Estero Bay project and site-specific approvals. Building Permit #COM22-90342-BOS has been issued for development of a 22-story high rise, 3 guest suites and lowest floor parking.

Zoning for the remaining residential land is summarized below.

### Zoning Summary -Residential land

Zoning Jurisdiction	City of Bonita Springs	City of Bonita Springs
Zoning Designation	Pelican Landing CPD/RPD DRI	Pelican Landing DRI (Kersey-Smoot RPD)
Description	The DRI totals over 2500 acres and is approved for a mix of uses. A total of 3,912 units are allowed throughout the DRI.	Totals 204 acres and is approved for 150 boat slips and 362 residential units.
Legally Conforming?	Yes	Yes

Interpretation of zoning ordinances is beyond the scope of expertise of the assignment participants. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

As discussed, the developer is in the process of rezoning the subject properties to increase the number of buildable units. The current and proposed unit mix is summarized below.

### Unit Summary

	<i>As Is</i>	<i>As Rezoned</i>
High Rise	704	1,184
Mid Rise	264	235
Villa	76	113
Total	1,044	1,532
Ritz Carlton Phase 1 Units	112	112
Remaining High Rise Units	592	1,072
Total Mid/Villa Units	340	348

### Other Land Use Regulations

There are no other known land use regulations that would affect the property.

### Rent Control Regulations

The subject is not affected by any type of regulation restricting the amount of rent the owner can charge to tenants.

### Easements, Encroachments and Restrictions

A current title report was not provided for review. There are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.



### **Conclusion of Site Analysis**

There are no known detrimental uses in the immediate vicinity. Overall, there are no known factors which are considered to prevent the site from being developed to its highest and best use, as if vacant, or adverse to the proposed use of the site as a mixed use residential development. Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning.

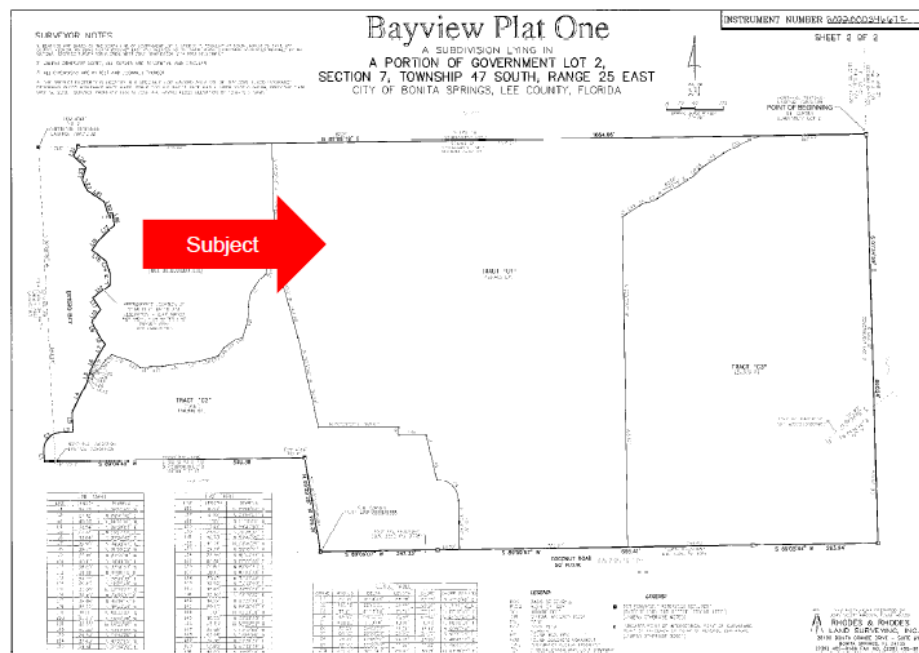
### **Aerial Photograph – Saltleaf General Area**



## Aerial Photograph – Ritz Carlton Condominiums



## Plat Map – Ritz Carlton Condominiums





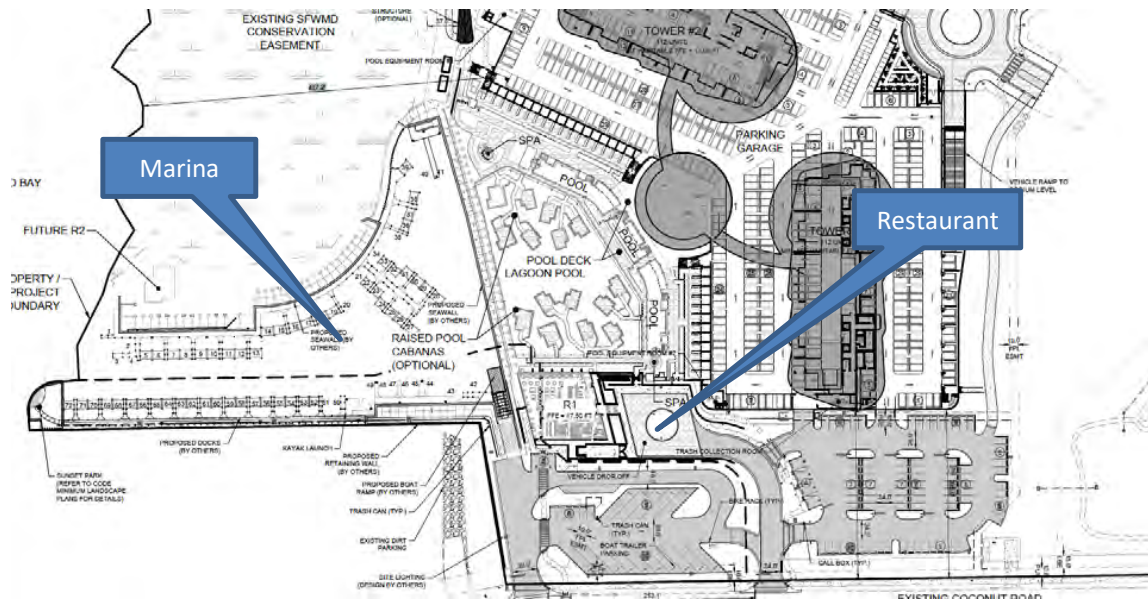
Flood Hazard Map



## Aerial Map - Marina/Restaurant



## Site Plan – Marina/Restaurant

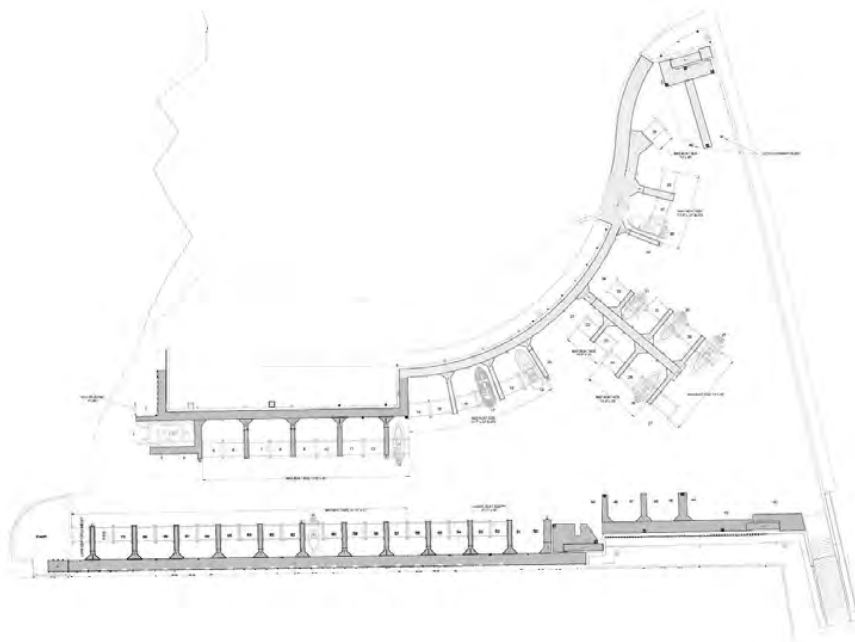




## Site Plan – Marina/Restaurant



## Marina Wet Slip Layout



## Improvements Description and Analysis – Ritz Carlton Condominiums

### Overview

The subject includes a proposed 112-unit high rise residential condominium in a 22-story tower. The Ritz Carlton branded development will include amenities such as private garages and storage units, multiple pools, wine lockers, fitness center, beauty salon, etc. The condominium will be in excellent condition upon completion. Site work is currently underway with an estimated completion in late May 2026. We have assumed a completion date of 6/1/2026. The property is located along north side of Coconut Road approximately 530 feet west of Weeks Street. The condominium area totals 12.62 acres with 6.31 acres attributable to Phase I (South Tower) and 6.31 acres attributable to Phase II (North Tower). Phase II (North Tower) will also have 112-units.

Improvements Description			
	Overall Property	High Rise Condo	Clubhouse
Name of Property	Saltleaf CDD	High Rise Condo	Clubhouse
General Property Type	Residential	Residential	Residential
Property Sub Type	Multifamily	Multifamily	Multifamily
Specific Use	Luxury Condominium	Luxury Condominium	Luxury Condominium
Competitive Property Class	A	A	A
Number of Buildings	2	1	1
Stories	22	22	1
Building Shape	Rectangular	Rectangular	Rectangular
Construction Class	A	A	C
Construction Type	Steel frame	Steel frame	Masonry
Construction Quality	Excellent	Excellent	Excellent
Condition	Excellent	Excellent	Excellent
Number of Units	112	112	0
Units per Acre (Density)	0.2		
Gross Building Area (SF)	534,409	525,809	8,600
Rentable Floor Area (SF)	384,191	384,191	0
Land Area (SF)	25,782,859	–	
Floor Area Ratio (RFA/Land SF)	0.01		
Floor Area Ratio (GBA/Land SF)	0.02		
Building Area Source	Developer		
Year Built	2024	2024	2024
Actual Age (Yrs.)	0	0	0
Estimated Effective Age (Yrs.)	0	0	0
Estimated Economic Life (Yrs.)	55	55	55
Remaining Economic Life (Yrs.)	55	55	55
Number of Parking Spaces	341		
Source of Parking Count	Developer		
Parking Type	Structured Garage (246) and Surface (95)		
Parking Spaces/Unit	3.0		
Landscaping	Good		

<b>Construction Details</b>		
	High Rise Condo	Clubhouse
Foundation	Reinforced Concrete	Reinforced Concrete
Basement	None	None
Structural Frame	Steel/Masonry	Steel/Masonry
Exterior Walls	Glass, Steel and Concrete	Glass, Steel and Concrete
Windows	Double pane (Low-E) glass	Double pane (Low-E) glass
Roof	Coated Decking	Coated Decking
HVAC	Individual units	Individual units
Electrical	Assumed adequate	Assumed adequate
Plumbing	Assumed adequate	Assumed adequate
Hot Water	Individual water heaters	Individual water heaters
Utility Meters - Tenants	Individually metered	Individually metered
Elevators	6	
Sprinklers	Wet	Wet
Security	Yes	Yes
<b>Unit Description</b>		
Interior Walls	Textured and painted sheetrock	Textured and painted sheetrock
Floor Cover	Tile, Wood & Carpet	Tile, Wood & Carpet
Ceilings	Textured and painted sheetrock	Textured and painted sheetrock
Kitchen Equipment	Sub-Zero/Wolf Appliance Package	
Laundry Facilities	In Unit W/D	
Bathroom Fixtures	Sink, Toilet, Shwer	

### Unit Mix

Residence 1 consists of a 4 bedroom, 4.5 bath residential condominium unit containing 3,885 square feet of enclosed living area and a 2,265 square foot wrap around balcony. These units are located on the north end of the building. The project will have 17 of these units.

Residence 2 consists of a 2 bedroom, 3 bath residential condominium unit containing 2,628 square feet of enclosed living area and a 770 square foot, west facing balcony. These units are located on the north/central portion of the building. The project will have 17 of these units.

Residence 3 consists of a 3 bedroom, 3.5 bath residential condominium unit containing 3,610 square feet of enclosed living area and a 1,020 square foot balcony, one on the east side and one on the west. These units are in central portion of the building. The project will have 17 of these units.

Residence 4 consists of a 3 bedroom, 3.5 bath residential condominium unit containing 3,610 square feet of enclosed living area and a 990 square foot balcony, one on the east side and one on the west. These units are in the central portion of the building. The project will have 17 of these units.

Residence 5 consists of a 2 bedroom, 3 bath residential condominium unit containing 2,628 square feet of enclosed living area and an 800 square foot west facing balcony. These units are located on the south/central end of the building. The project will have 19 of these units.

Residence 6 consists of a 4 bedroom, 4.5 bath residential condominium unit containing 3,885 square feet of enclosed living area and a 2,265 square foot wrap around balcony. These units are located on the south end of the building. The project will have 19 of these units.

The subject will have 6 penthouse units ranging in size from 2,628 square feet to 6,675. These units are located on 21st and 22nd floors of the building. size and configuration.

### Project and Unit Amenities

Project amenities include Sports & News Café (complimentary breakfast), Sunset Lounge and pool bar, Wine & Whiskey Lounge, catering kitchen and exhibition kitchen, private dining room, gourmet self-checkout market, lagoon with shaded pavilions, private cabanas (a limited number available for purchase), card room & library, kids and teens rooms, boardroom and private offices, garden pavilions with outdoor kitchens, firepits, bocce courts, fully staffed lobby lounge with mail/package rooms, fitness center with cardio and strength equipment, yoga and pilates studios, steam and sauna, salon and spa treatment rooms, three pools, whirlpools, dog park and pet grooming, as well as a community trail system. The project will reportedly have an additional 3 tower/guest units available for short term visitors for a fee that will be managed as part of a Ritz Carlton amenity. There is a 72-slip marina and the 18-hole Saltleaf Golf Preserve.

Unit and project amenities are summarized below.

Unit and Project Amenities		
Residence Features	Master Bathroom Features	Kitchen Features
- Estero Bay and Gulf of Mexico Views	- Furniture style vanity with dual sinks	- Italian porcelain countertops and backsplash
- Private elevator vestibule	- Dekton surfaces throughout	- European-style custom cabinetry with under - cabinet lighting
- 10' high ceilings	- Back-lit vanity mirror and under-cabinet motion sensor lighting	- Sub-Zero 42" French door refrigerator
- Balconies and terraces including laminated impact sliding glass doors	- Center-mounted Kallista Argile sculptured tub with floor mounted faucet & hand-held faucet	- Sub-Zero 24" wine storage unit w/ 102 bottle capacity
- Glass railings on all balconies and terraces	- Private water closet with touch screen-controlled Kohler Veil Intelligent toilet	- Wolf 30" wall oven
- Separate laundry room with Electrolux® front-load washer and dryer and utility sink	- Kallista & Kohler brand plumbing fixtures	- Wolf 30" speed oven (microwave, convection and broil technologies)
- 17' x 8' walk-in master closet	- Shower with rain-head style and hand-held fixtures	- Miele dishwasher 24" w/ fully integrated panel
Ritz-Carlton Services	Tower Amenities	Club Amenities
- Recreation/Lifestyle Director	- Kids/Teen Room	- Social Room with Sunset Lounge
- 24/7 Concierge	- Virtual Market	- Whiskey / Wine Room
- Valet Service	- Lobby with Concierge Services	- Exhibition / Demonstration Kitchen
- Pet Grooming	- Pet Grooming	- Private Catering Kitchen
- Private Boat Shuttle	- Fitness Center / Steam Rooms / Saunas	- Private Dining Room
- Mailroom/Package Service	- Beauty Salon/Spa	- Library / Card Room
- Towel & Water Service at Pool/Lagoon and Fitness	- Boardroom	- News / Sports Café
	- 3 Guest Suites	
	- Car Wash Station	
Outdoor Amenities		
- Private Cabanas		
- 3 Pools / 2 Spas		
- 1+ Acre man-made lagoon with 15 floating pavilions		
- 2 Bocce courts		
- 3 BBQ stations with seating and overhead trellis		
- 2 Firepit gathering spaces per tower		



**Improvements Analysis – As Complete****Quality and Condition**

Upon completion, the improvements will be of excellent quality construction and will be in excellent condition. The quality of the subject will be consistent with competing properties. Maintenance will be consistent with competing properties. Overall, the market appeal of the subject will be consistent with competing properties.

**Functional Utility**

Upon completion the improvements will be adequately suited for their proposed use.

**Deferred Maintenance**

Upon completion, it is assumed there is no deferred maintenance.

**Planned Capital Expenditures**

The development budget is summarized in the cost approach.

**ADA Compliance**

Based on the property inspection and information provided, there are no apparent ADA issues. However, ADA matters are beyond the scope of expertise of the assignment participants, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

**Hazardous Substances**

An environmental assessment report was not provided for review, and environmental issues are beyond the scope of expertise of the assignment participants. No hazardous substances were observed during the inspection of the improvements; however, detection of such substances is outside the scope of expertise of the assignment participants. Qualified professionals should be consulted. Unless otherwise stated, it is assumed no hazardous conditions exist on or near the subject.

**Personal Property**

Certain items in high-end projects are sometimes considered personal property, such as furniture, fixtures or equipment for the club house and or amenities. These items include kitchen appliances (stove, refrigerator, and dishwasher) miscellaneous maintenance tools, pool furniture, management/security office furniture, recreational room and clubhouse furniture, and various exercise machines. The condominium units are sold on an unfurnished basis. The personal property items contained in the subject are not considered to contribute significantly to the overall value of the real estate, though are necessary to achieve the price points indicated in our analysis.

**Conclusion of Improvements Analysis**

In comparison to competitive properties in the market, the subject improvements are rated as follows:

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**Improvements Ratings**

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Design and Appearance	Above Average
Age/Condition	Above Average
Room Sizes and Layouts	Above Average
Bathrooms	Above Average
Kitchens	Above Average
Landscaping	Above Average
Garages	Above Average
Unit Features	Above Average
Project Amenities	Above Average

---

Upon completion, the improvements will be of a high quality of construction in excellent overall condition. The subject project will benefit from the Estero Bay visibility from the lower floors and Gulf of Mexico views from the upper floors. Further, the subject project will feature resort type features and amenities commensurate with the Ritz Carlton branding. Overall, there are no known factors that adversely impact the marketability of the improvements.



Tower 1 Construction  
(Photo Taken on January 27, 2024)



Public Boat Ramp – Marina  
(Photo Taken on January 27, 2024)



Northerly view from Coconut Road  
(Photo Taken on January 27, 2024)



Main entrance  
(Photo Taken on January 27, 2024)



Future residential land  
(Photo Taken on January 27, 2024)



Future high rise pad area  
(Photo Taken on January 27, 2024)



## Master Plan – Saltleaf (As Rezoned)

### MASTER PLAN ILLUSTRATIVE PLAN

- ① RITZ CARLTON BRANDED TOWERS
- ② VILLAS PARCEL A
- ③ VILLAS PARCEL B
- ④ HYATT VACATION CLUB PARCEL
- ⑤ GOLF COURSE
- ⑥ GOLF CLUB PARCEL
- ⑦ CORE TOWERS
- ⑧ FUTURE DEVELOPMENT (MID-RISE BUILDINGS)
- ⑨ SOUTH CLUB PARCEL OPTION
- ⑩ FUTURE DEVELOPMENT (HIGH-RISE TOWERS)
- ⑪ HYATT VACATION CLUB BUILDINGS
- ⑫ SPORTS CENTER

### Proposed Zoning Building-Unit Layout

High-Rise Units: 1,184  
Mid-Rise Units: 235  
Villa Units: 113  
Total Units: 1,532



SCALE 1"=600'-0"

0 300' 600' 1200' 2

## Rendering – Ritz Carlton Condominiums



**Stacking Plan – Ritz Carlton Condominiums South Tower**

Floorplans – Ritz Carlton Condominiums















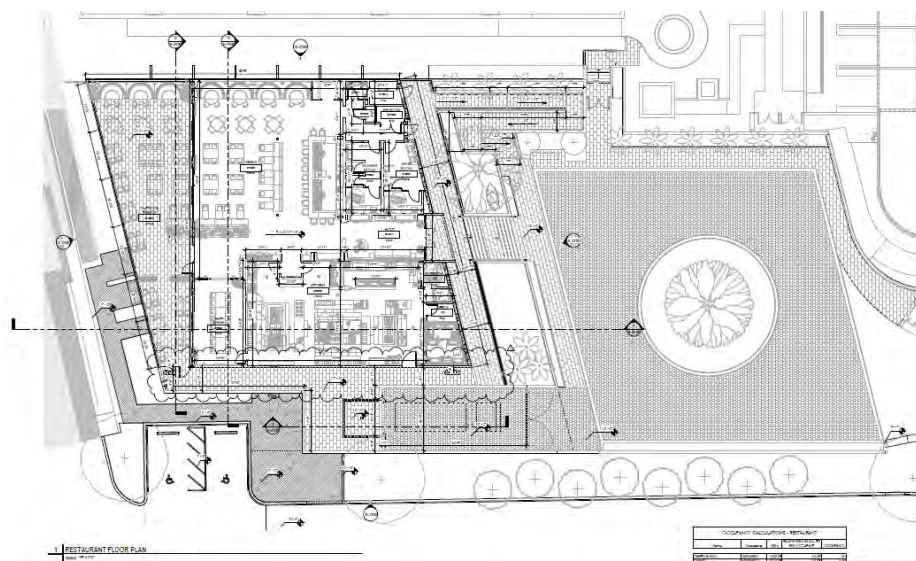


1st FLOOR

SHIP STORE FLOOR PLAN

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CAPABILITY CAPACITIES - EXPENSE				
Category	Change	2011	2012	2013
Production	100%	100%	100%	100%
Logistics	100%	100%	100%	100%
Customer Service	100%	100%	100%	100%
Finance	100%	100%	100%	100%
Human Resources	100%	100%	100%	100%
Information Technology	100%	100%	100%	100%
Legal	100%	100%	100%	100%
Marketing	100%	100%	100%	100%
Other	100%	100%	100%	100%

[illegible]



## Real Estate Taxes

Real estate tax assessments are administered by Lee County and are estimated by jurisdiction on a countywide basis. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value by 1,000 and then multiplying the estimate by a composite rate. The composite rate is based on a consistent tax rate throughout the state in addition to one or more local taxing district rates. The assessed values are based upon the current conversion assessment of the Lee County Property Appraiser's market value.

State law requires that all real property be re-valued each year. The millage rate is generally finalized in October of each year, and tax bills are generally received in late October or early November. The gross taxes are due by March 31<sup>st</sup> of the following year. If the taxes are paid prior to November 30<sup>th</sup>, the State of Florida allows a 4% discount for early payment. The discount then becomes 3% if paid by December 31<sup>st</sup>, 2% if paid by January 31<sup>st</sup>, and 1% if paid by February 28<sup>th</sup>. After March 31<sup>st</sup>, the taxes are subject to late penalties and interest.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2023							
Tax ID	Component	Assessed Value	Taxable Value	Tax Rate	Taxes and Assessments		Total
					Ad Valorem	Direct Assessments	
07-47-25-B2-010C1.0000	Ritz Carlton North/South Tower	\$5,672,009	\$5,586,153	1.316220%	\$73,992	\$0	\$73,992
07-47-25-B2-010C2.0000	Marina/Restaurant	\$744,406	\$744,406	1.316220%	\$9,798	\$0	\$9,798
07-47-25-B2-0100P.00CE	Marina/Restaurant	\$0	\$0	1.316220%	\$0	\$0	\$0
08-47-25-00-00001.0030	Residential	\$3,988,447	\$3,886,188	1.316220%	\$52,063	\$0	\$52,063
07-47-25-B2-00000.0010	Residential	\$27,985,459	\$24,426,835	1.316220%	\$340,834	\$268	\$341,102
		\$38,390,321	\$34,643,582		\$476,687	\$268	\$476,955

The assessed value is used for school taxes. The taxable value is used for all other tax districts.

The residential areas are located within larger parcels which include the golf course and common areas. The parcel size above is for the larger parent tract.

## Projected Tax Liability – Condominiums

Phase I of the Ritz Carlton condos will consist of 112 residential condo units, and each will have its own tax ID/folio # and be assessed by the Property Appraiser individually. Therefore, a prospective buyer should model the current taxes to estimate a prospective purchase price.

According to Florida Statute 193.1555 (3), "the property shall be reassessed annually on January 1 and any change resulting from such reassessment may not exceed 10 percent of the assessed value of the property for the prior year." The property taxes are based on a combination of the assessed value, market value, and non-ad valorem taxes. The 10% assessment cap affects all taxing authorities with the exception of the school board taxes and any flat fee non-ad valorem taxes. This cap is established based on the following year of any transfer of ownership.

In our conclusion, we consider the re-assessment process within the State of Florida as well as investor and market participant expectations, which must consider a sale or hypothetical sale. Based on the foregoing, the total taxes for the subject have been estimated above to the fee simple interest. The property appraiser is required by state law to appraise the property at 100% of market value at the highest and best use, less closing costs and personal property. Typically, adjustments are 75% to 85% of market value and we have utilized a ratio of 80% Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer. The consequences of this reassessment have been considered in the appropriate valuation sections. Below we have estimated the average tax per unit.

#### Real Estate Tax Projection

Average Unit Price		\$4,508,952
Assessment-to-Value Ratio	X	75.0%
Total Assessment		\$3,381,714
Ad Valorem Tax Rate	X	1.32%
Total Ad Valorem Taxes		\$44,511
Non-Ad Valorem		\$268
Total Taxes		\$44,779
Less: Early Payment Discount	4%	-\$1,791
Net Taxes		\$42,988
Rounded		\$43,000
Per Month		\$3,583

In projecting a tax liability for the property, an increase in the assessed value to \$3,381,714 is projected. This equates to 75% of the indicated value via the sales comparison approach, which is within the range of the comparables. The 2023 tax rate of 1.316220% was utilized for this projection. Including direct assessments, the total real estate tax liability is \$44,779. Accounting for the 4% early payment discount, the discounted taxes are estimated at \$43,000. This tax estimate is utilized later in the income capitalization approach.

## Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

### Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

### As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

#### Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

#### Legally Permissible

The subject has multiple zonings which permit mixed use residential development. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only mixed use residential is given further consideration in determining highest and best use of the site, as though vacant.

#### Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for mixed use residential in the subject's area. It appears a newly developed mixed use residential on the site would have a value commensurate with its cost. Therefore, mixed use residential is considered to be financially feasible.

#### Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than mixed use residential. Accordingly, mixed use residential, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

**Conclusion**

The highest and best use of the subject as though vacant is the development of luxury residential mixed use development.

**As Improved/Proposed**

The subject site is proposed to be developed with a mixed use residential development including a proposed Ritz-Carlton branded luxury high rise condominium. The which is consistent with the highest and best use of the site as though vacant.

**Most Probable Buyer**

The most probable buyer is a residential developer.



# Valuation

## Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties and vacant land.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

In valuing the subject property, we have provided the Cost Approach and the Direct Sales Comparison Approach in conjunction with a Discounted Sellout Analysis to estimate the market value of the subject residential condominium units as complete. The Sales Comparison Approach is utilized to estimate the Gross Sellout of the subject condominium units based on sales of comparable condominium units in the subject sub-market. In order to convert a Total (Gross) Sellout to Bulk Market Value, a discounting process was utilized in order to account for sales expenses and holding costs during the absorption or sellout period of the units.

## Land Valuation – Ritz Carlton Condo Phase I

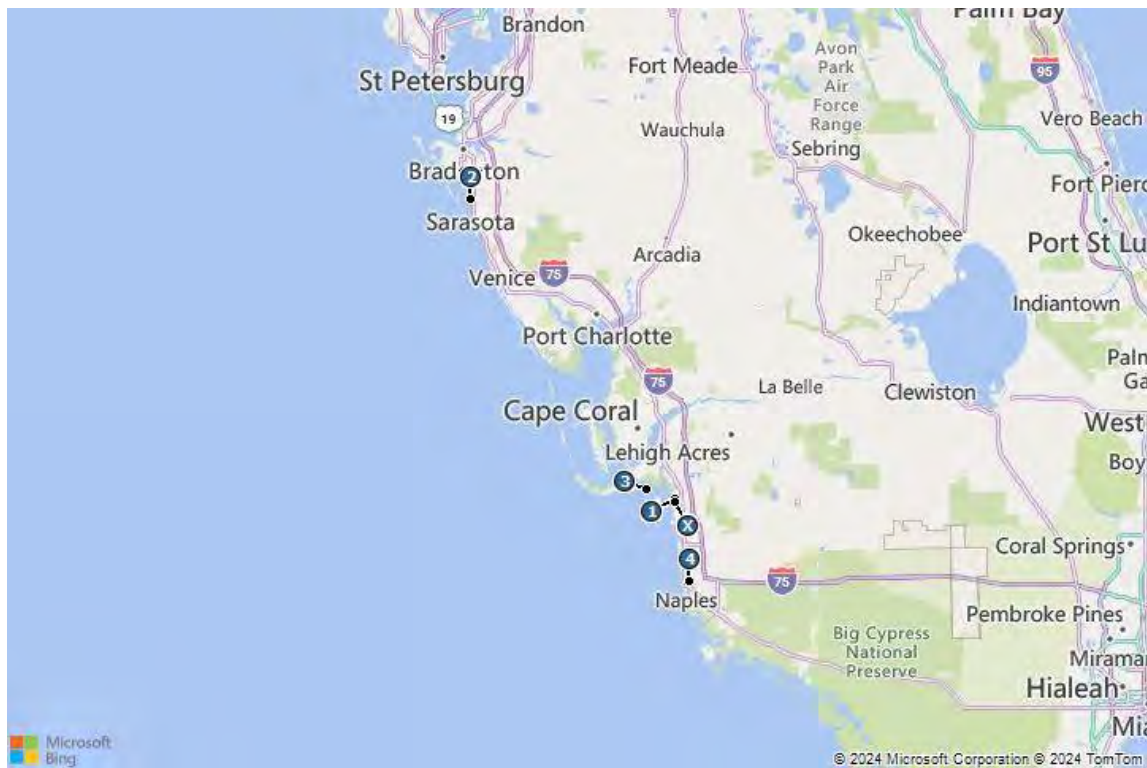
To develop an opinion of the subject's land value, as though vacant and available to be developed to its highest and best use, the sales comparison approach is used. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. The research focused on transactions within the following parameters:

- Location: West Coast of Florida.
- Size: Most similar comparables available.
- Use: Residential condominium.
- Transaction Date: 2022-2024.

For this analysis, price per unit is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales - Phase 1 - South Tower								
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Units; Density (Units/Ac.)	Zoning	\$/Unit	\$/SF Land
1	The Island at West Bay Club High Rise 5100 Baybridge Blvd. Estero Lee County FL Comments: Purchased for the development of an 86-unit high rise condominium known as The Island at West Bay Club. Gulf of Mexico and Estero Bay views.	Jan-24 Closed	\$33,500,000	234,788 5.39	86 16.0	RPD	\$389,535	\$142.68
2	601 Quay Commons Sarasota Sarasota County FL Comments: This vacant land property site area consists of two parcels containing 1.47 acres or 63,957.47 square feet. The property is accessible from the east and west sides of Quay Commons with frontage along the south side of Boulevard of the Arts as well as N. Tamiami Trail in Sarasota, Sarasota County. The buyers plan on building an 18-story tower with 123 luxury condo units. This property last sold on September 29th, 2023 for \$32,000,000 or \$500.33/psf.	Sep-23 Closed	\$32,000,000	63,957 1.47	123 83.8	DTB	\$260,163	\$500.33
3	Red Coconut RV Park 3001 Estero Blvd. Fort Myers Beach Lee County FL Comments: This is the sale of the former Red Coconut RV park which was demolished in Hurricane Ian in September 2022. The site can support up to 15 units per acre or 145 units under the Fort Myers Beach comprehensive plan. The buyer has not announced plans for redevelopment.	Sep-23 Closed	\$52,000,000	422,859 9.71	145 14.9	V	\$358,621	\$122.97
4	Inlet Quay 750 Goodlette Rd. N. Naples Collier County FL Comments: Previously sold in March 2022 for \$7,640,000. Prior to the most recent sale, a quit-claim assignment of residential units was recorded on April 5, 2022. 37 residential units were assigned to Good Naples I, LLC, who intends to develop the 4.39-acre site with 37 waterfront luxury condos and 19 boat slips. Amenities will include pool, firepits, outdoor grilling spaces, fitness center, social bar, and lobby.	Apr-22 Closed	\$9,970,000	191,228 4.39	37 8.4	PD	\$269,459	\$52.14
	<b>Subject</b>			274,930	112	Bayview on Estero Bay CPD/RPD		
	Saltleaf CDD Bonita Springs, FL			6.31	17.7			

## Comparable Land Sales Map

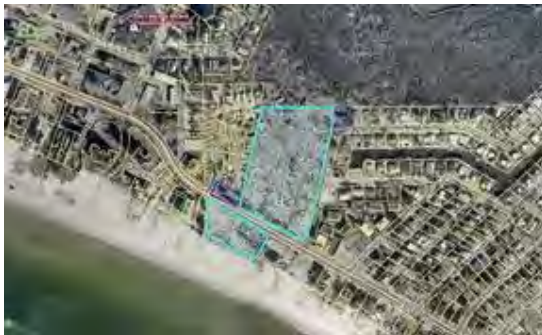




Sale 1  
The Island at West Bay Club High Rise Land



Sale 2  
601 Quay Commons



Sale 3  
Red Coconut RV Park



Sale 4  
Inlet Quay

## **Analysis and Adjustment of Sales**

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts, and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

### **Transactional Adjustments**

#### **Real Property Rights Conveyed**

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

#### **Financing Terms**

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

**Conditions of Sale**

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

**Expenditures Made Immediately After Purchase**

This category considers expenditures incurred immediately after the purchase of a property. There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

**Market Conditions**

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

The sales took place from April 2022 to January 2024. Market conditions were considered in our reconciliation.

**Property Adjustments****Location**

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sale 1 is similar to the subject. Sale 3 is superior to the subject. Sales 2 and 4 are inferior to the subject.

**Access/Exposure**

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject.

**Size**

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject.

**Shape and Topography**

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject.

**Zoning**

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of Bayview on Estero Bay CPD/RPD - Commercial and Residential Planned Development.

All of the comparables are similar to the subject.

**Adjustments Summary**

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.



**Land Sales Adjustment Grid - Phase 1 - South Tower**

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Saltleaf CDD	The Island at West Bay Club High Rise Land	601 Quay Commons	Red Coconut RV Park	Inlet Quay
Address	5000 Coconut Road	5100 Baybridge Blvd.	601 Quay Commons	3001 Estero Blvd.	750 Goodlette Rd. N.
City	Bonita Springs	Estero	Sarasota	Fort Myers Beach	Naples
County	Lee	Lee	Sarasota	Lee	Collier
State	Florida	FL	FL	FL	FL
Sale Date		Jan-24	Sep-23	Sep-23	Apr-22
Sale Status		Closed	Closed	Closed	Closed
Sale Price		\$33,500,000	\$32,000,000	\$52,000,000	\$9,970,000
Price Adjustment		—	—	—	—
Description of Adjustment					
Effective Sale Price		\$33,500,000	\$32,000,000	\$52,000,000	\$9,970,000
Square Feet	274,930	234,788	63,957	422,859	191,228
Acres	6.31	5.39	1.47	9.71	4.39
Number of Units	112	86	123	145	37
Units Per Acre	17.75	—	83.77	14.94	8.43
Zoning Code	Bayview on Estero Bay CPD/RPD	RPD	DTB	V	PD
<b>Price per Unit</b>		<b>\$389,535</b>	<b>\$260,163</b>	<b>\$358,621</b>	<b>\$269,459</b>
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Ranking		—	—	—	—
Financing Terms		Cash to seller - buyer obtained financing	Cash to seller	Cash to seller - buyer obtained financing	Seller financing
Ranking		—	—	—	—
Conditions of Sale			Arm's-length	Arm's-length	Arm's-length
Ranking		—	—	—	—
Expenditures Made Immediately After Purchase					
Ranking		—	—	—	—
Market Conditions	1/27/2024	Jan-24	Sep-23	Sep-23	Apr-22
Ranking		—	—	—	—
Location		—	Inferior	Superior	Inferior
Access/Exposure		—	—	—	—
Size		—	—	—	—
Shape and Topography		—	—	—	—
Zoning		—	—	—	—
<b>Overall Ranking</b>		<b>Similar</b>	<b>Inferior</b>	<b>Superior</b>	<b>Very Inferior</b>
<b>Indicated Value</b>		<b>\$350,000</b>			



**Land Value Conclusion – Ritz Carlton Condominiums Phase I**

Prior to adjustments, the sales reflect a range of \$260,163 - \$389,535 per unit. Primary reliance was placed on comparable 1. Based on the preceding analysis, the land value conclusion for the subject is presented as follows:

<b>Land Value Conclusion</b>	<b>Phase 1</b>
Indicated Value per Unit	\$350,000
Subject Units	<u>112</u>
Indicated Value	\$39,200,000
Rounded	\$39,200,000

## Cost Approach – Ritz Carlton Phase I

The steps taken to apply the cost approach are:

- Develop an opinion of the value of the land as though vacant and available to be developed to its highest and best use, as of the effective date of the appraisal;
- Estimate the replacement cost new of the existing improvements under current market conditions;
- Estimate depreciation from all causes and deduct this estimate from replacement cost new to arrive at depreciated replacement cost of the improvements; and
- Add land value to the depreciated replacement cost of the improvements to arrive at a market value indication for the property overall.

### Developer's Budget

The developer's cost budget is summarized below. A detailed budget is in the addenda.

<b>Estimated Developer's Cost*</b>				
Item	Total Cost	\$/SF	\$/Unit	% of Total
<b>Hard Costs</b>				
<b>Building Costs</b>				
Total Hard Cards	\$255,185,599	\$477.51	\$2,278,443	71.3%
Total Building Costs	\$255,185,599	\$477.51	\$2,278,443	71.3%
<b>Site Improvement Costs</b>				
Site Improvement Costs	\$12,184,232	\$22.80	\$108,788	3.4%
Total Site Improvement Costs	\$12,184,232	\$22.80	\$108,788	3.4%
Total Hard Costs	\$267,369,831	\$500.31	\$2,387,231	74.7%
<b>Soft Costs</b>				
Total Soft Costs	\$71,343,783	\$133.50	\$636,998	19.9%
Total Other Costs	\$19,356,579	\$36.22	\$172,827	5.4%
Total Soft Costs	\$90,700,362	\$169.72	\$809,825	25.3%
Total Costs Without Land	\$358,070,193	\$670.03	\$3,197,055	100.0%
*As compiled by IRR				

### Replacement Cost

Replacement cost is the estimated cost to construct, at current prices as of a specified date, a substitute for a building or other improvement, using modern materials and current standards, design, and layout. Estimates of replacement cost for the purpose of developing a market value opinion include three components: direct costs, indirect costs (also known as soft costs) and entrepreneurial incentive.

### Direct Costs

Direct costs are expenditures for labor, materials, equipment and contractor's overhead and profit. Marshall Valuation Service (MVS) is used as the basis of the direct cost estimate. In addition to direct costs, MVS includes certain indirect costs such as architectural and engineering fees, and interest on building loan funds during construction.

### Indirect Costs

MVS does not include all of the indirect costs that are appropriate in a replacement cost estimate. Therefore, an allowance is added for the following indirect costs that are not contained within MVS: taxes and carrying costs on land during construction; legal and accounting fees; and marketing and finance costs prior to stabilization. It is estimated that a 25% allowance for additional indirect costs is appropriate.

### Entrepreneurial Incentive

Entrepreneurial incentive is the financial reward that a developer would expect to receive in addition to recovering all direct and indirect costs. This is the expected compensation that would be necessary to motivate a developer to undertake the project. An estimate of 10.0% is applied to the total replacement costs used in this analysis.

### Replacement Cost New

The following tables show the replacement cost estimates for the subject building improvements and site improvements.

#### Building Improvements - Unit Costs

<b>Building 1 Name: High Rise Condo</b>					
MVS Building Type:	MF Highrise	Unit	SF	Current Multiplier	1.040
Const Class:	A	Unit Cost	\$389.00	Local Multiplier	0.940
Quality:	Excellent	Sprinklers:	\$4.00	Story Ht Multiplier	1.095
Quality Rating:	Excellent	HVAC Adjust	\$0.00	Perimeter Multiplier	1.000
Section/Page	11/15	Other (Balconies):	\$20.26		
Economic Life	55	Subtotal:	\$413.26	Final Unit Cost	\$442.38
<b>Building 2 Name: Clubhouse</b>					
MVS Building Type:	MF Clubhouse	Unit	SF	Current Multiplier	1.040
Const Class:	C	Unit Cost	\$270.00	Local Multiplier	0.940
Quality:	Excellent	Sprinklers:	\$4.00	Story Ht Multiplier	1.000
Quality Rating:	Excellent	HVAC Adjust		Perimeter Multiplier	1.000
Section/Page	11/30	Other:			
Economic Life	55	Subtotal:	\$274.00	Final Unit Cost	\$267.86

Source: Marshall Valuation Service

**Site Improvements - Unit Costs**

<b>Site Improvement 1 Name:</b>		Surface Parking			
Quality:	Excellent	Unit Cost	\$1,940.00	Current Multiplier	1.040
Section:		Other:		Local Multiplier	0.940
Page:		Other:			
Unit:	Space	Subtotal:	\$1,940.00	Final Unit Cost	\$1,896.54
<b>Site Improvement 2 Name:</b>		Site Work			
Quality:	Excellent	Unit Cost	\$4,120,546.00	Current Multiplier	1.040
Section:		Other:		Local Multiplier	0.940
Page:		Other:			
Unit:	Lump Sum	Subtotal:	\$4,120,546.00	Final Unit Cost	\$4,028,245.77
<b>Site Improvement 3 Name:</b>		Utility			
Quality:	Excellent	Unit Cost	\$5,110,746.00	Current Multiplier	1.040
Section:		Other:		Local Multiplier	0.940
Page:		Other:			
Unit:	Lump Sum	Subtotal:	\$5,110,746.00	Final Unit Cost	\$4,996,265.29

The developer's site cost was utilized and adjusted by current multipliers.

**Replacement Cost Estimate**

<b>Building Improvements</b>							
<i>Bldg Name</i>	<i>MVS Building Type</i>	<i>MVS Class</i>	<i>Quality</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>
High Rise Condo	MF Highrise	A	Excellent	525,809	SF	\$442.38	\$232,607,385
Clubhouse	MF Clubhouse	C	Excellent	8,600	SF	\$267.86	\$2,303,596
Subtotal - Building Costs							\$234,910,981
Plus: Indirect Cost						25%	\$58,727,745
Subtotal							\$293,638,727
Plus: Entrepreneurial Incentive						10.0%	\$29,363,873
<b>Total Building Costs</b>							\$323,002,599
<b>Site Improvements</b>							
<i>Item</i>		<i>Quality</i>	<i>Quantity</i>	<i>Unit</i>		<i>Unit Cost</i>	<i>Cost New</i>
Surface Parking		Excellent	92	Space		\$1,896.54	\$174,482
Site Work		Excellent	1	Lump Sum		\$4,028,245.77	\$4,028,246
Utility		Excellent	1	Lump Sum		\$4,996,265.29	\$4,996,265
Subtotal - Site Improvement Costs							\$9,198,993
Plus: Indirect Cost						25%	\$2,299,748
Subtotal							\$11,498,741
Plus: Entrepreneurial Incentive						10.0%	\$1,149,874
<b>Total Site Improvement Costs</b>							\$12,648,615
<b>Overall Property</b>							
Building Improvements							\$234,910,981
Site Improvements							\$9,198,993
Subtotal - Replacement Cost New							\$244,109,974
Plus: Indirect Cost						25%	\$61,027,494
Subtotal							\$305,137,468
Plus: Entrepreneurial Incentive						10.0%	\$30,513,747
<b>Total Replacement Cost New</b>							\$335,651,214

Source: Marshall Valuation Service except for Indirect Costs and Entrepreneurial Incentive, which are appraiser's estimates.

Below we have compared our estimate to that of the developer. Land costs are not included.

### Cost Comparison

Item	MVS	Developer's Estimate
Hard Costs		
Building	\$234,910,981	\$255,185,599
Site	\$9,198,993	\$12,184,232
Total Hard Costs	\$244,109,974	\$267,369,831
Soft Costs	\$61,027,494	\$90,700,362
Total Costs without Land	\$305,137,468	\$358,070,193
Plus: Entrepreneurial Incentive	\$30,513,747	\$35,807,019
Total	\$335,651,214	\$393,877,212

The subject's budgeted costs and MVS were both given consideration towards a cost conclusion for the subject. We have concluded at the developer's budget. We note the developer's budget is above the MVS estimate, however, the subject will be an excellent quality, Ritz-Carlton branded high rise condominium development. The subject will have excellent quality features and a high level of community amenities. The developer budget was utilized in this analysis.

### Depreciation

Depreciation is the difference between the replacement cost new of the improvements and their contribution to overall property value on the effective date of the appraisal. There are three major causes of depreciation:

1. **Physical deterioration:** The loss in value due to the wear and tear that begins when a building is completed and placed into service. Physical deterioration can be curable (referred to as deferred maintenance) or incurable.
2. **Functional obsolescence:** The loss in value due to changes in market tastes and standards. Similar to physical deterioration, functional obsolescence can be curable or incurable.
3. **External obsolescence:** The loss in value due to negative external influences. These influences can be temporary or permanent, and are generally incurable by the owner, landlord, or tenant.

There are three principal methods of estimating depreciation: the market extraction method, the economic age-life method, and the breakdown method. The economic age-life method is used in this analysis.

### Economic Age-Life Method

In the economic age-life method, depreciation is estimated by dividing the effective age of the improvements by the total economic life. This method results in a lump sum estimate for all depreciation, including the loss in value from all physical, functional and external obsolescence.

### Modified Economic Age-Life Method

In some cases, it is appropriate to withhold certain forms of depreciation and address these items separately. This is referred to as the modified economic age-life method.

**Deferred Maintenance:** Prior to applying the ratio from the economic age-life method, deferred maintenance is deducted. Deferred maintenance is addressed in the Improvements Description and Analysis section of this report.

The subject property is new / proposed and is not subject to any deferred maintenance.

**Functional Obsolescence:** A deduction for functional obsolescence is intentionally withheld from the preceding effective age/total economic life ratio.

The subject property is new / proposed and is not subject to any functional obsolescence.

**External Obsolescence:** A deduction for external obsolescence is intentionally withheld from the preceding effective age/total economic life ratio.

#### **Final Estimate of Depreciation**

No depreciation was estimated.

#### **Value Indication**

By combining the land value conclusion with the depreciated replacement cost of the improvements, a value by the cost approach is indicated, as shown in the following table.

<b>Value Indication by Cost Approach</b>	
Depreciated Replacement Cost	\$393,877,212
Land Value	
Phase 1 - South Tower	\$39,200,000
Total	<u>\$39,200,000</u>
Indicated Property Value	\$433,077,212
Rounded	<u>\$433,100,000</u>

## **Income Approach (Discounted Sellout) Ritz Carlton Phase I**

The subject property consists of the proposed Ritz Carlton branded condominium development having units available to be sold to individual purchasers. The Sales Comparison Approach in conjunction with a Discounted Sellout Analysis was utilized to estimate the market value of the subject property. The Sales Comparison Approach is based on the principle of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property assuming no costly delay in making the substitution. The traditional appraisal technique involves collection and analysis of sales of various properties having as many similar characteristics to the property being evaluated as possible. The validity of this approach is dependent on the availability or quantity of this data and the relevancy or quality of this data. Therefore, an analysis of recent sales and current active listings of similar units which are located in the immediate subject area or similar areas was conducted to provide an indication of the per unit sales prices for the proposed subject units.

The data analyzed is considered to represent comparable/competitive end-product alternatives available to the prospective purchasers. We have utilized the best available data, as reflective of comparable options located in the subject area that would reflect a viable alternative to the typical purchaser profile. Adjustments were applied to reflect differentials between the comparable/competitive products and the subject. This resulted in an adjusted sales price analysis thereby providing an indication of value that could be applied to the individual subject units upon completion.

These indications of value provided the estimates of the probable selling prices for the subject units. The individual unit prices were then totaled to determine the Gross Sellout (sum of the individual retail sales prior to deduction for sales expenses/holding costs and discount to present value). The Gross Sellout estimate is based on current market conditions and establishes total sales revenue of the subject units projected over a period. To convert a Gross Sellout to Market Value, a discounting process to account for selling expenses and holding costs during the absorption or sellout period of the units is required. The discounting process was calculated in three steps. First, an absorption period was estimated for the period necessary to sellout the units. Then, an estimation of sales expenses, holding costs and entrepreneurial profit were deducted from the gross sales proceeds to derive net sales proceeds. Finally, a discount rate was applied to the net sales proceed to reflect a return on debt and equity capital and yield the Market Value by the Discounted Sellout. This resulted in our estimate of the Discounted Value to a Single Purchaser, as of the date of value.

### **Gross Sellout Analysis**

The Gross Sellout of the subject units was estimated based on direct sales comparison with similar units located in the subject market area and the subject property sales internally. Sales and listings of first-generation developments and re-sales in these newer projects were utilized in this analysis. In this approach to value, the price per square foot of living and/or net sellable area was considered the most applicable unit of comparison. As stated, an analysis of recent sales and current sales prices of similar units located in the subject area was made to provide an indication of the per unit sales prices that could be obtained at proposed subject units. The following data summarizes the most comparable condominium projects utilized in the analysis. The data was researched from the Multiple Listing Services (MLS) and data provided from various developers.

**Developer's Projected Pricing**

There are a total of 112 units. Per the developer's sale summary (12/14/2023), 75 units have been presold. The following table summarizes the developer's total projected gross retail value:

<b>Developer Sale Summary</b>			
# of Units	112		
Presold Units	75		
Presold %	67.0%		
Projected Gross Sales	\$505,002,600	<b>\$505,000,000</b>	
Average \$/Unit	\$4,508,952		
\$/SF	\$1,314		
Total Presales	\$330,322,600		
Average \$/Unit	\$4,404,301		
\$/SF	\$1,279		

The developer has projected an average sale price of \$4,508,952 or \$1,314 per square foot. This estimate includes both presold and available units. The average presold unit price is \$4,404,301 or \$1,279 per square foot. The following tables summarize pending contracts at the subject and developer's projected pricing for the remaining unsold units based upon the unit type.

<b>Developer Sale Summary R-01 Units</b>						
Unit #	Floorplan	Floor	Status	Price	Living Area (SF)	\$/SF
201	R-01	2	Presold	\$4,185,000	3,885	\$1,077
301	R-01	3	Available	\$3,960,000	3,885	\$1,019
401	R-01	4	Available	\$4,050,000	3,885	\$1,042
501	R-01	5	Presold	\$4,636,500	3,885	\$1,193
601	R-01	6	Presold	\$4,395,000	3,885	\$1,131
701	R-01	7	Presold	\$4,375,000	3,885	\$1,126
801	R-01	8	Presold	\$4,635,000	3,885	\$1,193
901	R-01	9	Presold	\$4,695,000	3,885	\$1,208
1001	R-01	10	Presold	\$4,815,000	3,885	\$1,239
1101	R-01	11	Presold	\$4,622,400	3,885	\$1,190
1201	R-01	12	Presold	\$5,125,000	3,885	\$1,319
1401	R-01	14	Presold	\$5,460,000	3,885	\$1,405
1501	R-01	15	Presold	\$5,195,000	3,885	\$1,337
1601	R-01	16	Presold	\$5,790,000	3,885	\$1,490
1701	R-01	17	Presold	\$6,260,000	3,885	\$1,611
1801	R-01	18	Presold	\$6,390,000	3,885	\$1,645
1901	R-01	19	Presold	\$6,556,000	3,885	\$1,688
<b>Gross Sales</b>				<b>\$85,144,900</b>		
<b>Total Presales</b>				<b>\$77,134,900</b>		
<b># of Units</b>	<b>17</b>		<b>Avg. Price</b>	<b>\$5,008,524</b>	<b>3,885</b>	<b>\$1,289</b>
<b>Presold</b>	<b>15</b>		<b>Avg. Presale Price</b>	<b>\$5,142,327</b>	<b>3,885</b>	<b>\$1,324</b>



**Developer Sale Summary R-02 Units**

Unit #	Floorplan	Floor	Status	Price	Living Area (SF)	\$/SF
202	R-02	2	Presold	\$2,805,000	2,628	\$1,067
302	R-02	3	Available	\$3,000,000	2,628	\$1,142
402	R-02	4	Available	\$3,055,000	2,628	\$1,162
502	R-02	5	Presold	\$3,652,000	2,628	\$1,390
602	R-02	6	Presold	\$2,990,000	2,628	\$1,138
702	R-02	7	Presold	\$3,013,500	2,628	\$1,147
802	R-02	8	Presold	\$3,725,000	2,628	\$1,417
902	R-02	9	Presold	\$3,230,000	2,628	\$1,229
1002	R-02	10	Presold	\$3,310,000	2,628	\$1,260
1102	R-02	11	Presold	\$3,390,000	2,628	\$1,290
1202	R-02	12	Available	\$3,715,000	2,628	\$1,414
1402	R-02	14	Presold	\$3,800,000	2,628	\$1,446
1502	R-02	15	Presold	\$3,635,000	2,628	\$1,383
1602	R-02	16	Available	\$3,975,000	2,628	\$1,513
1702	R-02	17	Presold	\$3,795,000	2,628	\$1,444
1802	R-02	18	Available	\$4,145,000	2,628	\$1,577
1902	R-02	19	Presold	\$4,653,000	2,628	\$1,771
<b>Gross Sales</b>				<b>\$59,888,500</b>		
<b>Total Presales</b>				<b>\$41,998,500</b>		
<b># of Units</b>		<b>17</b>	<b>Avg. Price</b>	<b>\$3,522,853</b>	<b>2,628</b>	<b>\$1,341</b>
<b>Presold</b>		<b>12</b>	<b>Avg. Presale Price</b>	<b>\$3,499,875</b>	<b>2,628</b>	<b>\$1,332</b>

**Developer Sale Summary R-03 Units**

Unit #	Floorplan	Floor	Status	Price	Living Area (SF)	\$/SF
203	R-03	2	Available	\$3,320,000	3,610	\$920
303	R-03	3	Available	\$3,375,000	3,610	\$935
403	R-03	4	Available	\$3,430,000	3,610	\$950
503	R-03	5	Presold	\$3,515,000	3,610	\$974
603	R-03	6	Presold	\$3,650,000	3,610	\$1,011
703	R-03	7	Presold	\$3,575,000	3,610	\$990
803	R-03	8	Presold	\$3,610,000	3,610	\$1,000
903	R-03	9	Presold	\$3,790,000	3,610	\$1,050
1003	R-03	10	Presold	\$3,820,000	3,610	\$1,058
1103	R-03	11	Presold	\$4,280,000	3,610	\$1,186
1203	R-03	12	Available	\$4,195,000	3,610	\$1,162
1403	R-03	14	Available	\$4,300,000	3,610	\$1,191
1503	R-03	15	Available	\$4,410,000	3,610	\$1,222
1603	R-03	16	Available	\$4,435,000	3,610	\$1,229
1703	R-03	17	Available	\$4,630,000	3,610	\$1,283
1803	R-03	18	Available	\$4,740,000	3,610	\$1,313
1903	R-03	19	Presold	\$4,955,000	3,610	\$1,373
<b>Gross Sales</b>				<b>\$68,030,000</b>		
<b>Total Presales</b>				<b>\$31,195,000</b>		
<b># of Units</b>		<b>17</b>	<b>Avg. Price</b>	<b>\$4,001,765</b>	<b>3,610</b>	<b>\$1,109</b>
<b>Presold</b>		<b>8</b>	<b>Avg. Presale Price</b>	<b>\$3,899,375</b>	<b>3,610</b>	<b>\$1,080</b>

**Developer Sale Summary R-04 Units**

Unit #	Floorplan	Floor	Status	Price	Living Area (SF)	\$/SF
204	R-04	2	Available	\$3,295,000	3,610	\$913
304	R-04	3	Available	\$3,350,000	3,610	\$928
404	R-04	4	Available	\$3,405,000	3,610	\$943
504	R-04	5	Presold	\$3,530,000	3,610	\$978
604	R-04	6	Presold	\$3,630,000	3,610	\$1,006
704	R-04	7	Presold	\$3,575,000	3,610	\$990
804	R-04	8	Presold	\$3,560,000	3,610	\$986
904	R-04	9	Presold	\$3,795,000	3,610	\$1,051
1004	R-04	10	Presold	\$3,697,700	3,610	\$1,024
1104	R-04	11	Presold	\$4,225,000	3,610	\$1,170
1204	R-04	12	Presold	\$4,120,000	3,610	\$1,141
1404	R-04	14	Presold	\$4,085,000	3,610	\$1,132
1504	R-04	15	Presold	\$4,400,000	3,610	\$1,219
1604	R-04	16	Presold	\$4,510,000	3,610	\$1,249
1704	R-04	17	Available	\$4,620,000	3,610	\$1,280
1804	R-04	18	Presold	\$4,505,000	3,610	\$1,248
1904	R-04	19	Available	\$4,840,000	3,610	\$1,341
<b>Gross Sales</b>				<b>\$67,142,700</b>		
<b>Total Presales</b>				<b>\$47,632,700</b>		
<b># of Units</b>		<b>17</b>	<b>Avg. Price</b>	<b>\$3,949,571</b>	<b>3,610</b>	<b>\$1,094</b>
<b>Presold</b>		<b>12</b>	<b>Avg. Presale Price</b>	<b>\$3,969,392</b>	<b>3,610</b>	<b>\$1,100</b>

**Developer Sale Summary R-05 Units**

Unit #	Floorplan	Floor	Status	Price	Living Area (SF)	\$/SF
105	R-05	1	Presold	\$3,316,500	2,628	\$1,262
M105	R-05	Mezz	Available	\$3,175,000	2,628	\$1,208
205	R-05	2	Available	\$3,090,000	2,628	\$1,176
305	R-05	3	Available	\$3,150,000	2,628	\$1,199
405	R-05	4	Presold	\$3,155,000	2,628	\$1,201
505	R-05	5	Available	\$3,270,000	2,628	\$1,244
605	R-05	6	Presold	\$3,365,000	2,628	\$1,280
705	R-05	7	Available	\$3,395,000	2,628	\$1,292
805	R-05	8	Presold	\$2,905,000	2,628	\$1,105
905	R-05	9	Presold	\$3,840,000	2,628	\$1,461
1005	R-05	10	Presold	\$3,730,000	2,628	\$1,419
1105	R-05	11	Presold	\$3,685,000	2,628	\$1,402
1205	R-05	12	Presold	\$4,130,000	2,628	\$1,572
1405	R-05	14	Available	\$4,005,000	2,628	\$1,524
1505	R-05	15	Presold	\$3,690,000	2,628	\$1,404
1605	R-05	16	Available	\$4,190,000	2,628	\$1,594
1705	R-05	17	Available	\$4,280,000	2,628	\$1,629
1805	R-05	18	Available	\$4,370,000	2,628	\$1,663
1905	R-05	19	Presold	\$3,680,000	2,628	\$1,400
<b>Gross Sales</b>				<b>\$68,421,500</b>		
<b>Total Presales</b>				<b>\$35,496,500</b>		
<b># of Units</b>		<b>19</b>	<b>Avg. Price</b>	<b>\$3,601,132</b>	<b>2,628</b>	<b>\$1,370</b>
<b>Presold</b>		<b>10</b>	<b>Avg. Presale Price</b>	<b>\$3,549,650</b>	<b>2,628</b>	<b>\$1,351</b>

**Developer Sale Summary R-06 Units**

Unit #	Floorplan	Floor	Status	Price	Living Area (SF)	\$/SF
106	R-06	1	Presold	\$4,365,000	3,885	\$1,124
M106	R-06	Mezz	Available	\$4,835,000	3,885	\$1,245
206	R-06	2	Available	\$5,035,000	3,885	\$1,296
306	R-06	3	Presold	\$4,630,000	3,885	\$1,192
406	R-06	4	Presold	\$4,710,000	3,885	\$1,212
506	R-06	5	Presold	\$4,825,000	3,885	\$1,242
606	R-06	6	Presold	\$5,035,000	3,885	\$1,296
706	R-06	7	Presold	\$4,000,000	3,885	\$1,030
806	R-06	8	Presold	\$4,100,000	3,885	\$1,055
906	R-06	9	Presold	\$4,620,000	3,885	\$1,189
1006	R-06	10	Presold	\$5,490,000	3,885	\$1,413
1106	R-06	11	Presold	\$4,400,000	3,885	\$1,133
1206	R-06	12	Presold	\$4,950,000	3,885	\$1,274
1406	R-06	14	Presold	\$6,340,000	3,885	\$1,632
1506	R-06	15	Presold	\$5,950,000	3,885	\$1,532
1606	R-06	16	Presold	\$6,900,000	3,885	\$1,776
1706	R-06	17	Presold	\$6,710,000	3,885	\$1,727
1806	R-06	18	Presold	\$6,830,000	3,885	\$1,758
1906	R-06	19	Presold	\$5,450,000	3,885	\$1,403
<b>Gross Sales</b>				<b>\$99,175,000</b>		
<b>Total Presales</b>				<b>\$89,305,000</b>		
<b># of Units</b>		<b>19</b>	<b>Avg. Price</b>	<b>\$5,219,737</b>	<b>3,885</b>	<b>\$1,344</b>
<b>Presold</b>		<b>17</b>	<b>Avg. Presale Price</b>	<b>\$5,253,235</b>	<b>3,885</b>	<b>\$1,352</b>

**Developer Sale Summary Penthouse Units**

Unit #	Floor	Status	Price	Living Area (SF)	\$/SF
PH 20-1	20	Presold	\$7,560,000	3,885	\$1,946
PH 21-1	21	Available	\$8,115,000	3,885	\$2,089
PH 20-2	20	Available	\$5,305,000	2,628	\$2,019
PH 21-2	21	Available	\$15,500,000	6,675	\$2,322
PH 20-3	20	Available	\$6,505,000	3,610	\$1,802
PH 20-4	20	Available	\$14,215,000	6,301	\$2,256
<b>Gross Sales</b>			<b>\$57,200,000</b>		
<b>Total Presales</b>			<b>\$7,560,000</b>		
<b># of Units</b>		<b>6</b>	<b>Avg. Price</b>	<b>\$9,533,333</b>	<b>4,497</b>
<b>Presold</b>		<b>1</b>	<b>Avg. Presale Price</b>	<b>\$7,560,000</b>	<b>3,885</b>

**Retail Pricing Analysis**

To provide an estimate of the retail unit prices, we have researched sale trends at competing luxury, high-rise condominium developments in Lee and Collier County. Our search focused on recently developed, under construction and proposed developments with a view amenity (Gulf of Mexico, Estero Bay, etc.). The competing communities were detailed in the market analysis. The communities are summarized below.

**Competitive Property Summary**

#	Name	Units	Pricing	
1	Omega at Bonita Bay	67	\$3,425,000	- \$6,500,000
2	Kalea Bay	600	\$3,285,000	- \$4,800,000
3	Infinity at the Colony	96	\$3,345,000	- \$4,465,000
4	Seaglass at Bonita Springs	120	\$2,474,000	- \$5,499,000
5	The Ritz-Carlton Residences Naples	128	\$4,000,000	- \$26,500,000
6	Epique Pelican Bay	68	\$6,500,000	
7	The Island at West Bay Club	86	\$3,010,000	- \$5,039,000

**Retail Value Indication**

Each of the comparable properties are luxury high rise developments with views of Bonita Bay, Estero Bay, Gulf of Mexico, etc. The developer has projected an average sale price of \$4,508,952 or \$1,314 per square foot. These estimates includes both presold and available units. The average presold unit price is \$4,404,301 or \$1,279 per square foot. The subject's projected prices are within the range indicated by the comparable projects. In the discounted sellout the developer's pricing was used.

**Developer Sale Summary**

# of Units	112
Presold Units	75
Presold %	67.0%
Projected Gross Sales	\$505,002,600 <b>\$505,000,000</b>
Average \$/Unit	\$4,508,952
\$/SF	\$1,314
Total Presales	\$330,322,600
Average \$/Unit	\$4,404,301
\$/SF	\$1,279

**Price Increases**

In order to project price increases we have examined MLS sale trends for competitive communities built after 2010. The table below summarizes our findings.

Price Increases								
Community	2020	2021	Annual % Change	2022	Annual % Change	2023	Annual % Change	Average % Change
BONITA BAY	\$1,475,343	\$2,101,591	42.4%	\$3,341,792	59.0%	\$4,067,957	21.7%	41.1%
KALEA BAY	\$2,190,865	\$2,672,900	22.0%	\$3,127,747	17.0%	\$2,624,032	-16.1%	7.6%
PELICAN BAY	\$5,295,833	\$5,818,750	9.9%	\$9,980,000	71.5%	\$6,266,667	-37.2%	14.7%
PELICAN ISLE	\$2,580,000	\$3,062,750	18.7%	\$3,075,000	0.4%	\$4,150,000	35.0%	18.0%
THE COLONY AT PELICAN LANDING	\$1,715,000	\$1,943,333	13.3%	\$2,697,500	38.8%	\$2,281,800	-15.4%	12.2%
							Minimum	7.6%
							Maximum	41.1%
							Average	18.7%

Although prices turned down in 2023, they are expected to rebound in 2024 and beyond. The average annual price change during the study period was 7.6% to 41.1% with an average of 18.7%. Considering the foregoing, a 3% increase per quarter was applied during the construction period. This was only

applied to the unsold units. At present there are 37 unsold units with an average list price of \$4,721,081. We assume a 30-month (10 Quarters) construction/sellout period. The inflated pricing for the remaining units is calculated below.

<b>Price Projection</b>				
Quarter	Increase	Average Pricing	Project Units Contracted/QTR	Gross Sales
Current		\$4,721,081		
1	3%	\$4,862,714	3	\$14,588,141
2	3%	\$5,008,595	3	\$15,025,785
3	3%	\$5,158,853	3	\$15,476,558
4	3%	\$5,313,618	4	\$21,254,473
5	3%	\$5,473,027	4	\$21,892,108
6	3%	\$5,637,218	4	\$22,548,871
7	3%	\$5,806,334	4	\$23,225,337
8	3%	\$5,980,524	4	\$23,922,097
9	3%	\$6,159,940	4	\$24,639,760
10	3%	\$6,344,738	4	\$25,378,953
Total Inflated Sales-Unsold Units				\$207,952,082
Total Sales-Presold Units				\$330,322,600
Total Gross Sales				\$538,274,682
Total Units				112
Average Sale Price				\$4,806,024

### **Additional Income Potential**

In addition to the standard units, we have considered the additional income potential of the cabana, storage units, tower suites, wine/whiskey lockers and additional parking.

### **Cabanas**

As noted, the subject property has 12 cabana units with two reserved for penthouse units. As such 10 cabanas are available for purchase. The subject units were offered primarily at \$600,000 to \$750,000 and the available 10 units were quickly absorbed. The remaining two units are offered as an amenity to the future penthouse sales. Based upon these factors, the estimated sell out of \$6,225,000 appears reflective of market for these units. We have assumed all units will be sold at completion.

<b>Cabana Sales</b>		
# of Sellable Cabanas	Avg. Price/Unit	Gross Sales
10	\$622,500	\$6,225,000

### **Tower Units**

The subject property contains 10 tower suites offered only to purchasers of condominium unit owners. These units are intended to act as guest residences for the condominium units and reflect a build out reportedly similar to a high-end hotel suite.

**Tower Suites**

Unit #	Status	Size (SF)	Price
1	Available	808	\$680,000
2	Available	755	\$635,000
3	Available	908	\$765,000
4	Available	900	\$885,000
5	Presold	916	\$826,000
6	Presold	925	\$835,000
7	Presold	1,120	\$1,135,000
8	Available	970	\$1,299,000
9	Presold	1,546	\$1,135,000
10	Presold	1,901	\$1,299,000
Gross Sales			\$9,494,000
Avg. Unit Price			\$949,400
Presales			\$5,230,000
Avg. Presale Unit			\$1,046,000

Five of the tower units have been presold with five units remaining. The contracted units ranged from \$826,000 to \$1,135,000 with the remaining units offered for \$826,000 to \$1,299,000 dependent on size and location. The average gross unit price was used in the DSO. We have assumed all units will be sold at completion.

**Storage**

The subject property will contain 43-storage units. Nine units have been presold. Gross sales have been estimated as follows. We have assumed all units will be sold at completion.

**Storage Unit Sales**

# of Units	43
Presold	9
<b><u>Storage Prices</u></b>	
Min.	\$12,500
Max.	\$27,500
Avg.	\$21,500
Est. Gross Sellout	\$924,500
Avg. Price/Unit	\$21,500

**Whiskey and Wine Lockers**

The subject property will have 112-beverage lockers available for sale. The developer has projected a price of \$10,000 per locker. We have assumed the lockers will be sold out upon completion.

**Whiskey and Wine Lockers**

#	\$/Locker	Total
112	\$10,000	\$1,120,000

**Parking**

The subject will have private parking and garage spaces for sale. The developer is projecting gross sales of \$1,300,000.

**Absorption Analysis**

Below we have summarized absorption for several competitive high-rise condominiums in Collier and Lee County.

**Comparable Property Absorption Summary**

Condominium	Summary	Sellout % (+/-)
Omega at Bonita Bay	The developer announced the project in late 2019. The building was substantially presold. As of June 2022, Ronto reported 63-presales. Construction was completed in the 4th quarter 2022.	94.0%
Kalea Bay	Comprised of five towers. Four of five towers are completed and sold out. Tower 3 was reportedly 97% sold out at completion. Tower 400 went vertical in January 2022 and was nearing completion as of December 2023. As of December 2023 Tower 400 was 99% sold out. Tower 500 was released in November 2023.	99.0%
Infinity at the Colony	Construction commenced in Summer 2023. At the time of commencement, the building was more than 50% presold.	50.0%
Seaglass at Bonita Springs	Construction began in the Fall of 2014 and completed in 2018. Reportedly 70% sold out at completion.	70.0%
The Ritz-Carlton Residences Naples	The Residences are slated for delivery in 2026. More than 50% sold (11/2023).	50.0%

Sales for the subject were launched in February 2022. The sales center was completed in January 2023. As discussed previously, 75 units have been reserved. Approximately 67.0% of the 112 units have been reserved. The comparables above indicate the subject should be substantially sold-out upon completion of construction. We have assumed 86.6% or 97 units will be sold at completion. The unsold units will be absorbed over the following 4-months.

## Selling Expenses

### Sales Commissions

Sales commissions are estimated at 4.00% of gross sales. This expense covers the developer's inhouse sales staff, as well as commissions to outside realtors.

### Closing Costs

Closing costs include title insurance, recording fees, professional fees, etc. We have estimated closing costs at 0.50% of gross sales.

### Overhead & Marketing

Overhead typically includes office expenses associated with sales and operations. The developer is required to a 4.75% branding fee to the Ritz Carlton. Total overhead and marketing is estimated at 5.00%.

### Real Estate Taxes

The average real estate taxes per unit are estimated as follow.

#### Real Estate Tax Projection

Average Unit Price		\$4,508,952
Assessment-to-Value Ratio	X	75.0%
Total Assessment		\$3,381,714
Ad Valorem Tax Rate	X	1.32%
Total Ad Valorem Taxes		\$44,511
Non-Ad Valorem		\$268
Total Taxes		\$44,779
Less: Early Payment Discount	4%	-\$1,791
Net Taxes		\$42,988
Rounded		\$43,000
Per Month		\$3,583

Prior to completion the subject will be taxed based on its current assessment which is \$73,992 per year or \$18,498 per quarter.

### Condominium Association Fees

Per the budget provided, monthly condo fees range from \$3,121.40 to \$4,517.16. The average monthly condo fee per unit is \$4,002. Condominium association fees are only applicable to completed units held in developer inventory.



<b>HOA</b>			
Unit Type	# of Units	Monthly HOA	Total Monthly HOA
4 bed (R-01, R-06)	36	\$4,517	\$162,618
3 bed (R-03, R-04)	34	\$4,298	\$146,148
2 bed (R-02, R-05)	36	\$3,121	\$112,370
Penthouse (Varies)	6	\$4,517	\$27,103
		Total	\$448,239.44
		Per Unit Avg.	\$4,002

### Community Development District (CDD)

The subject property units will be encumbered by a Community Development District (CDD) fund for infrastructure to the larger CDD project. The CDD will finance infrastructure costs, required offsite improvements (park and boat ramp) and agency fees. The CDD has not yet been established, however, will encumber the subject site prior to completion. It is likely, these fees will be passed directly to the end unit buyer upon a closed sale as a non-ad valorem direct payment in taxes and was not factored in our analysis. This is similar to the competitive properties.

### Construction Costs

In our as is valuation, we have deducted the construction costs evenly over the construction period.

### Discount Rate/Entrepreneurial Profit

A discount rate is applied to the net cash flows to convert the projected cash flows to present value. The discount rate is a rate of return commensurate with perceived risk used to convert future payments or receipts to present value. This rate reflects the compensation offered to an investor for assuming the inherent risk associated with the property. The discount rate varies with the size, complexity, market potential, overall quality, appeal, estimated absorption, and pricing of the product.

There are two general methods for applying appropriate rates of return, and both recognize that engaging in a future sales program over time provides a riskier income stream than in the case of conventional stabilized real estate investment properties. One method is to apply a single higher rate to the projected cash flows. A second method is to split the risk elements by applying a typical discount rate associated with the characteristics of real estate investment, and to deduct a separate profit amount to compensate for the return necessary for incurring the risk of selling each individual unit on a speculative basis.

Developer's profit and discount rate assumptions are interrelated. Assumptions regarding entrepreneurial profit can vary considerably depending on the structure of the analysis. Profit can be included as a line item expense in the cash flow or reflected in the discount rate. There are several ways to handle entrepreneurial profit in a cash flow forecast. The two most common in this market being: 1) deduction as a line item expense based on a percentage of retail sales revenues under a static residual model; and, 2) increase the discount rate to account for the entrepreneur's contribution in addition to project risk under a yield residual model. ***In this analysis separate estimates were made for the discount rate and profit.***

To estimate an appropriate discount rate, we have consulted the Developer Survey 3rd Quarter 2023 data published by RealtyRates.com, a national commercial real estate data source which tracks actual and pro-forma discount rates on sell-out property types, including residential condominiums. The Developer Survey represents a polling of commercial appraisers, lenders, and local, regional and national developers. The Developer Survey 3rd Quarter 2023 is based on 2nd Quarter 2023 data. Actual Rates are historical rates achieved by survey respondents, while Pro-Forma Rates reflect forward-looking revenue and expenses with developer's profit treated as a line item expense.

#### Florida/Caribbean: Condominiums & Co-Ops

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
<b>Primary Residential</b>	16.15%	26.99%	20.77%	15.08%	25.91%	19.83%
Hi-Rise/Urban Townhouse	16.55%	26.98%	21.33%	15.89%	25.90%	20.48%
Garden/Suburban Townhouse	16.15%	25.82%	20.15%	15.51%	24.79%	19.34%
Mixed Use	16.39%	26.99%	20.82%	15.08%	25.91%	19.68%
<b>Resort &amp; Second Home</b>	17.59%	29.34%	21.84%	16.89%	28.16%	20.97%
Hi-Rise	17.73%	29.34%	23.06%	17.02%	28.16%	22.14%
Garden/Townhouse	17.59%	25.36%	20.61%	16.89%	24.34%	19.79%

\*2nd Quarter 2023 Data

Realty Rates Developers Survey 2023 Q3

Florida/Caribbean: FL, PR, VI

#### Investor Surveys - Multifamily Properties

	IRR-ViewPoint National Urban Multifamily	IRR-ViewPoint National Suburban Multifamily	PwC 4Q-23 National Apartment
<b>Discount Rate</b>			
Range	5.50% - 8.25%	5.50% - 10.00%	6.00% - 8.00%
Average	6.76%	6.91%	7.00%

Source: IRR-Viewpoint 2023, published by Integra Realty Resources; PwC Real Estate Investor Survey

\* Market Rent Change data from IRR-ViewPoint is provided by Moody's Analytics REIS

The greatest risk for development is when a property is in a raw land condition. As the development progresses through the different development stages, the risk is reduced. As a completed project, there is no construction risk remaining for land development, which lowers the rate applicable.

Given the subject's location, proposed quality of improvements and proposed amenities, this property would be well regarded by investors and likely warrant an appropriate discount rate due to the relatively short sellout period. As a result, we've employed a discount rate of 12.50% in our as is valuation and 10.50% upon completion.

The entrepreneurial profit on retail sales in the Discounted Sellout Analysis would typically be estimated for the remaining unit sales. Profit on retail sales is very difficult to extract from the market. The retail profit is remuneration to the seller/developer for management and coordination as well as risk associated with the sellout. We have estimated a profit of 5.00% on the sales since most units are estimated to be sold out before completion and profit is realized in development.

## Value Indication – Discounted Cash Flow Analysis

The value indications produced by the discounted cash flow analysis are as follows:

### Discounted Cash Flow Analysis - Indicated Value

Appraisal Premise	Indicated Value
Market Value As Is - Tower 1	\$37,900,000
Prospective Market Value As Completed - Tower 1	\$471,000,000

The as is cash flow (land residual) is considered supportive of our land value via the sales comparison approach. The cash flow schedule and present worth calculations are shown on the following pages.

## Discounted Sellout-As Is

Discounted Sellout As Is											
Period/Quarter	1	2	3	4	5	6	7	8	9	10	11
<b>Revenue - Residential Sales</b>											
Sold Units	0	0	0	0	0	0	0	0	0	0	112
Cumulative Sold Units	0	0	0	0	0	0	0	0	0	0	112
Unsold Units	112	112	112	112	112	112	112	112	112	112	0
Average Unit Price	\$4,806,024	\$4,806,024	\$4,806,024	\$4,806,024	\$4,806,024	\$4,806,024	\$4,806,024	\$4,806,024	\$4,806,024	\$4,806,024	\$4,806,024
Subtotal Gross Sales Per Period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$538,274,682
Total Residential Gross Sales	\$538,274,682										
Aggregate Retail Value	\$538,300,000										
<b>Revenue - Other Sales</b>											
Cabanas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,225,000
Tower Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,494,000
Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$924,500
Wine Lockers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,120,000
Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,300,000
Subtotal Gross Other Sales Per Period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,063,500
Total Sales Over Period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$557,338,182
<b>Expenses</b>											
Sales Commissions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,293,527
Closing Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,786,691
Overhead & Marketing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,866,909
Real Estate Taxes/Mo. (Unsold Units)	\$18,498	\$18,498	\$18,498	\$18,498	\$18,498	\$18,498	\$18,498	\$18,498	\$18,498	\$18,498	
Construction Cost	\$35,807,019	\$35,807,019	\$35,807,019	\$35,807,019	\$35,807,019	\$35,807,019	\$35,807,019	\$35,807,019	\$35,807,019	\$35,807,019	\$0
Total Expenses	\$35,825,517	\$35,825,517	\$35,825,517	\$35,825,517	\$35,825,517	\$35,825,517	\$35,825,517	\$35,825,517	\$35,825,517	\$35,825,517	\$52,947,127
Cash Flow Before Profit	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	\$504,391,055
Entrepreneurial Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,219,553
Net Cash Flow	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	-\$35,825,517	\$479,171,502
Quarterly Present Value Factor	0.96969697	0.94031221	0.9118179	0.88418706	0.85739351	0.83141189	0.80621759	0.78178675	0.75809625	0.73512363	0.712847159
Present Value of Cash Flow	-\$34,739,896	-\$33,687,172	-\$32,666,348	-\$31,676,459	-\$30,716,566	-\$29,785,761	-\$28,883,162	-\$28,007,915	-\$27,159,190	-\$26,336,184	\$341,576,044
Discounted Sellout Value	\$37,917,391										
Rounded	\$37,900,000										
\$/Unit	\$338,392.86										
<b>Assumptions</b>											
Completion Date	7/1/2026										
Average Unit Price	\$4,806,024										
Sales Commissions	4.00%										
Closing Costs	0.50%										
Overhead & Marketing	5.00%										
Entrepreneurial Profit	5.00%										
Annual Discount Rate	12.50%										

**Discounted Sellout-Up on Completion**

<b>Discounted Sellout</b>				
<b>Month</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b><u>Revenue - Residential Sales</u></b>				
Sold Units	97	5	5	5
Cummulative Sold Units	97	102	107	112
Unsold Units	15	10	5	0
Average Unit Price	\$4,806,024	\$4,806,024	\$4,806,024	\$4,806,024
<b>Subtotal Gross Sales Per Period</b>	<b>\$466,184,323</b>	<b>\$24,030,120</b>	<b>\$24,030,120</b>	<b>\$24,030,120</b>
<b>Total Residential Gross Sales</b>	<b>\$538,274,682</b>			
<b>Aggregate Retail Value</b>	<b>\$538,300,000</b>			
<b><u>Revenue - Other Sales</u></b>				
Cabanas	\$6,225,000	\$0	\$0	\$0
Tower Units	\$9,494,000	\$0	\$0	\$0
Storage	\$924,500	\$0	\$0	\$0
Wine Lockers	\$1,120,000	\$0	\$0	\$0
Parking	\$1,300,000	\$0	\$0	\$0
<b>Subtotal Gross Other Sales Per Period</b>	<b>\$19,063,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Sales Over Period</b>	<b>\$485,247,823</b>	<b>\$24,030,120</b>	<b>\$24,030,120</b>	<b>\$24,030,120</b>
<b><u>Expenses</u></b>				
Sales Commissions	\$19,409,913	\$961,205	\$961,205	\$961,205
Closing Costs	\$2,426,239	\$120,151	\$120,151	\$120,151
Overhead & Marketing	\$24,262,391	\$1,201,506	\$1,201,506	\$1,201,506
Real Estate Taxes/Mo. (Unsold Units)	\$53,750	\$35,833	\$17,917	\$0
Condo Fees/Mo. (Unsold Units)	\$60,032	\$40,021	\$20,011	\$0
<b>Total Expenses</b>	<b>\$46,212,325</b>	<b>\$2,358,716</b>	<b>\$2,320,789</b>	<b>\$2,282,861</b>
<b>Cash Flow Before Profit</b>	<b>\$439,035,498</b>	<b>\$21,671,404</b>	<b>\$21,709,331</b>	<b>\$21,747,258</b>
Entrepreneurial Profit	\$24,262,391	\$1,201,506	\$1,201,506	\$1,201,506
<b>Net Cash Flow</b>	<b>\$414,773,107</b>	<b>\$20,469,898</b>	<b>\$20,507,825</b>	<b>\$20,545,752</b>
Monthly Present Value Factor	0.991326	0.982727	0.974203	0.965752
<b>Present Value of Cash Flow</b>	<b>\$411,175,322</b>	<b>\$20,116,322</b>	<b>\$19,978,780</b>	<b>\$19,842,110</b>
<b>Discounted Sellout Value</b>	<b>\$471,112,534</b>			
<b>Rounded</b>	<b>\$471,000,000</b>			
<b><u>Assumptions</u></b>				
Completion Date				
# of Units	112			
Closed %	86.6%			
# of Closed Units at Completion	97			
Average Unit Price	\$4,806,024			
Sales Commissions	4.00%			
Closing Costs	0.50%			
Overhead & Marketing	5.00%			
Real Estate Taxes/Mo. (Unsold Units)	\$3,583			
Condo Fees/Mo. (Unsold Units)	\$4,002			
Entrepreneurial Profit	5.00%			
Discount Rate	10.50%			

The value below is for the aggregate retail value. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.

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**Aggregate Retail Value**

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Component	UnInflated Aggregate Retail Value
Condominium Units	\$505,000,000
Cabanas	\$6,225,000
Tower Units	\$9,494,000
Storage	\$924,500
Whiskey/Wine Lockers	\$1,120,000
Private Parking	\$1,300,000
Total	\$524,063,500
Rounded	\$524,100,000

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## Residential Land Valuation

As discussed, the developer is in the process of rezoning the subject properties to increase the number of buildable units. The current and proposed unit mix is summarized below.

<b>Unit Summary</b>		
	<b><i>As Is</i></b>	<b><i>As Rezoned</i></b>
High Rise	704	1,184
Mid Rise	264	235
Villa	76	113
<b>Total</b>	<b>1,044</b>	<b>1,532</b>
Ritz Carlton Phase 1 Units	112	112
Remaining High Rise Units	592	1,072
<b>Total Mid/Villa Units</b>	<b>340</b>	<b>348</b>

For the remaining high-rise units, we have deducted the 112-units dedicated to Phase I of the Ritz Carlton condominium component. The remainder was used in the valuation.

## High Rise Valuation

As discussed, the properties are currently zoned for five additional high-rise buildings inclusive of Phase II of the Ritz Carlton Project. Phase II (North Tower) is identified as pad 2 and will have 112-units. The remaining 4 pads are total 480-units. Each building has 120-units. This does not include Phase I Ritz Carlton development. The developer is in the process of rezoning the property to increase the number of buildable units. The developer is proposed the addition of four additional high-rise towers totaling 480-units. Upon rezoning there will be eight high-rise buildings totaling 1,072-units. This does not include Phase I of the Ritz Carlton development. The remaining high-rise units are valued using the same comparables and basic analysis as the Ritz Carlton Phase I site. The same conclusion was utilized in both the as is and as rezoned valuation.

**High Rise Land Pad Valuation - As - Is**

Pad	Units/Pad	\$/Unit	Value	Rounded
High Rise Pad 2	112	\$350,000	\$39,200,000	\$39,200,000
High Rise Pad 3	120	\$350,000	\$42,000,000	\$42,000,000
High Rise Pad 4	120	\$350,000	\$42,000,000	\$42,000,000
High Rise Pad 5	120	\$350,000	\$42,000,000	\$42,000,000
High Rise Pad 6	120	\$350,000	\$42,000,000	\$42,000,000

**High Rise Land Pad Valuation - As - Rezoned**

Pad	Units/Pad	\$/Unit	Value	Rounded
High Rise Pad 2	112	\$350,000	\$39,200,000	\$39,200,000
High Rise Pad 3	120	\$350,000	\$42,000,000	\$42,000,000
High Rise Pad 4	120	\$350,000	\$42,000,000	\$42,000,000
High Rise Pad 5	120	\$350,000	\$42,000,000	\$42,000,000
High Rise Pad 6	120	\$350,000	\$42,000,000	\$42,000,000
High Rise Pad 7	120	\$350,000	\$42,000,000	\$42,000,000
High Rise Pad 8	120	\$350,000	\$42,000,000	\$42,000,000
High Rise Pad 9	120	\$350,000	\$42,000,000	\$42,000,000
High Rise Pad 10	120	\$350,000	\$42,000,000	\$42,000,000

The value below is for the aggregate retail value of the potential land pads. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.

**High Rise Land - Aggregate Retail Value**

Scenario	Units	\$/Unit	Value	Rounded
As Is	704	\$350,000	\$246,400,000	\$246,400,000
As Rezoned	1,184	\$350,000	\$414,400,000	\$414,400,000

### Mid Rise/Villa Valuation

As discussed, the properties are currently zoned for 264 mid-rise units and 76-villa units (340 total units). The developer is in the process of rezoning the property to increase the number of buildable units. Upon rezoning there will be 235 mid-rise units and 113 villa units (348 total units).

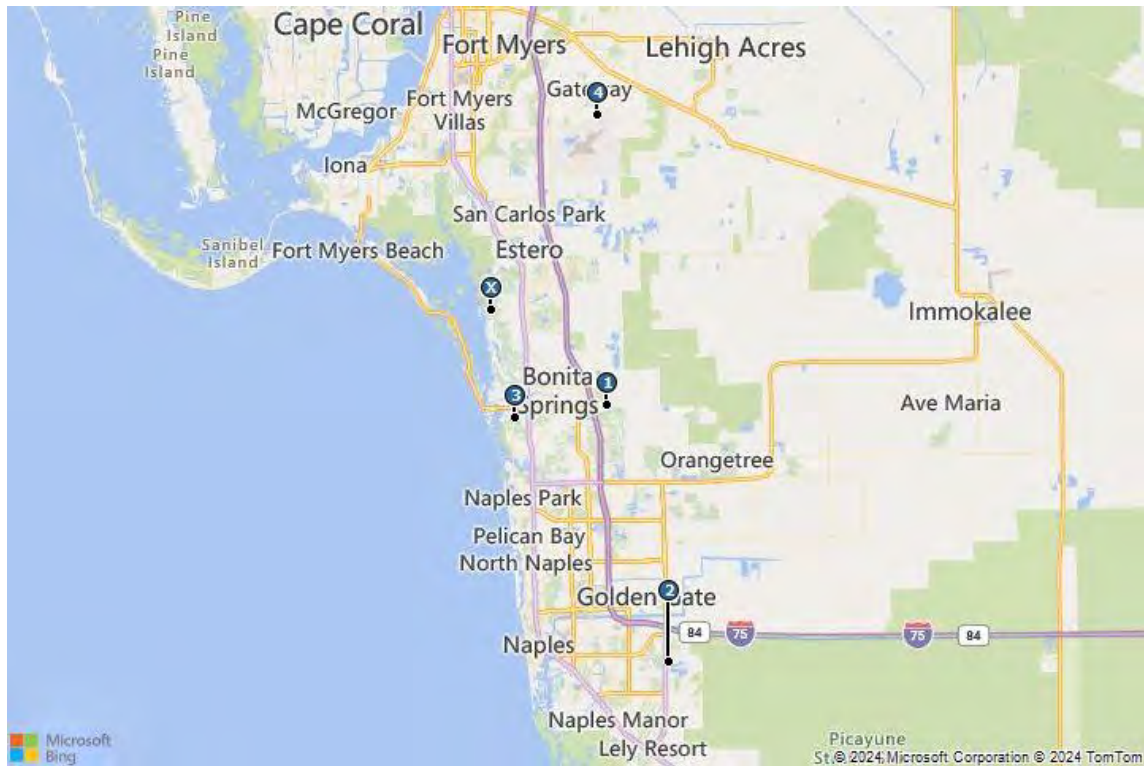
To apply the sales comparison approach to the Mid-Rise/Villa component, the research focused on transactions within the following parameters:

- Location: Lee and Collier County.
- Size: Most similar comparables available.
- Use: Residential.
- Transaction Date: 2021-2024.

For this analysis, price per unit is used as the appropriate unit of comparison. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - Mid-Rise/Villa								
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Units; Density (Units/Ac.)	Zoning	\$/Unit	\$/SF Land
1	Solis Grande Land 27865-27951 Bonita Grande Dr. Bonita Springs Lee County FL	May-23 Closed	\$9,000,000	490,921 11.27	118 10.5	RPD	\$76,271	\$18.33
Comments: This is the sale of 3 parcels totaling 11.27-acres located in Bonita Springs, Florida. This property sold to Pulte Home Company, LLC. in May of 2023 for \$9,000,000. Property was purchased for development of Solis Grande, a 118-unit townhome development that will feature three-bedroom town homes ranging in size from 1,650 to 1,800 square feet. The homes will come with one- and two-car garages and private patios and backyards.								
2	Caymas Terrace Land Collier Blvd Naples Collier County FL	Dec-22 Closed	\$13,475,000	1,263,240 29.00	77 2.7	PUD	\$175,000	\$10.67
Comments: This land parcel sold with approval for 77-single family lots for \$13,475,000 or \$175,000 per lot.								
3	Bonita Springs Residential Land Vanderbilt Dr. Bonita Springs Lee County FL	May-22 Closed	\$3,350,000	179,903 4.13	24 5.8	RPD	\$139,583	\$18.62
Comments: Site was cleared, filled, utilities to site and retention. At the time of sale the zoning allowed for up to a 92-bed ALF. After closing the buyer successfully rezoned the property for 24-multifmaily units.								
4	Timber Creek Land Timber Creek Dr. Fort Myers Lee County FL	May-21 Closed	\$33,755,283	2,086,001 47.89	294 6.1	RPD	\$114,814	\$16.18
Comments: On 5/28/2021 AG Essential Housing Multi State 2, LLC purchased this almost 48.89 acre tract of land for a price of \$33,755,283. The site is a developed land pad with infrastructure in place, developable with 294 units ready for vertical development. The property is zoned RPD. The property is located along the south side of SR-82 and along the west side of Daniels Pkwy in Fort Myers, FL.								
Subject					340			
Saltleaf CDD								
Bonita Springs, FL								



**Comparable Land Sales Map – Mid-Rise/Villa**



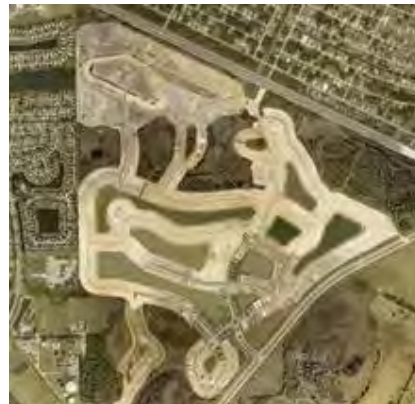
Sale 1  
Solis Grande Land



Sale 2  
Caymas Terrace Land



Sale 3  
Bonita Springs Residential Land



Sale 4  
Timber Creek Land

**Analysis and Adjustment of Sales**

Adjustments are considered for the following factors in the sequence shown below.

**Transactional Adjustments*****Real Property Rights Conveyed***

All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

***Financing Terms***

The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

***Conditions of Sale***

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

***Expenditures Made Immediately After Purchase***

There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

***Market Conditions***

The sales took place from April 2022 to January 2024. Market conditions were considered in our reconciliation.

**Property Adjustments*****Location***

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

All of the comparables are inferior to the subject.

***Access/Exposure***

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject.

***Size***

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots,

all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject.

***Shape and Topography***

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

Sales 1, 2 and 3 are similar to the subject. Sale 4 is superior to the subject.

***Zoning***

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of Bayview on Estero Bay CPD/RPD - Commercial and Residential Planned Development.

All of the comparables are similar to the subject.

***Adjustments Summary***

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

**Land Sales Adjustment Grid - Mid-Rise/Villa**

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Saltleaf CDD	Solis Grande Land	Caymas Terrace Land	Bonita Springs Residential Land	Timber Creek Land
Address	5000 Coconut Road	27865-27951 Bonita Grande Dr.	Collier Blvd	Vanderbilt Dr.	Timber Creek Dr.
City	Bonita Springs	Bonita Springs	Naples	Bonita Springs	Fort Myers
County	Lee	Lee	Collier	Lee	Lee
State	Florida	FL	FL	FL	FL
Sale Date		May-23	Dec-22	May-22	May-21
Sale Status		Closed	Closed	Closed	Closed
Sale Price		\$9,000,000	\$13,475,000	\$3,350,000	\$33,755,283
Price Adjustment		-	-	-	-
Description of Adjustment					
Effective Sale Price		\$9,000,000	\$13,475,000	\$3,350,000	\$33,755,283
Square Feet	158,558	490,921	1,263,240	179,903	2,086,001
Acres	3.64	11.27	29.00	4.13	47.89
Number of Units	340	118	77	24	294
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Database ID		3061565	3189789	2966527	2783074
<b>Price per Unit</b>		<b>\$76,271</b>	<b>\$175,000</b>	<b>\$139,583</b>	<b>\$114,814</b>
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Ranking		-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
Ranking		-	-	-	-
Conditions of Sale			Arm's-length		
Ranking		-	-	-	-
Expenditures Made Immediately After Purchase					
Ranking		-	-	-	-
Market Conditions	1/27/2024	May-23	Dec-22	May-22	May-21
Ranking		-	-	-	-
Location		Inferior	Inferior	Inferior	Inferior
Access/Exposure		-	-	-	-
Size		-	-	-	-
Shape and Topography		-	-	-	Very Superior
Zoning		-	-	-	-
<b>Overall Ranking</b>		<b>Inferior</b>	<b>Inferior</b>	<b>Inferior</b>	<b>Superior</b>
<b>Indicated Value</b>		<b>\$150,000</b>			

**Land Value Conclusion – Mid-Rise/Villa**

Prior to adjustments, the sales reflect a range of \$76,271 - \$175,000 per unit. Based on the preceding analysis, the land value conclusion is as follows:

<b>Land Value Conclusion</b>	<b>As Is</b>	<b>Rezoned</b>
Indicated Value per Unit	\$150,000	\$150,000
Subject Units	340	348
Indicated Value	\$51,000,000	\$52,200,000
Rounded	\$51,000,000	\$52,200,000

## Marina/Restaurant Analysis

### Improvements Description and Analysis – Marina/Restaurant

#### Overview

The subject also includes a proposed marina and restaurant. The marina will have 72-wet slips, a public boat ramp, and parking. Of the 72-slips, 60-will be available for rent. The marina and restaurant will share a two-story building totaling 11,240 gross square feet. The ground floor will have a ship store, conference room, marina/restaurant offices, storage, and bathroom servicing the marina. The second-floor restaurant will total 6,749 square feet. This is inclusive of a 1,587 square foot outdoor dining terrace. The restaurant will have 170-seats (indoor and outdoor). In addition, there are seven ground floor cabanas. The cabanas are available for sale to owners of units within the neighboring Ritz-Carlton condo. As of the inspection date, the seawalls were being placed in the marina basin and was partially complete. The anticipated completion date of the marina is expected in 5/25/2025. Construction of the restaurant is anticipated in May 2024 with completion on 12/19/2025.

Improvements Description			
	Overall Property	Restaurant/Ship Store	Marina
Name of Property	Salt Leaf Marina and Restaurant	Restaurant/Ship Store	Marina
Competitive Property Class	A	A	A
Number of Buildings	1	1	N/A
Stories	2	2	N/A
Building Shape	Rectangular	Rectangular	N/A
Construction Class	C	C	C/D
Construction Type	Masonry	Masonry	Wood/Masonry
Construction Quality	Excellent	Excellent	Excellent
Condition	Excellent	Excellent	Excellent
Gross Building Area (SF)	11,240	11,240	N/A
Gross Leasable Area Restaurant (SF)	5,162	5,162	N/A
Outdoor Dining Area (SF)	1,587	1,587	N/A
Ship Store Related Area (SF)	2,205	2,205	N/A
Cabanas (SF)		2,286	N/A
Restaurant Seats	174	174	N/A
Wet Slips	72	N/A	72
Dock/Pier Area (SF)		N/A	13,390
Land Area (SF)	353,272		
Building Area Source	Owner		
Year Built	2025	2025	2025
Actual Age (Yrs.)	0	0	0
Estimated Effective Age (Yrs.)	0	0	0
Estimated Economic Life (Yrs.)	50	50	50
Remaining Economic Life (Yrs.)	50	50	50
Number of Parking Spaces	111	88	23
Source of Parking Count	Site Plan	Site Plan	Site Plan
Parking Type	Surface	Surface	Surface

The developer's wet slip mix is summarized below.

Developer Unit Mix - Wet Slips					
Slip #	Slip Type	Slip LOA	Slip #	Slip Type	Slip LOA
1	Transient Wet	-	37	Lift	30
2	Transient Wet	-	38	Lift	30
3	Transient Wet	-	39	Lift	30
4	Transient Wet	-	40	Shuttle Wet	50
5	Lift	28	41	Shuttle Wet	50
6	Lift	28	42	Public Wet	25
7	Lift	28	43	Public Wet	25
8	Lift	28	44	Public Wet	25
9	Lift	28	45	Public Wet	25
10	Lift	28	46	Public Wet	25
11	Lift	28	47	Public Wet	25
12	Lift	28	48	Public Wet	25
13	Lift	28	49	Public Wet	25
14	Lift	30	50	Public Wet	25
15	Lift	30	51	Public Wet	25
16	Lift	30	52	Lift	25
17	Lift	30	53	Lift	25
18	Lift	30	54	Lift	25
19	Lift	30	55	Lift	25
20	Transient Wet	-	56	Lift	25
21	Transient Wet	-	57	Lift	25
22	Lift	20	58	Lift	25
23	Lift	20	59	Lift	25
24	Lift	28	60	Lift	25
25	Lift	28	61	Lift	25
26	Lift	28	62	Lift	25
27	Lift	35	63	Lift	25
28	Lift	35	64	Lift	25
29	Lift	28	65	Lift	25
30	Lift	28	66	Lift	25
31	Lift	28	67	Lift	25
32	Lift	20	68	Lift	25
33	Lift	20	69	Lift	25
34	Transient Wet	-	70	Lift	25
35	Transient Wet	-	71	Emergency	25
36	Lift	30	72	Emergency	25

The marina will total 72-wet slips. Based on a review of the site plan, several slips will be used by the public for launching, staging, etc. In addition, several slips will be used by law enforcement, fire rescue, beach shuttles/ferries, etc. The marina will have 60-income producing wet slips. Below we have summarized the dock square footage based on the site plan provided.



**Dock Square Footage Summary**

<i>Description</i>	<i>Length</i>	<i>Width</i>	<i>SF</i>	<i>Quantity</i>	<i>Total SF</i>
16' x 3' FINGER PIER	16	3	48	1	48
26' x 5' FERRY LANDING/TEMP BOARDING	26	5	130	1	130
28' x 3' FINGER PIER	28	3	84	4	336
5' x 6' MARGINAL DOCK	485	6	2910	1	2,910
30' x 3' FINGER PIER	30	3	90	3	270
125' x 10' Timber Boardwalk	125	10	1250	1	1,250
8' x 8' FERRY ACCESS	8	8	64	1	64
36' x 18' FLOATING FERRY DOCK	36	18	648	1	648
50' x 6' FINGER PIER	50	6	300	1	300
30' x 5' ADA FINGER PIER	30	5	150	1	150
30' x 3' FINGER PIER	30	3	90	1	90
20' x 3' FINGER PIER	20	3	60	2	120
28' x 3' FINGER PIER	28	3	84	4	336
15' x 6' RAMP	15	6	90	1	90
24' x 3' FINGER PIER	24	3	72	11	792
369' x 8' MARGINAL DOCK	369	8	2952	1	2,952
32' x 20' FLOATING KAYAK DOCK	32	20	640	1	640
24' x 5' ADA BOARDING 24' x 3' FINGER PIER	24	5	120	1	120
107' x 8' FLOATING DOCK	170	8	1360	1	1,360
20' x 3' FINGER PIER	20	3	60	2	120
20' x 5' ADA FINGER PIER	20	5	100	1	100
24' x 5' ADA BOARDING PIER	24	5	120	1	120
37' x 12' BOARDING PIER	37	12	444	1	444
				<b>Total</b>	<b>13,390</b>

The restaurant will be owner occupied upon completion. The marina will be operated by the developer.

**Improvements Analysis – As Complete****Quality and Condition**

Upon completion the improvements will be of excellent quality construction and will be in excellent condition. The quality of the subject will be superior to competing properties. Maintenance will be consistent with competing properties. Overall, the market appeal of the subject will be superior to competing properties.

**Functional Utility**

Upon completion, the improvements will be adequately suited for their proposed use. Upon completion it is assumed there will not be any significant items of functional obsolescence.

**Deferred Maintenance**

Upon completion it is assumed there will be no deferred maintenance.

**ADA Compliance**

Based on the property inspection and information provided, there are no apparent ADA issues. However, ADA matters are beyond the scope of expertise of the assignment participants, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

**Hazardous Substances**

An environmental assessment report was not provided for review, and environmental issues are beyond the scope of expertise of the assignment participants. No hazardous substances were observed during the inspection of the improvements; however, detection of such substances is outside the scope of expertise of the assignment participants. Qualified professionals should be consulted. Unless otherwise stated, it is assumed no hazardous conditions exist on or near the subject.

**Personal Property**

As shown previously, there will be 51-boat lifts. In addition, the restaurant will contain equipment, furniture, etc. This personal property is inherently valued within our analysis.

**Conclusion of Improvements Analysis**

Overall, the quality, condition, and functional utility of the improvements are above average their age and location.

## Land Valuation – Marina/Restaurant

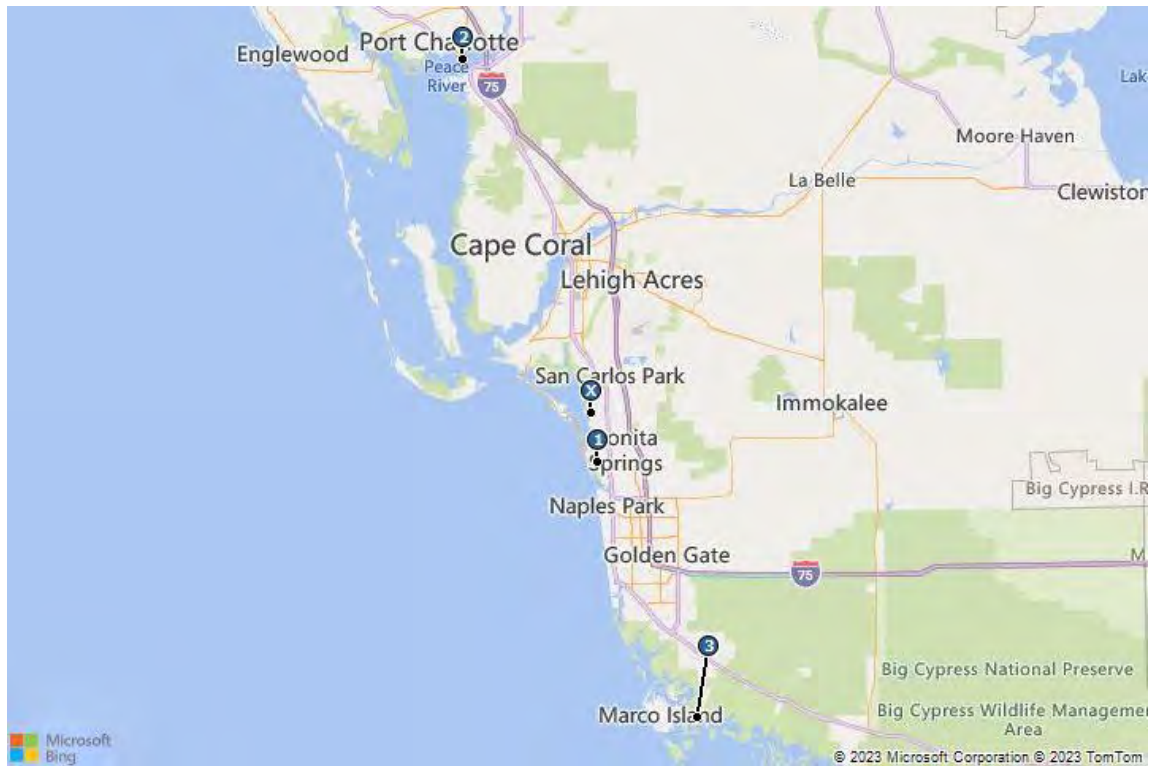
To develop an opinion of the subject's land value, as though vacant and available to be developed to its highest and best use, the sales comparison approach is used. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. The research focused on transactions within the following parameters:

- Location: Our search initially focused on waterfront sales in Lee and Collier County. Due to a lack of sales, Charlotte County was also considered.
- Size: Most similar comparables available.
- Use: Commercial.
- Transaction Date: 2022-2024.

For this analysis, price per unit is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales										
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Usable SF; Usable Acres	Zoning	\$/SF Land	\$/Acre	\$/Usable SF	\$/Usable Acre
1	Bonita Beach Road Vacant Land 4612-4752 Bonita Beach Rd. SW. Bonita Springs Lee County	Mar-23 Closed	\$4,800,000	195,149 4.48	104,544 2.40	RPD and Commercial	\$24.60	\$1,071,429	\$45.91	\$2,000,000
	Comments: This is the sale of 5 parcels totaling 4.48-acres located along the north side of Bonita Beach Road Southwest in Bonita Springs, Florida. Gordon Henke sold this property to Bayside Holdings on Hickory, LLC. in March of 2023 for \$4,800,000. One of the parcels is zoned RPD, Residential Planned Development and the remaining 4 are zoned C-1, Commercial within The City of Bonita Springs.									
2	Tamiami Trail Land  5000-5054 Tamiami Trl. Port Charlotte Charlotte County	Sep-22  Closed	\$4,271,000	156,816 3.60	156,816 3.60	Charlotte Harbor Community Development	\$27.24	\$1,186,389	\$27.24	\$1,186,389
	Comments: This is the sale of 2 waterfront parcels located along Tamiami Trail in Port Charlotte, Florida. This property sold to TP Charlotte, LLC. in September of 2022 for \$4,271,000. Combined, both parcels total 3.60-acres and is zoned for commercial uses. Purchased for development of a Whiskey Joe's brand restaurant. Plans for the development include the restaurant with its traditional indoor/outdoor seating, an open-air palapa bar, beach volleyball, and other outdoor amenities. As part of the sale, Specialty Restaurants will provide public pedestrian access along the riverfront and a vehicular access connection to the park at Live Oak Point. In conjunction with the existing submerged land lease, the comparable is improved with a 10-slip docking facility.									
3	Goodland Waterfront Site 3200 San Marco Rd. Marco Island Collier County	Jan-22 Closed	\$3,600,000	83,635 1.92	83,635 1.92	Commercial (C-4)	\$43.04	\$1,875,000	\$43.04	\$1,875,000
	Comments: Sale of two parcels located at the foot of the Goodland Bridge. The parcels total 1.92 acres. There is a submerged land leased for 1.68 Acres. Bellingham concrete floating docks. 58 slips.									
	<b>Subject</b> Salt Leaf Marina and Restaurant Bonita Springs, FL			353,272 8.11	71,874 1.65	CPD/RPD				

## Comparable Land Sales Map





Sale 1  
Bonita Beach Road Vacant Land



Sale 2  
Tamiami Trail Land



Sale 3  
Goodland Waterfront Site

### Qualitative Analysis of Sales

Qualitative analysis recognizes the inefficiencies of real estate markets and the difficulty of expressing adjustments with mathematical precision. Several techniques can be utilized in qualitative analysis including

- Relative comparison analysis;
- Ranking analysis;
- Personal interviews.

The comparable sales and subject property have been analyzed using one or more of these methods for each of the following elements of comparison.

### Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions and are similar to the subject.

### Financing

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, are similar to the subject.

### Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, the comparables are similar to the subject.

**Expenditures Made Immediately After Purchase**

This category considers expenditures incurred immediately after the purchase of a property. There were no issues of deferred maintenance reported for any of the properties. Thus, the comparables are similar to the subject.

**Market Conditions**

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then the comparables are considered similar.

The sales took place from April 2022 to January 2024. Market conditions were considered in our reconciliation.

**Property Adjustments****Location**

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Comparable 1 is considered similar to the subject. Comparables 2 and 3 are inferior. Comparable 2 is in Charlotte County which has inferior demographics. Comparable 3 is in Goodland which is a less densely populated area with inferior demographics.

**Access/Exposure**

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject.

**Size**

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject.

**Shape and Topography**

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject.

**Zoning**

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards.

All of the comparables are similar to the subject.

**Non-Realty Components of Value**

Comparable 1 and 2 are similar. Comparable 3 had floating docks and is superior.

The following table summarizes the adjustments applied to each sale.



**Land Sales Adjustment Grid**

	Subject	Comparable 1	Comparable 2	Comparable 3
Name	Salt Leaf Marina and Restaurant	Bonita Beach Road Vacant Land	Tamiami Trail Land	Goodland Waterfront Site
Address	Cocnut Road	4612-4752 Bonita Beach Rd. SW.	5000-5054 Tamiami Trl.	3200 San Marco Rd.
City	Bonita Springs	Bonita Springs	Port Charlotte	Marco Island
County	Lee	Lee	Charlotte	Collier
State	Florida	FL	FL	FL
Sale Date		Mar-23	Sep-22	Jan-22
Sale Status		Closed	Closed	Closed
Sale Price		\$4,800,000	\$4,271,000	\$3,600,000
Price Adjustment		—	—	—
Description of Adjustment				
Effective Sale Price		\$4,800,000	\$4,271,000	\$3,600,000
Square Feet	353,272	195,149	156,816	83,635
Acres	8.11	4.48	3.60	1.92
Usable Square Feet	71,874	104,544	156,816	83,635
Usable Acres	1.65	2.40	3.60	1.92
Database ID		2997742	3010167	3001033
<b>Price per Usable Square Foot</b>		<b>\$45.91</b>	<b>\$27.24</b>	<b>\$43.04</b>
Property Rights		Fee Simple	Fee Simple	Fee Simple
Ranking		—	—	—
Financing Terms		Cash/Equivalent	Cash/Equivalent	Cash to seller
Ranking		—	—	—
Conditions of Sale				
Ranking		—	—	—
Expenditures Made Immediately After Purchase				
Ranking		—	—	—
Market Conditions	1/5/2024	Mar-23	Sep-22	Jan-22
Ranking		—	Inferior	Inferior
Location		—	—	—
Access/Exposure		—	—	—
Size		—	—	—
Shape and Topography		—	—	—
Zoning		—	—	—
Non-Realty Components of Value		—	—	Superior
<b>Overall Ranking</b>		<b>Similar</b>	<b>Inferior</b>	<b>Similar</b>
<b>Indicated Value</b>		<b>\$45.00</b>		

**Analysis Summary**

The following table summarizes the analysis discussed above.

### Ranking and Value Indication

The final ranking of the comparables is presented in the following table.

Ranking Analysis and Reconciliation			
Comparable No.	Overall Comparability	Price per Usable Square Foot	Estimated Value
2	Inferior	\$27.24	
3	Similar	\$43.04	
Subject			\$45.00
1	Similar	\$45.91	
Estimated Unit Value			\$45.00

The sales reflect a range of \$260,163 - \$389,535 per unit, with an average of \$38.73 per unit. The value indications derived from the comparables brackets the subject property. Based on the preceding analysis, the land value conclusion for the subject is presented as follows:

Land Value Conclusion	
Indicated Value per Usable Square Foot	\$45.00
Subject Usable Square Feet	71,874
Indicated Value	\$3,234,330
Rounded	\$3,230,000

## Cost Approach

The steps taken to apply the cost approach are:

- Develop an opinion of the value of the land as though vacant and available to be developed to its highest and best use, as of the effective date of the appraisal;
- Estimate the replacement cost new of the existing improvements under current market conditions;
- Estimate depreciation from all causes and deduct this estimate from replacement cost new to arrive at depreciated replacement cost of the improvements; and
- Add land value to the depreciated replacement cost of the improvements to arrive at a market value indication for the property overall.

## Developer's Cost Budget

The developer's restaurant/ship store construction budget is summarized below.

Estimated Developer's Cost - Restaurant/Ship Store (9/7/2023)			
Item	Total Cost	\$/SF	% of Total
<b>Hard Costs</b>			
<b>Building Costs</b>			
General Conditions	\$945,820	\$84.15	8.1%
Testing Services	\$25,000	\$2.22	0.2%
Structural Concrete	\$1,622,950	\$144.39	13.8%
Stone Masonry Cladding	\$302,940	\$26.95	2.6%
Structural & Misc. Steel	\$543,010	\$48.31	4.6%
Millwork & Finish Carpentry	\$1,090,270	\$97.00	9.3%
Roofing	\$471,710	\$41.97	4.0%
Waterproofing	\$39,178	\$3.49	0.3%
Siding	\$125,550	\$11.17	1.1%
Doors & Hardware	\$197,250	\$17.55	1.7%
Windows & Storefront Glass	\$317,400	\$28.24	2.7%
Building Consultant	\$10,000	\$0.89	0.1%
Drywall/Metal Framing	\$340,200	\$30.27	2.9%
Ceilings	\$100,393	\$8.93	0.9%
Stucco	\$137,136	\$12.20	1.2%
Flooring	\$137,634	\$12.25	1.2%
Painting & Wallcovering	\$93,947	\$8.36	0.8%
Final Cleaning	\$15,283	\$1.36	0.1%
Specialties	\$37,200	\$3.31	0.3%
Sun Control Devices-Screens	\$222,180	\$19.77	1.9%
Code Compliant Signage	\$5,000	\$0.44	0.0%
Fire Suppression	\$61,105	\$5.44	0.5%
Plumbing	\$414,980	\$36.92	3.5%
HVAC	\$407,780	\$36.28	3.5%
Electrical	\$637,800	\$56.74	5.4%
Low Voltage	\$120,676	\$10.74	1.0%
<b>Total Building Costs</b>	<b>\$8,422,392</b>	<b>\$749.32</b>	<b>71.7%</b>
<b>Site Improvement Costs</b>			
Sitework	\$1,024,246	\$91.13	8.7%
Exterior Improvements-Pavers	\$205,208	\$18.26	1.7%
Landscaping & Irrigation	\$300,000	\$26.69	2.6%
Fences & Gates	\$33,600	\$2.99	0.3%
Utilities	\$259,050	\$23.05	2.2%
<b>Total Site Improvement Costs</b>	<b>\$1,822,104</b>	<b>\$162.11</b>	<b>15.5%</b>
<b>Total Hard Costs</b>	<b>\$10,244,496</b>	<b>\$911.43</b>	<b>87.2%</b>
<b>Soft Costs</b>			
SDI Insurance 1.4%	\$132,142	\$11.76	1.1%
Liability Insurance 1.25%	\$146,784	\$13.06	1.3%
Contingency 5%	\$587,134	\$52.24	5.0%
Fee 5%	\$587,134	\$52.24	5.0%
<b>Total Soft Costs</b>	<b>\$1,453,194</b>	<b>\$129.29</b>	<b>12.4%</b>
<b>Furniture, Fixtures &amp; Equipment</b>			
Equipment	\$45,000	\$4.00	0.4%
<b>Total FF&amp;E Costs</b>	<b>\$45,000</b>	<b>\$4.00</b>	<b>0.4%</b>
<b>Total Costs Without Land</b>	<b>\$11,742,690</b>	<b>\$1,044.72</b>	<b>100.0%</b>

The developer's marina construction budget is summarized below.

<b>Estimated Developer's Cost - Marina (9/18/2023)</b>			
Item	Total Cost	\$/Slip	% of Total
<b>Hard Costs</b>			
<b>Building Costs</b>			
Phase 2 Docks	\$4,141,397	\$57,519	33.4%
Phase 2 Contingency	\$414,140	\$5,752	3.3%
Total Building Costs	\$4,555,536	\$63,271	36.7%
<b>Site Improvement Costs</b>			
Dredging (Phase 3)	\$75,000	\$1,042	0.6%
Offsite Parking (Phase 3))	\$1,350,000	\$18,750	10.9%
Phase 1 Marina (Dredging/Sea Wall)	\$2,907,314	\$40,379	23.4%
Temp Water	\$3,843	\$53	0.0%
Phase 1 Contingency	\$121,369	\$1,686	1.0%
Phase 3 Contingency	\$240,835	\$3,345	1.9%
Fencing	\$3,230	\$45	0.0%
Total Site Improvement Costs	\$4,701,591	\$65,300	37.9%
Total Hard Costs	\$9,257,127	\$128,571	74.6%
<b>Soft Costs</b>			
Management Fees	\$1,128,184	\$15,669	
Total Soft Costs	\$1,009,056	\$14,015	8.1%
Total Soft Costs	\$2,137,240	\$29,684	17.2%
<b>Furniture, Fixtures &amp; Equipment</b>			
Boat Lifts (Phase 3)	\$1,015,654	\$14,106	8.2%
Total FF&E Costs	\$1,015,654	\$14,106	8.2%
Total Costs Without Land	\$12,410,020	\$172,361	100.0%

Based on the marina construction timeline, Phase 1 includes sea wall construction and dredging. Phase 2 includes dock installation. Phase 3 include the boat lifts and additional channel dredging.

### Replacement Cost

Replacement cost is the estimated cost to construct, at current prices as of a specified date, a substitute for a building or other improvement, using modern materials and current standards, design, and layout. Estimates of replacement cost for the purpose of developing a market value opinion include three components: direct costs, indirect costs (also known as soft costs) and entrepreneurial incentive.

### Direct Costs

Direct costs are expenditures for labor, materials, equipment and contractor's overhead and profit. Corelogic is used as the basis of the direct cost estimate. In addition to direct costs, Corelogic includes certain indirect costs such as architectural and engineering fees, and interest on building loan funds during construction.

### Indirect Costs

Corelogic's direct costs include certain indirect costs. An allowance for additional indirect costs was not applied.

### Entrepreneurial Incentive

Entrepreneurial incentive is the financial reward that a developer would expect to receive in addition to recovering all direct and indirect costs. This is the expected compensation that would be necessary to motivate a developer to undertake the project. Corelogic includes a 20% allowance for overhead and profit.

### Replacement Cost New

The following discussion estimates the replacement cost estimates for the subject building improvements and site improvements.

#### Building Improvements - Unit Costs

<b>Building 1 Name:</b>	<b>Restaurant/Ship Store</b>		
Building Type:	Multiple	Unit	Lump Sum
Const Class:	C	Unit Cost	\$7,241,116.00
Quality:	Excellent	Sprinklers:	\$0.00
		HVAC Adjust	
		Other:	
		Subtotal:	\$7,241,116.00
<b>Building 2 Name:</b>	<b>Marina</b>		
Building Type:	Wet Slips	Unit	Lump Sum
Const Class:	C/D	Unit Cost	\$8,799,840.00
Quality:	Excellent	Sprinklers:	
		HVAC Adjust	
		Other:	
		Subtotal:	\$8,799,840.00

Source: Core Logic

#### Site Improvements - Unit Costs

<b>Site Improvement 1 Name:</b>	Site Improvements		
		Unit Cost	\$3,101,634.00
Unit:	Lump Sum	Subtotal:	\$3,101,634.00

Please refer to the addenda for a detailed estimate.

**Replacement Cost Estimate****Building Improvements**

<i>Bldg Name</i>	<i>MVS Building Type</i>	<i>MVS Class</i>	<i>Quality</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>
Restaurant/Ship Store	Multiple	C	Excellent	1	Lump Sum	\$7,241,116	\$7,241,116
Marina	Wet Slips	C/D	Excellent	1	Lump Sum	\$8,799,840	\$8,799,840
Subtotal - Building Costs							\$16,040,956
Plus: Indirect Cost							0%
Subtotal							\$16,040,956
Plus: Entrepreneurial Incentive							0%
Subtotal							\$0
<b>Total Building Costs</b>							\$16,040,956

**Site Improvements**

<i>Item</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>
Site Improvements	1	Lump Sum	\$3,101,634	\$3,101,634
Subtotal - Site Improvement Costs				\$3,101,634
Plus: Indirect Cost				0%
Subtotal				\$3,101,634
Plus: Entrepreneurial Incentive				0%
Subtotal				\$0
<b>Total Site Improvement Costs</b>				\$3,101,634

**Furniture, Fixtures & Equipment**

<i>Item</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>
Boat Lifts	1	Lump Sum	\$1,015,654	\$1,015,654
Subtotal - Replacement Cost New				\$1,015,654
Plus: Indirect Cost				0%
Subtotal				\$1,015,654
Plus: Entrepreneurial Incentive				0%
Subtotal				\$0
<b>Total FF&amp;E Costs</b>				\$1,015,654

**Overall Property**

Building Improvements				\$16,040,956
Site Improvements				\$3,101,634
Furniture, Fixtures & Equipment				\$1,015,654
Subtotal - Replacement Cost New				\$20,158,244
Plus: Indirect Cost				0%
Subtotal				\$20,158,244
Plus: Entrepreneurial Incentive				0%
Subtotal				\$0
<b>Total Replacement Cost New</b>				\$20,158,244

Source: Marshall Valuation Service except for Indirect Costs and Entrepreneurial Incentive, which are appraiser's estimates.

**Depreciation**

Depreciation is the difference between the replacement cost new of the improvements and their contribution to overall property value on the effective date of the appraisal. There are three major causes of depreciation:

1. **Physical deterioration:** The loss in value due to the wear and tear that begins when a building is completed and placed into service. Physical deterioration can be curable (referred to as deferred maintenance) or incurable.
2. **Functional obsolescence:** The loss in value due to changes in market tastes and standards. Similar to physical deterioration, functional obsolescence can be curable or incurable.
3. **External obsolescence:** The loss in value due to negative external influences. These influences can be temporary or permanent, and are generally incurable by the owner, landlord, or tenant.

There are three principal methods of estimating depreciation: the market extraction method, the economic age-life method, and the breakdown method. The economic age-life method is used in this analysis.

**Economic Age-Life Method**

In the economic age-life method, depreciation is estimated by dividing the effective age of the improvements by the total economic life. This method results in a lump sum estimate for all depreciation, including the loss in value from all physical, functional and external obsolescence.

**Modified Economic Age-Life Method**

In some cases, it is appropriate to withhold certain forms of depreciation and address these items separately. This is referred to as the modified economic age-life method.

**Deferred Maintenance:** Prior to applying the ratio from the economic age-life method, deferred maintenance is deducted. Deferred maintenance is addressed in the Improvements Description and Analysis section of this report.

No items of deferred maintenance are identified; thus, no deductions for this form of depreciation are necessary.

**Functional Obsolescence:** A deduction for functional obsolescence is intentionally withheld from the preceding effective age/total economic life ratio.

**External Obsolescence:** A deduction for external obsolescence is intentionally withheld from the preceding effective age/total economic life ratio.

**Final Estimate of Depreciation**

Estimates of depreciation and depreciated replacement cost are shown in the following tables.

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**Estimate of Depreciation**


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**Building Improvements**

Replacement Cost New		\$16,040,956
Less: Deferred Maintenance		\$0
Remaining Cost		\$16,040,956
Depreciation: Economic Age-Life Method	0.0%	\$0
Total Depreciation		\$0
<i>Depreciated Replacement Cost</i>		<u>\$16,040,956</u>

**Site Improvements**

Replacement Cost New		\$3,101,634
Less: Deferred Maintenance		\$0
Remaining Cost		\$3,101,634
Depreciation: Economic Age-Life Method	0.0%	\$0
Total Depreciation		\$0
<i>Depreciated Replacement Cost</i>		<u>\$3,101,634</u>

**Furniture, Fixtures & Equipment**

Replacement Cost New		\$1,015,654
Less: Deferred Maintenance		\$0
Remaining Cost		\$1,015,654
Depreciation: Economic Age-Life Method	0.0%	\$0
Total Depreciation		\$0
<i>Depreciated Replacement Cost</i>		<u>\$1,015,654</u>

**Overall Property**

Replacement Cost New		\$20,158,244
Deferred Maintenance		\$0
Remaining Cost		\$20,158,244
Depreciation: Economic Age-Life Method		\$0
Total Depreciation		\$0

<b>Depreciated Replacement Cost</b>		<b>\$20,158,244</b>
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<b>Rounded:</b>		<b>\$20,160,000</b>
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**Value Indication**

By combining the land value conclusion with the depreciated replacement cost of the improvements, a value by the cost approach is indicated, as shown in the following table.

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**Value Indication by Cost Approach**


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Depreciated Replacement Cost	\$20,160,000
Land Value	<u>\$3,230,000</u>
Indicated Tangible Asset Value	\$23,388,244
Rounded	<u>\$23,390,000</u>

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## Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization methods to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate. In this analysis, only direct capitalization is used because investors in this property type typically rely more on this method.

## Leased Status of Property

The subject is a proposed marina and restaurant property. The restaurant will be owner occupied upon completion. The wet slips will be leased to third party tenants upon completion.

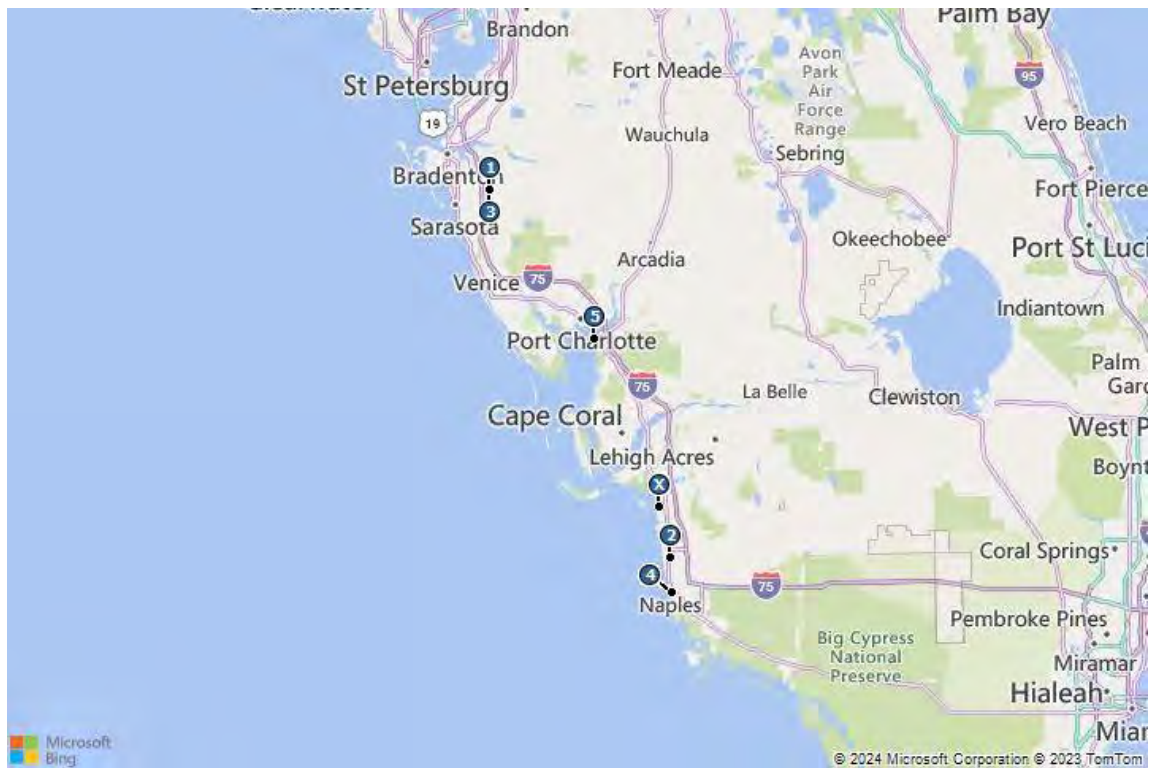
## Market Rent Analysis - Restaurant

To estimate market rent, comparable rentals most relevant to the subject in terms of location, property type, size, and transaction date are analyzed. Our search focused on recently developed or proposed full-service restaurants with waterfrontage. Due to a lack of comparables we have included non-waterfront restaurants and older restaurants throughout SWFL. Comparable rentals considered most relevant are summarized in the following table.

## Summary of Comparable Rentals - Restaurant

No.	Property Information	Description	Tenant	SF	Lease Start	Term (Mos.)	Rent/SF	Lease Type
1	Proposed Restaurant 6568 University Pky. Sarasota Sarasota County FL	Yr Blt. 2024 Stories: 1 GLA: 5,876	Bar Italia	5,876	Apr-24	180	\$42.12	Triple Net
<i>Comments: This represents the signed lease information for a proposed restaurant that is expected to be completed by April 2024. The full-service restaurant will be leased by Bar Italia. Upon completion of construction, the lease will commence and it has an initial 180-month term. The starting rental rate is \$42.12 per square foot in a triple net lease structure.</i>								
2	Former Bucca Di Beppo 8860 Tamiami Trl. N. Naples Collier County FL	Yr Blt. 2001 Stories: 1 GLA: 8,000	J. Alexander's Restaurants, LLC.	8,000	May-22	240	\$50.00	Triple Net
<i>Comments: This is the signed lease of an 8,000-square foot freestanding restaurant building located along Tamiami Trail N in Naples, Florida. This space is being occupied by J. Alexander's Restaurants, LLC. who signed a 20-year lease in May of 2022. Rental rate is \$50.00/SF per year. This is a triple net lease structure with 10% rental increases every 5 years. \$1 million tenant improvement allowance and tenant will receive 12 months of free rent. Seating capacity is 262.</i>								
3	Ruth's Chris 6490 University Pky. Sarasota Manatee County FL	Yr Blt. 2023 Stories: 1 GLA: 6,500	RCSH OPERATIONS, LLC	6,500	Oct-23	180	\$44.00	Triple Net
<i>Comments: This represents the signed lease information for a proposed full-service restaurant building that will be located at one of the primary entrances of Lakewood Ranch. The building is expected to be completed by October 2023 and, upon completion of construction, the lease will commence. The initial term is 180 months and the starting rental rate is \$44.00/SF in a triple net lease structure.</i>								
4	5th Ave S Retail Bldg 560 9th St. S. Naples Collier County FL	Yr Blt. 2017 Stories: 1 GLA: 7,000	Lola 41 Restaurant	5,042	Aug-22	12	\$59.00	Triple Net
<i>Comments: This is a triple net lease for 5,042 SF of retail restaurant space at 560 9th St N in Downtown Naples. Base rent is \$59/SF NNN.</i>								
5	Fishermans Village 1200 W. Retta Esplanade Punta Gorda Charlotte County FL	Yr Blt. 1980 Stories: 2 GLA: 86,405	Smuggler's Enterprise	15,120	Sep-20	60	\$50.00	Triple Net
<i>Comments: 5-year restaurant lease at Fisherman's Village in Punta Gorda. Fisherman's Village is a mixed-use property containing 47 hotel units and 86,405 square feet of retail space plus 113 wet slips. Triple net lease structure. Leased square footage includes +/-3,200 SF of outdoor seating areas. No percentage sale rent. No tenant improvements. 502 licensed seats.</i>								

## Comparable Rentals Map





Lease 1  
Proposed Restaurant



Lease 2  
Former Bucca Di Beppo



Lease 3  
Ruth's Chris



Lease 4  
5th Ave S Retail Bldg



Lease 5  
Fishermans Village

Saltleaf CDD



## Analysis and Adjustment of Rents

### Rental Analysis Factors

The following elements of comparison are considered in our analysis of the comparable rentals.

Rental Analysis Factors	
Expense Structure	Division of expense responsibilities between landlord and tenants.
Conditions of Lease	Extraordinary motivations of either landlord or tenant to complete the transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on rent; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Difference in rental rates that is often attributable to variation in sizes of leased space.
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Variations in rental rate attributable to such factors as free rent or other concessions, pattern of rent changes over lease term, or tenant improvement allowances.

### Rental Analysis Summary - Restaurant

Property Name;			
No.	Tenant	Leased SF	Rent/SF
1	Proposed Restaurant Bar Italia	5,876	\$42.12 \$54.62
2	Former Bucca Di Beppo J. Alexander's Restaurants, LLC.	8,000	\$50.00 \$62.50
3	Ruth's Chris RCSH OPERATIONS, LLC	6,500	\$44.00 \$56.50
4	5th Ave S Retail Bldg Lola 41 Restaurant	5,042	\$59.00 \$71.50
5	Fishermans Village Smuggler's Enterprise	15,120	\$50.00 \$62.50

After analysis, the overall range is \$54.62 to \$71.50 per square foot with an average of \$61.52 per square foot. Given the subject's proposed quality and location adjacent to a Ritz Carlton branded condominium tower, a rent on the upper end of the range is applicable.

### Market Rent Conclusion

Based on the preceding analysis of comparable rentals, recent leases at the subject, and trends evident in the market, market lease terms for the subject are concluded as follows:

Concluded Market Lease Terms						
Space Type	Market		Measure	Rent		Lease Term (Mos.)
	SF	Rent		Escalations	Lease Type	
Restaurant	5,162	\$71.50	\$/SF/Yr	3.0% Annually	Modified Gross	120

### Market Rent Analysis - Marina

To estimate market rent, comparable rentals most relevant to the subject in terms of location, property type, size, and transaction date are analyzed. Comparable rentals considered most relevant are summarized in the following paragraphs.

#### Bonita Bay Marina (1)

Bonita Bay Marina is a full-service marina located in the Bonita Bay community on the Imperial River at the south end of Estero Bay. The marina offers light services with its numerous work racks on the property. Services include boat washes, waxing, engine flushes, transport, battery maintenance, and minor repairs. Vessels up to 36' can be accommodated and there are weekly, monthly and seasonal slips on-site for guests to book. There are also amenities like bait & tackle, drop-in/haul-out, pump-out, dry storage, event space, gas, and a ship store all available at Bonita Springs Marina. The marina also has a waterfront restaurant (Backwater Jacks). There are 326 dry storage for boats up to 36 feet. There are 98 wet slips for vessels up to 16,000 pounds. Wet slips can accommodate boats up to 45'. Wet slips have a lift. Rates are summarized below.

#	Property Information	# of Wet Slips	Wet Slip	Monthly Rent	Rent/FT/Month
			Length (ft)		
1	Bonita Bay Marina	98	22	\$566.00	\$25.73
	27598 Marina Pointe Drive SW		23	\$587.00	\$25.52
	Bonita Springs		24	\$609.00	\$25.38
	Lee County		25	\$628.00	\$25.12
			26	\$652.00	\$25.08
			27	\$673.00	\$24.93
			28	\$708.00	\$25.29
			29	\$729.00	\$25.14
			30	\$777.00	\$25.90
			31	\$813.00	\$26.23
			32	\$837.00	\$26.16
			33	\$887.00	\$26.88
			34	\$900.00	\$26.47
			35	\$953.00	\$27.23
			36	\$981.00	\$27.25
			37	\$1,000.00	\$27.03
			38	\$1,024.00	\$26.95
			39	\$1,054.00	\$27.03
			40	\$1,075.00	\$26.88
			41	\$1,100.00	\$26.83
			42	\$1,124.00	\$26.76
			43	\$1,150.00	\$26.74
			44	\$1,174.00	\$26.68

### Gulf Harbour Marina (2)

Located on the Caloosahatchee River and buffered by a mangrove island, Gulf Harbour's deep-water slips offer direct access (approx. 5 nautical miles) to the Gulf of Mexico. There are 186 wet slips ranging from 38' to 97'. The service fuel dock is equipped with both 90 octane and diesel fuel. Other amenities include clean restrooms with showers, laundry facilities, and complimentary WiFi. Wet slip rates are summarized below.

#	Property Information	# of Wet Slips	Max Boat	Monthly Rent	Rent/FT/Month
			Length (ft)		
2	Gulf Harbour	186	38	\$855.00	\$22.50
	14490 Vista River Dr		97	\$2,182.50	\$22.50
	Fort Myers				
	Lee County				

### Hickory Bay Boat House (3)

Hickory Bay Boat House has a total of 108 wet and dry slips. Wet slips accommodate forty-eight (48) boats up to 35' LOA with a maximum 14' beam. Water and individual shore power is located at every dock. Restrooms and showers are available to you 24/7. Boat lifts are available. On-site fuel and pump out stations. The dock manager would not provide rental information.

We note several marinas in Lee County were severely damaged in September 2022 as a result of Hurricane Ian. The following marinas have wet slips that are not available for lease.

#### **Snook Bight Marina (4)**

Snook Bight is a full service marina on Fort Myers Beach. The marina has 70-floating docks to accommodate vessels up to 50'. There are 200 dry stack spaces. Amenities include a private pool and club room, shower and laundry facilities, waterfront restaurant, gas, etc. The marina was severely damaged by Hurricane Ian and wet slips are not available.

#### **Salty Sam's (5)**

Salty Sam's is a full service marina on Fort Myers Beach. The marina offers dry and wet storage. The dry storage can accommodate boats up to 45' and 27,00 lbs. The 100 wet slips range in size from 40 to 100 feet. The marina has an on-site restaurant, ship store, boat service and detailing, etc. The marina was severely damaged by Hurricane Ian and wet slips are not available.

#### **Tarpon Club (6)**

Tarpon Club Marina is located on Isle of Capri. The marina's dry storage facility can accommodate up to 140 boats up to 36 feet in length. The wet slips can accommodate boats up to 60 feet in length. The marina offers wash racks, fuel, pre- and post-launch services. Monthly wet slips rates range from \$1,600 to \$3,300.

#### **Naples Bay Resort & Marina (7)**

Naples Bay Resort & Marina is in Naples. The mixed use development includes a 97-wet slip marina with direct access to the Gulf of Mexico. The marina can accommodate watercraft up to 90 feet and feature 97 wet slips including 68 floating docks on the Gordon River, inside the Mediterranean inspired marina basin along with 29 fixed docks on Curlew Canal. All Wet Slip leases include: pump out service, 50 amp power hook up, water, and dock box. Below is a summary of rates.

<b>Naples Bay Resort &amp; Marina</b>					
Dock	Location	Fixed/Floating	Slip Length	Monthly Rent/LF	Monthly Rent
A	Gordon River	Floating	60' to 90'	\$35.00	\$2,100 to \$3,150
B	Marina Basin	Floating	25' to 55'	\$32.00	\$800 to \$1,760
C	Curlew Canal	Fixed	34' & 40' only	\$23.00	\$781 to \$920

#### **Naples Boat Club (8)**

Naples Boat Club is directly on Naples Bay. Naples Boat Club offers a full service, state-of-the-art marina. Naples Boat Club includes 167 dry boat slips, 47 in-water boat slips, a full service fuel dock with pump-out facilities, The Syren Oyster & Cocktail Bar, as well as residential and commercial condominium units. Naples Boat Club features a clubhouse with bar, catering kitchen, billiards, dining area, conference room and restrooms with showers. The adjacent, bayside pool includes a chickee



bar, outdoor seating and grill with views of the marina and Naples Bay. The wet slips can accommodate vessels up to 110' in length. There were not vacancies at the time of our survey. Per the dockmaster, slips start at 45' and monthly rents start at \$2,800.

**Tin City Docks (9)**

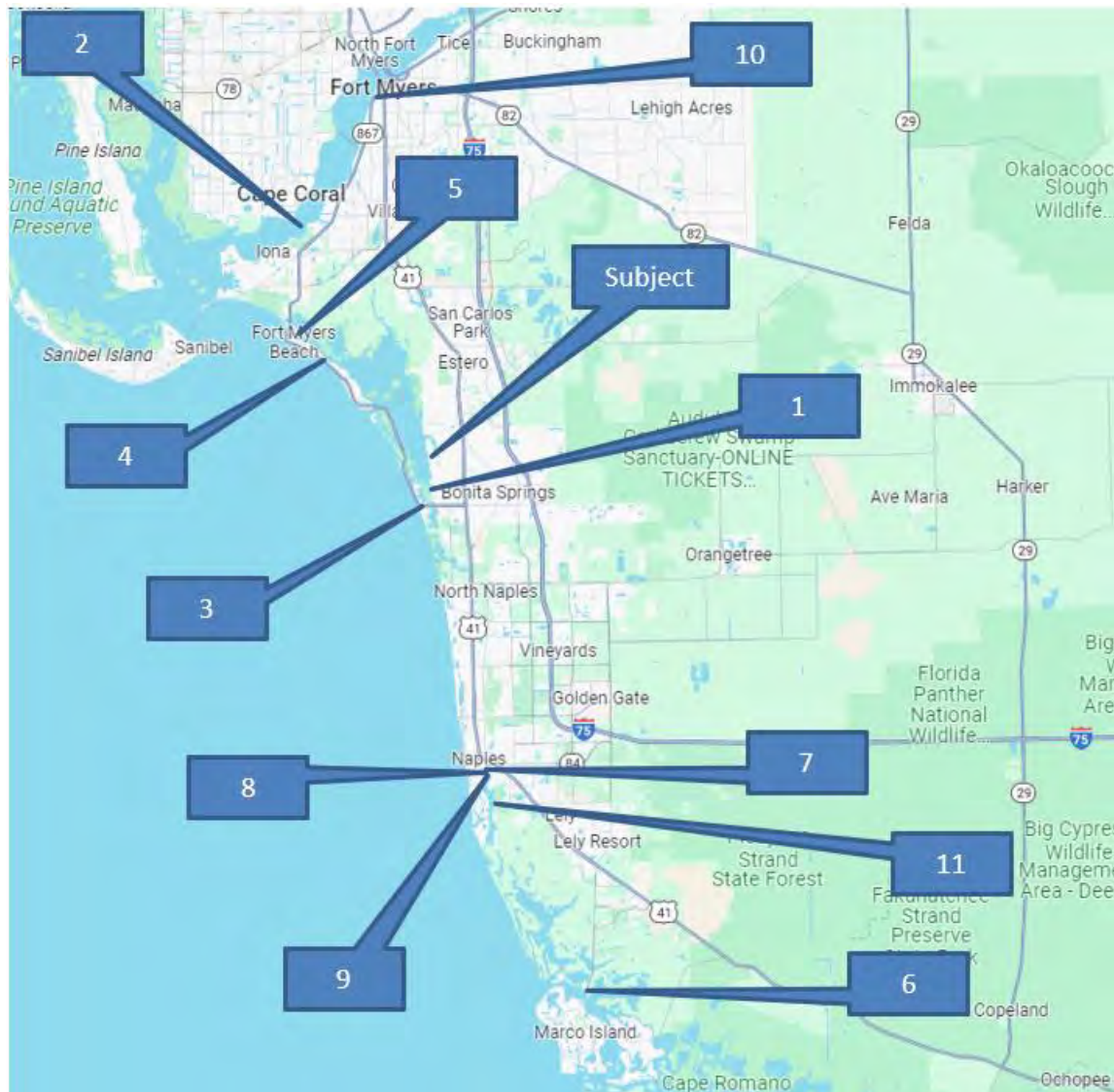
Tin City Docks is comprised of 14-wet slip condominiums. The slips are located next to Tin City in Naples. Seven of the slips are currently rented for \$24,635 per month. This equates to \$3,519 per slip per month. Other than a bathhouse, there are no amenities.

**Marina at Edison Ford (10)**

Marina at Edison Ford is in downtown Fort Myers. The marina has 45-wet slips. Pump out and electrical services are available. Showers and restrooms are available. Monthly rents start at \$30 per foot.

**South Pointe Yacht Club and Marina (11)**

Southpointe Yacht Club is a 72-slip deep water yacht basin located within Windstar on Naples Bay. Boat slips are available for sale or lease. Boat slips range in size from 33 feet to 72 feet with a 5 feet mean low tide. A 33' slip is available for \$1,800 per month.

**Competitive Property Map**

**Market Rent Conclusion - Marina**

The comparables are summarized below.

<b>Wet Slip Comparable Summary</b>		
#	Marina	Monthly Rent/Slip
1	Bonita Bay Marina	\$566 - \$1,174
2	Gulf Harbour Marina	\$855 - \$2,182.50
3	Hickory Bay Boat House	N/A
4	Snook Bight Marina	N/A
5	Salty Sam's	N/A
6	Tarpon Club	\$1,600 - \$3,300
7	Naples Bay Resort & Marina	\$781 - \$3,150
8	Naples Boat Club	\$2,800
9	Tin City Docks	\$3,519
10	Marina at Edison Ford	\$30 per foot
11	South Pointe Yacht Club and Marina	\$1,800

Based on the preceding analysis of comparable rentals, recent leases at the subject, and trends evident in the market, market lease terms for the subject are concluded as follows:

<b>Wet Slip Rent Conclusion</b>	
Monthly Rent/Slip	\$1,800

**Gross Income Estimate****Potential Gross Rent**

Potential gross income for the restaurant is estimated as follows.

<b>Potential Gross Rent - Restaurant</b>			
	<i>SF</i>	<i>Rent/SF</i>	<i>Annual Rent</i>
Indoor Dining	5,162	\$71.50	\$369,083
Outdoor Dining	1,587	\$35.75	\$56,735
			\$425,818

Potential gross income for the marina is estimated as follows.

<b>Potential Gross Rent - Marina</b>			
<i># Rentable Slips</i>	<i>Avg. Slip Rent/Mo.</i>	<i>Total Monthly Rent</i>	<i>Annual Rent</i>
60	\$1,800	\$108,000	\$1,296,000

The developer's marina PGR projection is summarized below.

**Developer Marina - PGR**

# of Rentable Slips	\$/Month	Total Monthly Rent	Annual Slip Rent
60	\$1,800	\$107,975	\$1,295,700

For purposes of the direct capitalization analysis that follows, potential gross rent is based on market rents.

**Expense Recoveries**

No income is generated from expense recoveries, since lease structures are gross, with no pass-through structure provided.

**Vacancy & Collection Loss Allowance**

A stabilized vacancy and collection loss allowance of 5.0% is concluded for the subject.

**Other Income**

The developer expects to generate other income from public boat, kayak and paddle board launch fees, parking, ship store, etc. We have estimate other income at \$350,000. Please note the developer's marina budget includes other income sources typically associated with a marina's going concern operations. These additional income items related to the going concern were not considered.

**Effective Gross Income**

Based on the preceding estimates of potential gross income less allowance for vacancy and collection loss, effective gross income is calculated at \$1,985,727.

**Operating Expenses**

To develop projections of stabilized operating expenses have analyzed comparable properties. The following table summarizes our analysis.

### Operating History and Projections

	IRR Projection
<b>Income</b>	
Base Rent - Restaurant	\$425,818
Base Rent - Wet Slips	1,296,000
Expense Reimbursements	0
Potential Gross Income*	\$1,721,818
Vacancy & Collection Loss @ 5.0%	-86,091
Other Income	350,000
Effective Gross Income	\$1,985,727
<b>Expenses</b>	
Restaurant Expenses	\$76,250
Marina Expenses	553,420
Total Expenses	\$629,670
<b>Net Operating Income</b>	<b>\$1,356,057</b>
Operating Expense Ratio	31.7%

\*IRR projected income is the total potential income attributable to the property before deduction of vacancy and collection loss. Historical income is the actual income that has been collected by the property owner.

Expense ratios for comparable marina properties are summarized in the following table.

Expense Ratio Comparables							
#	Property Type	Job #	City	ST	Exp. Yr.	Expense Ratio	Comments
1	Marina	130-2023-0581	Titusville	FL	2022	45.0%	Limited service marina containing 138 wetslips.
2	Marina	208-2023-0178	Savannah	GA	2024 Bud.	57.0%	Full service marina with wet and dry slips.
3	Marina	109-2023-0053	Point Pleasant Beach	NJ	2022	45.0%	Limited service with all wetslips.
4	Marina	OM in folder	Henderson	NY	2022	35.0%	Limited service with 95-wetslips and 30 open land storage spaces.

The subject is comprised of just wet slips and the marina will be of new construction. We would expect the subject's marina to have an expense ratio on the lower end of the range. Based on the foregoing we have concluded to an expense ratio of 35.0%. This has been applied to the marina rent (adjusted for vacancy) and marina other income. Restaurant expenses are estimated at \$12.50 per square foot.

### Total Operating Expenses

Total operating expenses are projected at \$629,670 overall.

## Net Operating Income

Based on the preceding income and expense projections, stabilized net operating income is estimated at \$1,356,057, as shown in the following table.

Projection of Net Operating Income				
				Annual
<b>Income</b>				
Potential Gross Rent				\$425,818
Base Rent - Wet Slips				\$1,296,000
Expense Reimbursements				\$0
Potential Gross Income				\$1,721,818
Vacancy & Collection Loss	5.00%			-\$86,091
Other Income				\$350,000
Effective Gross Income				\$1,985,727
<b>Expenses</b>				
Restaurant Expenses				\$76,250
Marina Expenses				\$553,420
Total Expenses				\$629,670
<b>Net Operating Income</b>				<b>\$1,356,057</b>

## Capitalization Rate Selection

A capitalization rate is used to convert a single year's estimated net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. The following methods are used to derive a capitalization rate for the subject: analysis of comparable sales, review of national investor surveys, and the band of investment method.

### Analysis of Comparable Sales

Capitalization rates derived from comparable sales are shown in the following table.

Capitalization Rate Comparables - Marina					
No.	Property Name	City	State	Sale Date	Cap Rate
1	Shelter Bay Marina	Marathon	FL	Jan-21	7.35%
2	Sebastian River Marina	Sebastian	FL	Dec-21	7.72%
3	Lighthouse Marina	Jacksonville	FL	Listing	6.60%
4	Cheswick Marina	Cheswick	PA	Dec-22	8.93%
5	Maryland Marina	Middle River	MD	Aug-22	7.54%
6	Bar Harbor Marina	Pasadena	MD	Listing	8.00%
Indicated Cap Rate Range:				6.60% - 8.93%	
Average (Mean) Cap Rate:				7.69%	

Restaurant cap rates are summarized below.

Capitalization Rate Comparables - Restaurant					
No.	Property Name	City	State	Sale Date	Cap Rate
1	Sonny's BBQ	Apopka	FL	Jul-22	5.05%
2	Red Lobster	Orlando	FL	Feb-23	5.10%
3	Stonewood Grill & Tavern	Daytona Beach	FL	Feb-22	5.50%
4	Rock & Brews	Lutz	FL	Sep-23	5.75%
5	Walk-On's	Melbourne	FL	Listings	6.40%
Indicated Cap Rate Range:					5.05% - 6.40%
Average (Mean) Cap Rate:					5.56%

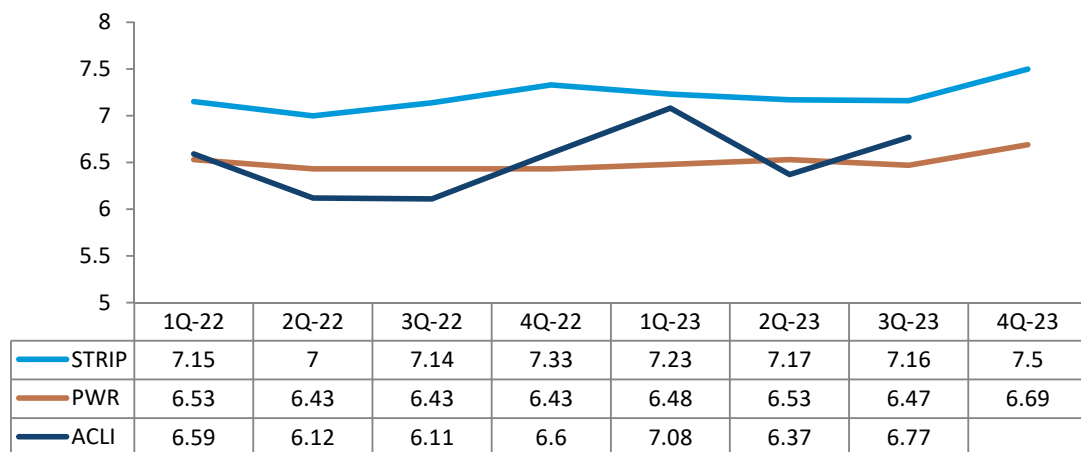
### National Investor Surveys

Data pertaining to investment grade properties from the PwC, ACLI, and Viewpoint surveys are summarized in the exhibits that follow.

Capitalization Rate Surveys – Retail Properties						
	IRR-ViewPoint Natl Regional Mall	IRR-ViewPoint Natl Neighborhood Retail	IRR-ViewPoint Natl Community Retail Center	PwC 4Q-23 National Strip Shopping Center	PwC 4Q-23 National Power Center	ACLI 3Q-23 National Retail
Range	5.75% - 10.00%	5.00% - 9.00%	5.00% - 8.50%	5.25% – 10.00%	5.50% – 7.50%	NA
Average	7.59%	7.17%	7.15%	7.50%	6.69%	6.77%

Source: IRR-Viewpoint 2023; PwC Real Estate Investor Survey; American Council of Life Insurers Investment Bulletin.

### Retail Capitalization Rate Trends



STRIP - PwC Real Estate Investor Survey - National Strip Shopping Center Market

PWR - PwC Real Estate Investor Survey - National Power Center Market

ACLI - American Council of Life Insurers Investment Bulletin - Retail Properties

## Market Participant Interviews

### Market Participant Survey - Capitalization Rates

Respondent	Comments
Leisure Investment Property Group	Prices are expected to cool as cap rates expand amidst further interest rate hikes and a tighter debt market.
Simply Marinas	In general, we are seeing a change in valuation criteria. Investors are proving to be more conservative in their marina valuation, primarily due to more restrictive funding and higher interest rates.

### Band of Investment

The band of investment method derives a capitalization rate from the weighted average of the mortgage and equity demands on net income generated from the property. This method involves an estimate of typical financing terms as well as an estimated rate of return on equity capital sufficient to attract investors. Based on this data, the capitalization rate indicated by the band of investment method is shown in the following table.

Restaurants: Full Service						
Item	Input					OAR
<b>Minimum</b>						
Spread Over 10-Year Treasury	2.00%	DCR Technique	1.35	0.083022	0.65	7.29
Debt Coverage Ratio	1.35	Band of Investment Technique				
Interest Rate	5.57%	Mortgage	65%	0.083022	0.053964	
Amortization	20	Equity	35%	0.103021	0.036057	
Mortgage Constant	0.083022	OAR				9.00
Loan-to-Value Ratio	65%	Surveyed Rates				8.64
Equity Dividend Rate	10.30%					
<b>Maximum</b>						
Spread Over 10-Year Treasury	12.00%	DCR Technique	2.15	0.172660	0.50	18.58
Debt Coverage Ratio	2.15	Band of Investment Technique				
Interest Rate	15.57%	Mortgage	50%	0.172660	0.086330	
Amortization	15	Equity	50%	0.197309	0.098654	
Mortgage Constant	0.172660	OAR				18.50
Loan-to-Value Ratio	50%	Surveyed Rates				17.39
Equity Dividend Rate	19.73%					
<b>Average</b>						
Spread Over 10-Year Treasury	7.00%	DCR Technique	1.75	0.125617	0.58	12.65
Debt Coverage Ratio	1.75	Band of Investment Technique				
Interest Rate	10.57%	Mortgage	58%	0.125617	0.072230	
Amortization	18	Equity	43%	0.145450	0.061816	
Mortgage Constant	0.125617	OAR				13.40
Loan-to-Value Ratio	58%	Surveyed Rates				14.18
Equity Dividend Rate	14.55%					
*2nd Quarter 2023 Data						
Realty Rates Investor Survey 2023 Q3						



**Special Purpose: All**

Item	Input					OAR
<b>Minimum</b>						
Spread Over 10-Year Treasury	2.03%	DCR Technique	1.15	0.062711	0.80	5.77
Debt Coverage Ratio	1.15	Band of Investment Technique				
Interest Rate	5.60%	Mortgage	80%	0.062711	0.050169	
Amortization	40	Equity	20%	0.099479	0.019896	
Mortgage Constant	0.062711	OAR				7.01
Loan-to-Value Ratio	80%	Surveyed Rates				6.59
Equity Dividend Rate	9.95%					
<b>Maximum</b>						
Spread Over 10-Year Treasury	11.60%	DCR Technique	2.15	0.16935	0.50	18.21
Debt Coverage Ratio	2.15	Band of Investment Technique				
Interest Rate	15.17%	Mortgage	50%	0.16935	0.084675	
Amortization	15	Equity	50%	0.206125	0.103062	
Mortgage Constant	0.169350	OAR				18.77
Loan-to-Value Ratio	50%	Surveyed Rates				17.65
Equity Dividend Rate	20.61%					
<b>Average</b>						
Spread Over 10-Year Treasury	5.05%	DCR Technique	1.70	0.100613	0.66	11.31
Debt Coverage Ratio	1.70	Band of Investment Technique				
Interest Rate	8.62%	Mortgage	66%	0.100613	0.066530	
Amortization	23	Equity	34%	0.158134	0.053568	
Mortgage Constant	0.100613	OAR				12.01
Loan-to-Value Ratio	66.1%	Surveyed Rates				12.10
Equity Dividend Rate	15.81%					
*2nd Quarter 2023 Data						
Realty Rates Investor Survey 2023 Q3						

**Capitalization Rate Conclusion**

To conclude a capitalization rate, the following investment risk factors are considered to determine an impact on the appropriate rate. The direction of each arrow in the following table indicates a judgment of an upward, downward, or neutral impact of each factor.

**Capitalization Rate Risk Factors**

Factor	Issues	Impact on Rate	Comments
Income Characteristics	Rollover risk, escalation pattern, above/below market rents, major tenant credit strength	↔	
Competitive Market Position	Construction quality, market appeal, age/condition, functional utility	↔	
Location	Market area demographics and life cycle trends; proximity issues; access and support services	↓	Land constrained area. Affluent market. Next to Ritz Carlton branded condo development.
Market	Vacancy rates and trends; rental rate trends; supply and demand	↑	High interest rates have led to rising borrowing costs.
Highest and Best Use	Upside potential from redevelopment, adaptation, and/or expansion	↔	
Overall Impact		↔	

Accordingly, the capitalization rate is concluded as follows:

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**Capitalization Rate Conclusion**


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Conclusion	7.00%
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**Direct Capitalization Analysis**

Net operating income is divided by the capitalization rate to indicate the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table immediately following.

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**Direct Capitalization**


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**Stabilized**

Effective Gross Income	\$1,985,727
Expenses	<u>\$629,670</u>
Net Operating Income	\$1,356,057
Capitalization Rate	<u>7.00%</u>
Stabilized Value Indication	\$19,372,248

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**At Completion**

Stabilized Value Indication	\$19,372,248
Adjustments	
Cabana Value	<u>\$4,357,500</u>
Total Adjustments	\$4,357,500
Indicated Value	\$23,729,748
Rounded	\$23,730,000

---

As discussed, the marina and restauration portion include seven cabanas available for purchase by residents of the neighboring Ritz-Carlton condominium. There are an additional 12-cabana units located within the Ritz-Carlton condominium, adjacent to the marina/restaurant cabana units. Of the 12-units, 10 were presold at an average price of \$622,500. The contributory value of the seven cabana units are estimated as follows:

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**Cabana Unit Value**


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# of Cabanas	Avg. Price	Total
7	\$622,500	\$4,357,500

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## Reconciliation and Conclusion of Value

Reconciliation involves the weighting of alternative value indications, based on the judged reliability and applicability of each approach to value, to arrive at a final value conclusion. Reconciliation is required because different value indications result from the use of multiple approaches and within the application of a single approach. The values indicated by the preceding analyses are as follows:

Summary of Value Indications						
	Market Value As Is - Tower 1	Prospective Market Value As Completed - Tower 1	Prospective Aggregate Retail Value at Completion - Tower 1	Aggregate Retail Value As Is - High Rise Pads 2 through 6	Prospective Aggregate Retail Value As Rezoned - High Rise Pads 2-10	Market Value As Is - Midrise/Villa Land - 340 units
Cost Approach	Not Used	\$511,000,000	Not Used	Not Used	Not Used	Not Used
Sales Comparison Approach	\$39,200,000	Not Used	\$538,300,000	\$246,400,000	\$414,400,000	\$51,000,000
Income Capitalization Approach	\$37,900,000	\$471,000,000	Not Used	Not Used	Not Used	Not Used
Reconciled	\$39,200,000	\$471,000,000	\$538,300,000	\$246,400,000	\$414,400,000	\$51,000,000
Concluded Value	\$39,200,000	\$471,000,000	\$538,300,000	\$246,400,000	\$414,400,000	\$51,000,000

Summary of Value Indications			
	Prospective Market Value As Rezoned - Midrise/Villa Land -	Market Value As Is - Marina/Restaurant	Prospective Market Value As Completed/Stabilized - Marina/Restaurant
Cost Approach	Not Used	Not Used	\$23,390,000
Sales Comparison Approach	\$246,400,000	\$3,230,000	Not Used
Income Capitalization Approach	Not Used	Not Used	\$23,730,000
Reconciled	\$246,400,000	Not Used	\$23,700,000

The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.

### Cost Approach

The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation. The subject represents new construction, and there is a relatively active market for land. As a result, the cost approach is applicable to the subject and is applied in the analysis. Nonetheless, it does not directly reflect market behavior, and is given secondary weight.

### Sales Comparison Approach/Income Approach (DSO)

In valuing the prospective market value at completion of the subject property, we have provided the Sales Comparison Approach in conjunction with a Discounted Sellout Analysis. The Sales Comparison Approach is utilized to estimate the retail value of the subject condominium units based on sales of comparable condominium units in the subject sub-market. In order to convert the gross sellout to market value, a discounting process was utilized in order to account for sales expenses and holding costs during the absorption or sellout period of the units is required. This approach was given primary reliance in our final conclusion as market participants rely on this methodology in their analysis.

### Final Opinion of Value

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinion of value is as follows:

**Value Conclusions**

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is - Tower 1	Fee Simple	January 27, 2024	\$39,200,000
Prospective Market Value As Completed - Tower 1	Fee Simple	June 1, 2026	\$471,000,000
Prospective Aggregate Retail Value at Completion - Tower 1	Fee Simple	June 1, 2026	\$524,100,000
Aggregate Retail Value As Is - High Rise Pads 2 through 6	Fee Simple	January 27, 2024	\$246,400,000
Prospective Aggregate Retail Value As Rezoned - High Rise Pads 2-10	Fee Simple	January 27, 2024	\$414,400,000
Market Value As Is - Midrise/Villa Land - 340 units	Fee Simple	January 27, 2024	\$51,000,000
Prospective Market Value As Rezoned - Midrise/Villa Land - 348 units	Fee Simple	January 27, 2024	\$52,200,000
Market Value As Is - Marina/Restaurant	Fee Simple	January 27, 2024	\$3,230,000
Prospective Market Value As Completed/Stabilized - Marina/Restaurant	Fee Simple	December 19, 2025	\$23,700,000

**Extraordinary Assumptions and Hypothetical Conditions**

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The prospective market value upon completion assumes the completion of the proposed improvements in a timely and workmanlike manner.
2. The developer has estimated high rise tower I construction will be completed in late May 2026. We have assumed a completion date of 6/1/2026.
3. This appraisal assumes construction of the restaurant and marina will be completed by 12/19/2025.
4. This appraisal assumes the subject can be successfully rezoned for 1,532 units.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from the stated estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, these opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, the assignment participants are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

**Exposure Time**

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on review of recent sales transactions for similar properties and analysis of supply and demand in the local residential market, the probable exposure time for the subject at the concluded market values stated previously is 9-12 months.

**Marketing Time**

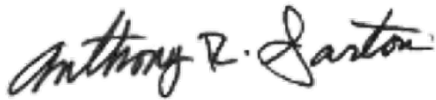
Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As no significant changes in market conditions are foreseen in the near term, a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, the subject's marketing period is estimated at 9-12 months.

## Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have previously appraised the property that is the subject of this report for the current client. We have provided no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Anthony R. Sartori, MAI has made a personal inspection of the property that is the subject of this report. Carlton Lloyd, MAI has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Anthony R. Sartori, MAI and Carlton Lloyd, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.



Anthony R. Sartori, MAI  
Florida State Certified General RE Appraiser  
#RZ3511



Carlton Lloyd, MAI  
Florida State Certified General RE Appraiser  
#RZ2618

## Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal



covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environmental hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Southwest Florida, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. IRR - Southwest Florida is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Southwest Florida. In addition, it is expressly agreed that

in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. IRR - Southwest Florida is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

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**Extraordinary Assumptions and Hypothetical Conditions**

---

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The prospective market value upon completion assumes the completion of the proposed improvements in a timely and workmanlike manner.
2. The developer has estimated high rise tower I construction will be completed in late May 2026. We have assumed a completion date of 6/1/2026.
3. This appraisal assumes construction of the restaurant and marina will be completed by 12/19/2025.
4. This appraisal assumes the subject can be successfully rezoned for 1,532 units.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

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## **Addendum A**

### **Appraiser Qualifications**

# Carlton J. Lloyd, MAI

## Experience

Senior Managing Director of Integra Realty Resources Southwest Florida

Actively engaged in real estate valuation since 1995. Territories include Collier, Lee, Charlotte, Sarasota, Manatee, Broward, Palm Beach, Miami-Dade, Monroe, Desoto and Hendry Counties. Experienced in Residential Developments (PUDs & Condominiums), Multifamily apartments, Low Income Housing, (LIHTC), office buildings, restaurants, commercial retail centers, industrial warehouse properties, self storage, hotels, net leased properties and subdivisions.

Specialty experience includes marina, golf courses and country clubs, and orange groves.

Clients include, but are not limited to: federally insured lenders, developers, investors, law firms, mortgage banking firms, local, state, and federal agencies, and individuals.

Valuations have been performed for condemnation purposes, estates, financing, equity participation and due diligence and litigation support. Valuations and market studies have been done on proposed, partially completed, renovated and existing structures.

## Professional Activities & Affiliations

MAI Designation, Appraisal Institute Appraisal Institute, Member (#406018), August 2008

## Licenses

Florida, State Certified General RE Appraiser, RZ2618, Expires November 2024  
Colorado, Certified General Appraiser, CG.200002335, Expires December 2024  
North Carolina, State Certified RE Appraiser, A8292, Expires June 2024  
New York, State Certified RE Appraiser, 46000053058, Expires October 2024

## Education

Carlton graduated with a Bachelor Of Arts Degree from the State University of N.Y. at Albany in 1989.

Recent real estate courses include :

Introduction to Green Buildings: Principles & Concepts, September 7, 2022  
Valuation of Donated Real Estate, Including Conservation Easements, June 25, 2020  
Transferred Value, June 10, 2020  
7-Hour National USPAP Update Course, June 8, 2020  
Florida Law Update 2020, June 2, 2020  
Appraising Automobile Dealerships Sept 1, 2018  
Managing Unusual Appraisal & Litigation Assignments 06/12/2018  
Online Business Practices and Ethics 06/08/2018  
7-Hour National USPAP Update Course 04/12/2018  
Online Real Estate Finance Statistics and Valuation Modeling 06/15-07/15/2016  
Reviewing Residential Appraisals and Using Fannie Mae Form 2000 06/01-07/01/2016  
Residential Sales Comparison and Income Approach 08/15-09/29/2014  
Feasibility, Market Value, Investment Timing: Option Value 08/15-09/14/2012  
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets  
02/29-03/01/2012



**Integra Realty  
Resources - Southwest Florida**

2770 Horseshoe Drive S  
Suite 3  
Naples, FL 34104

T 239.643.6888  
F 239.643.6871

[irr.com](http://irr.com)

[clloyd@irr.com](mailto:clloyd@irr.com) - 239.687.5801



# Carlton J. Lloyd, MAI

## Education (Cont'd)

The Appraiser as an Expert Witness: Preparation & Testimony 06/04-05/2009  
Condemnation Appraising: Principles & Applications 05/06-08/2009  
Online Small Hotel/Motel Valuation 11/01-12/01/2008  
Online Analyzing Distressed Real Estate 10/15-11/14/2008  
Online Condominiums, Co-ops and PUDs 10/15-11/14/2008  
Online Appraising From Blueprints and Specifications 09/15-10/15/2006  
Online Analyzing Operating Expenses 08/15-09/14/2006  
Online Small Hotel/Motel Valuation 08/15-09/14/2006  
Report Writing and Valuation Analysis 07/11-17/2004  
Advanced Applications 03/08-13/2004  
Highest & Best Use and Market Analysis 10/06-11/2003  
Advanced Sales Comparison & Cost Approaches 10/28-11/02/2002  
Advanced Income Capitalization 02/07-13/2002  
General Applications 03/19-25/2001  
Standards of Professional Practice, Part B 08/30/2000  
Standards of Professional Practice, Part A (USPAP) 08/28-29/2000  
Basic Income Capitalization 08/15-21/1999

## Qualified Before Courts & Administrative Bodies

State Certified General Real Estate Appraiser in Florida, Colorado, New York and North Carolina.  
Qualified as an expert witness in U.S. Federal Bankruptcy Court, US District Court-Tampa, Collier County Circuit Court, Lee County Circuit Court and the Tax Appeals Board of Lee County

### Integra Realty Resources - Southwest Florida

2770 Horseshoe Drive S  
Suite 3  
Naples, FL 34104

T 239.643.6888  
F 239.643.6871

irr.com





Ron DeSantis, Governor

Melanie S. Griffin, Secretary



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES



**LLOYD, CARLTON J**

2770 HORSESHOE DRIVE S  
SUITE 3  
NAPLES FL 34104

**LICENSE NUMBER: RZ2618**

**EXPIRATION DATE: NOVEMBER 30, 2024**

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Carlton J. Lloyd  
Carlton J. Lloyd  
2770 Horseshoe Dr S  
Naples, FL 34104-6147

State of Colorado  
Department of Regulatory Agencies  
Division of Real Estate



Board of Real Estate Appraisers

Carlton J. Lloyd

Certified General Appraiser

*Marcia Waters*

Director: Marcia Waters

License #: CG200002335

Status: Active

Expires: 12/31/2024

For the most up to date information regarding this credential, visit <http://dora.colorado.gov/dre>



**NORTH CAROLINA  
APPRAISAL BOARD**

**APPRAISER QUALIFICATION CARD**

REGISTRATION / LICENSE / CERTIFICATE HOLDER

**CARLTON J LLOYD**

23

24

**A8292**  
APPRAISER NUMBER

**G**  
TYPE

**Y**  
NATIONAL REGISTRY

Appraiser's Signature

Executive Director

A handwritten signature in black ink, likely belonging to the Executive Director, positioned over the signature line.

**EXPIRES JUNE 30, 2024**

UNIQUE ID NUMBER  
46000053058

*State of New York*  
*Department of State*  
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY  
Control  
No. 1531177

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE  
EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS

EFFECTIVE DATE

MO. DAY YR.  
10 06 22

EXPIRATION DATE

MO. DAY YR.  
10 05 24

LLOYD CARLTON J  
C/O INTEGRA REALTY RESOURCES S  
2770 HORSESHOE DR SOUTH  
STE 3  
NAPLES, FL 34104

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A  
R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused  
its official seal to be hereunto affixed

ROBERT J. RODRIGUEZ  
SECRETARY OF STATE

# Anthony R. Sartori, MAI

## Experience

Experienced in the following commercial properties: office including single and multi-tenant; industrial including flex, warehouse, distribution, and light manufacturing; and retail including shopping centers, bank branches, car dealerships, and restaurants. Also experienced in multi-family residential including apartments, marinas, and vacant land. Clients include but are not limited to federally insured lenders, developers, investors, law firms, mortgage banking firms, local agencies, and individuals. Valuation and market studies have been performed on proposed and existing structures for financing, estates, and litigation support.

## Professional Activities & Affiliations

MAI Designation, Appraisal Institute Appraisal Institute, April 2009

## Licenses

Florida, State Certified General, RZ3511, Expires November 2024

## Education

Anthony graduated in 2005 from University of Florida - Warrington College of Business, Cum Laude with a Bachelor of Science in Business Administration with a concentration in Finance and a minor in Entrepreneurship.

Successfully completed and passed the following Appraisal Institute Courses: Advanced Concepts and Case Studies; Advanced Market Analysis and Highest & Best Use; Advanced Income Capitalization; General Appraiser Sales Comparison Approach; Real Estate Finance, Statistics, and Valuation Modeling; General Appraiser Market Analysis and Highest and Best Use; General Appraiser Report Writing and Case Studies; General Appraiser Income Approach – Parts I and II; 7 Hour USPAP Update and Review Theory; Advanced Hotel Appraising – Full Service Hotels; Appraisal of Fast Food Facilities.

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Naples, FL 34104

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[irr.com](http://irr.com)





Ron DeSantis, Governor

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**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**SARTORI, ANTHONY RYAN**

2770 HORSESHOE DRIVE S SUITE 3  
NAPLES FL 34104

**LICENSE NUMBER: RZ3511**

**EXPIRATION DATE: NOVEMBER 30, 2024**

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## About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

*Local Expertise...Nationally!*

# irr.com



## **Addendum B**

### **IRR Quality Assurance Survey**

## IRR Quality Assurance Survey

### **We welcome your feedback!**

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

### **Integra Quality Control Team**

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: [quality.irr.com](https://quality.irr.com)



## **Addendum C**

### **Definitions**

# Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), unless otherwise noted.

## **Amenity**

A tangible or intangible benefit of real estate that enhances its attractiveness or increases the satisfaction of the user. Natural amenities may include a pleasant location near water or a scenic view of the surrounding area; man-made amenities include swimming pools, tennis courts, community buildings, and other recreational facilities.

## **As Is Market Value**

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

## **Class of Apartment Property**

For the purposes of comparison, apartment properties are grouped into three classes: Class A, B and C. These classes represent a subjective quality rating of buildings, which indicates the competitive ability of each building to attract similar types of tenants. Combinations of factors such as rent, building finishes, system standards and efficiency, building amenities, location/accessibility, and market perception are used as relative measures.

Class A apartment properties are the most prestigious properties competing for the premier apartment tenants, with rents above average for the area. Buildings have high-quality standard finishes, architectural appeal, state-of-the-art systems, exceptional accessibility, and a definite market presence.

Class B apartment properties compete for a wide range of users, with rents in the average range for the area. Class B buildings do not compete with Class A buildings at the same price. Building finishes are fair to good for the area, and systems are adequate.

Class C apartment properties compete for tenants requiring functional space at rents below the average for the area. Class C buildings are generally older, and are lower in quality and condition.

*(Source: Integra Realty Resources)*

## **Deferred Maintenance**

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.

**Depreciation**

A loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date.

**Discounted Cash Flow (DCF) Analysis**

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

**Disposition Value**

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

**Effective Date**

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analysis, opinions, and conclusions apply; also referred to as *date of value*. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect.

**Entrepreneurial Incentive**

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

**Entrepreneurial Profit**

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovation change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

**Excess Land; Surplus Land**

**Excess Land:** Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

**Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

**Exposure Time**

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

**Fee Simple Estate**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

**Floor Area Ratio (FAR)**

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

**Gross Building Area (GBA)**

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

**Highest and Best Use**

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

**Investment Value**

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

**Lease**

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

**Leased Fee Interest**

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

**Leasehold Estate**

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

**Liquidation Value**

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.

8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

### **Marketing Time**

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.

### **Market Rent**

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).

### **Market Value**

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)*

### **Multifamily Property Type**

Residential structure containing five or more dwelling units with common areas and facilities. *(Source: Appraisal Institute Commercial Data Standards and Glossary of Terms, Chicago, Illinois, 2004 [Appraisal Institute])*

### **Multifamily Classifications**

**Garden/Low Rise Apartments:** A multifamily development of two- or three-story, walk-up structures built in a garden-like setting; customarily a suburban or rural-urban fringe development. *(Source: Appraisal Institute)*

**Mid/High-Rise Apartment Building:** A multifamily building with four or more stories, typically elevator-served. *(Source: Appraisal Institute)*

### **Prospective Opinion of Value**

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

### **Rentable Floor Area (RFA)**

Rentable area shall be computed by measuring inside finish of permanent outer building walls or from the glass line where at least 50% of the outer building wall is glass. Rentable area shall also include all area within outside walls less stairs, elevator shafts, flues, pipe shafts, vertical ducts, air conditioning rooms, fan rooms, janitor closets, electrical closets, balconies and such other rooms not actually available to the tenant for his furnishings and personnel and their enclosing walls. No deductions shall be made for columns and projections unnecessary to the building. *(Source: Income/Expense Analysis, 2016 Edition – Conventional Apartments, Institute of Real Estate Management, Chicago, Illinois)*

### **Replacement Cost**

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design and layout.

### **Reproduction Cost**

The estimated cost to construct, at current prices as of the effective date of the appraisal, a duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

**Retrospective Value Opinion**

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

**Room Count**

A unit of comparison used primarily in residential appraisal. No national standard exists on what constitutes a room. The generally accepted method is to consider as separate rooms only those rooms that are effectively divided and to exclude bathrooms.

**Stabilized Income**

1. An estimate of income, either current or forecasted, that presumes the property is at stabilized occupancy.
2. The forecast of the subject property’s yearly average income (or average-equivalent income) expected for the economic life of the subject property.
3. Projected income that is subject to change but has been adjusted to reflect an equivalent, stable annual income.

**Stabilized Occupancy**

1. The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is priced at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand.
2. An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life.



## **Addendum D**

### **Financials and Property Information**

PREPARED BY AND RETURN TO:  
Lisa Van Dien, Esq.  
London Bay  
2210 Vanderbilt Beach Rd, Suite 1300  
Naples, FL 34109  
239-592-1400  
Consideration: \$0

*This is a transfer of unencumbered land for no consideration where the grantor and grantee entities have identical beneficial ownership, and accordingly, only minimum documentary stamp taxes are due.*

### **SPECIAL WARRANTY DEED**

**THIS SPECIAL WARRANTY DEED** is made and executed as of the 10<sup>th</sup> day of October, 2023, by **LB Estero Bay Investments, LLC, a Florida limited liability company (“Grantor”)**, whose address is 2210 Vanderbilt Beach Rd, Suite 1300, Naples, FL 34109 to **Saltleaf Marina Investments, LLC, a Florida limited liability company (“Grantee”)**, whose address is 2210 Vanderbilt Beach Road, Suite 1300, Naples, Florida 34109.

#### **WITNESSETH:**

That in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby grants, bargains, sells, conveys and confirms to Grantee and its successors and assigns, all of the real property in Lee County, Florida, more particularly described on Exhibit “A” attached hereto and made a part of this Deed (the “Property”), together with all tenements, hereditaments, and appurtenances pertaining to the Property and subject to: the restrictions, easements, agreements, reservations and other matters of record as of October 10, 2023; taxes accruing subsequent to December 31, 2022; zoning and use restrictions imposed by governmental authority; restrictions and easements common to the subdivision; and outstanding oil, gas and mineral interests of record, if any (collectively the “Permitted Exceptions”).

**TO HAVE AND TO HOLD** the same in fee simple forever.

Grantor hereby covenants with Grantee that the Property is free from all encumbrances placed on the Property by Grantor (except for the Permitted Exceptions) and that Grantor will warrant and defend Grantee’s title against lawful claims of all persons claiming by, through or under Grantor (except claims made pursuant to the Permitted Exceptions) but against none other.



***[Remainder of Page Intentionally Left Blank]***

**IN WITNESS WHEREOF**, Grantor has hereunto set its hand and seal the day and year first above written.

Signed, sealed and delivered  
in the presence of:

**GRANTOR:**

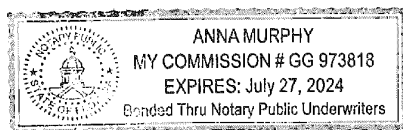
LB Estero Bay Investments, LLC,  
a Florida limited liability company  
By: LB Bonita Springs Investments, LLC,  
a Florida limited liability company  
Its: Manager

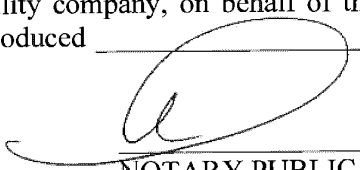
  
(Print Name Anna Murphy)  
  
(Print Name Stephen G. Wilson)

By:   
Stephen G. Wilson, Manager

STATE OF FLORIDA                    )  
  )SS  
COUNTY OF COLLIER                )

The foregoing instrument was acknowledged before me this 10th day of October, 2023, by means of ☒ physical presence or ☐ online notarization by Stephen G. Wilson, as Manager of LB Bonita Springs Investments, LLC, a Florida limited liability company, as Manager of LB Estero Bay Investments, LLC, a Florida limited liability company, on behalf of the company, who ☒ is personally known to me or who ☐ has produced \_\_\_\_\_ as identification. .



  
NOTARY PUBLIC Anna Murphy

**EXHIBIT "A"**  
**PROPERTY**

Parcel 1:

Tract C2, Bayview Plat One, according to the plat thereof, recorded in Instrument #2022000346672, Public Records of Lee County, Florida.

Parcel 2:

Tract P, Bayview Plat One, according to the plat thereof, recorded in Instrument #2022000346672, Public Records of Lee County, Florida.

Parcel 3:

A parcel of land situated in Lee County, Florida, and described as follows:

Parcel "D"

A parcel of land lying in and being a portion of the East half of the Northwest quarter of Section 8, Township 47 South, Range 25 East, Lee County, Florida and being more particularly described as follows:

Beginning at the Southwest corner of the East half of the Northwest quarter of Section 8;  
thence S 89°40'09" E a distance of 171.25 feet;  
thence N 01°24'39" W a distance of 408.00 feet;  
thence N 89°40'09" W a distance of 171.25 feet;  
thence S 01°24'39" E a distance of 408.00 feet to the Point of Beginning;  
Less therefrom any portion lying and being within the Coconut Road Right of Way.

## Property Data

STRAP: 07-47-25-B2-010C2.0000 Folio ID: 10617340

[Hurricane Ian Tax Roll Value Letter](#) [Tax Refund Status](#)

Generated on 1/3/2024 8:42 AM

### Owner Of Record - Sole Owner [\[Change Mailing Address\]](#)

SALTLEAF MARINA INVESTMENTS  
LL  
2210 VANDERBILT BEACH RD #1300  
NAPLES FL 34109

### Site Address

Site Address maintained by [E911 Program Addressing](#)

BAYVIEW  
BONITA SPRINGS FL 34134

### Property Description

Do not use for legal documents!

BAYVIEW PLAT ONE AS DESC IN INSTRUMENT 2022000346672  
TRACT C2

[View Recorded Plat at LeeClerk.org](#) - Use this link to view recorded plat information on the Lee County Clerk of Courts website.

### Attributes and Location Details

Total Bedrooms / Bathrooms 0  
1st Year Building on Tax Roll N/A

Township	Range	Section	Block	Lot
47	25E	07	010C2	0000
Municipality	Latitude	Longitude		
City of Bonita Springs	26.40005	-81.84025		

[View Parcel on Google Maps](#)

[\[ Tax Map Viewer \]](#) [\[ View Comparables \]](#)



[\[ Pictometry Aerial Viewer \]](#)

### Image of Structure



◀ Photo Date December of 2021 ▶ ☐ View other photos

Last Inspection Date: 12/14/2022

## Property Values / Exemptions / TRIM Notices

Generated on 1/3/2024 8:42 AM

No existing exemptions found for this property.

TRIM Notices	Tax Year	Just	Land	Market Assessed	Capped Assessed	Exemptions	Classified Use	Taxable
	Current	744,406	744,406	744,406	744,406	0	0	744,406
<a href="#">2023 Values / Additional Info</a>	2023	744,406	744,406	744,406	744,406	0	0	744,406

The **Just** value is the total parcel assessment (less any considerations for the cost of sale). This is the closest value to *Fair Market Value* we produce and is dated as of January 1st of the tax year in question ([F.A.C. 12D-1.002](#)).

The **Land** value is the portion of the total parcel assessment attributed to the land.

The **Market Assessed** value is the total parcel assessment (less any considerations for the cost of sale) based upon the assessment standard. Most parcels are assessed based either upon the *Highest and Best Use* standard or the *Present Use* standard ([F.S. 193.011](#)). For *Agriculturally Classified* parcels (or parts thereof), only agricultural uses are considered in the assessment ([F.S. 193.461 \(6\) \(a\)](#)). The difference between the *Highest and Best Use/Present Use* and the *Agricultural Use* is often referred to as the *Agricultural Exemption*. (i.e. Market Assessed = Just - Agricultural Exemption)

The **Capped Assessed** value is the *Market Assessment* after any *Save Our Homes* or *10% Assessment Limitation* cap is applied. This assessment cap is applied to all properties and limits year-to-year assessment increases to either the *Consumer Price Index* or 3%, whichever is lower for Homestead properties OR 10% for non-Homestead properties.

The **Exemptions** value is the total amount of all exemptions on the parcel.

The **Taxable** value is the *Capped Assessment* after exemptions (*Homestead, etc.*) are applied to it. This is the value that most taxing authorities use to calculate a parcel's taxes.  
(i.e. Taxable = Capped Assessed - Exemptions)

### Property Details (Current Working Values)

Generated on 1/3/2024 8:42 AM

#### Land

##### Land Tracts

Use Code	Use Code Description	Number of Units	Unit of Measure
0	Vacant Residential	1.65	Acres
9925	Acreage, Buffer - Conservation, Water Retention	2.82	Acres



### Property Details (2023 Tax Roll)



Generated on 1/3/2024 8:42 AM

#### Land

##### Land Tracts

Use Code	Use Code Description	Number of Units	Unit of Measure
0	Vacant Residential	1.65	Acres
9925	Acreage, Buffer - Conservation, Water Retention	2.82	Acres

### Taxing Authorities

Generated on 1/3/2024 8:42 AM

#### CITY OF BONITA SPRINGS / ESTERO FIRE / 255

Name / Code	Category	Mailing Address
LEE CO GENERAL REVENUE / 044	County	LEE COUNTY OFFICE OF MGMT & BUDGET PO BOX 398 FORT MYERS FL 33902-0398
LEE COUNTY LIBRARY DIST / 052	Dependent District	LEE COUNTY OFFICE OF MGMT & BUDGET PO BOX 398 FORT MYERS FL 33902-0398
ESTERO FIRE RESCUE DIST / 029	Independent District	ESTERO FIRE RESCUE DIST 21500 THREE OAKS PKWY ESTERO FL 33928
LEE CO HYACINTH CONTROL DIST / 051	Independent District	LEE CO HYACINTH CONTROL DIST 15191 HOMESTEAD RD LEHIGH ACRES FL 33971
LEE CO MOSQUITO CONTROL DIST / 053	Independent District	LEE CO MOSQUITO CONTROL DIST 15191 HOMESTEAD RD LEHIGH ACRES FL 33971
WEST COAST INLAND NAVIGATION DIST / 098	Independent District	WEST COAST INLAND NAVIGATION DIST 200 MIAMI AVE E VENICE FL 34285-2408
CITY OF BONITA SPRINGS / 157	Municipal	CITY OF BONITA SPRINGS 9101 BONITA BEACH RD BONITA SPRINGS FL 34135
PUBLIC SCHOOL - BY LOCAL BOARD / 012	Public Schools	LEE COUNTY SCHOOL BOARD BUDGET DEPARTMENT 2855 COLONIAL BLVD FORT MYERS FL 33966
PUBLIC SCHOOL - BY STATE LAW / 013	Public Schools	LEE COUNTY SCHOOL BOARD BUDGET DEPARTMENT 2855 COLONIAL BLVD FORT MYERS FL 33966
CITY OF BONITA SPRINGS STORMWATER / 387	Special District	CITY OF BONITA SPRINGS 9101 BONITA BEACH RD BONITA SPRINGS FL 34135

FLORIDA GREEN FINANCE AUTHORITY / 358

Special District

SPECIAL DISTRICT SERVICES INC  
2501A BURNS RD  
PALM BEACH GARDENS FL 33410

FLORIDA RESILIENCY &amp; ENERGY DISTRICT / 359

Special District

GREEN CORRIDOR PACE / 363

Special District

SFWMD-DISTRICT-WIDE / 110

Water District

SFWMD  
3301 GUN CLUB RD  
WEST PALM BEACH FL 33406

SFWMD-EVERGLADES CONSTRUCTION PROJECT / 084

Water District

SFWMD  
3301 GUN CLUB RD  
WEST PALM BEACH FL 33406

SFWMD-OKEECHOBEE BASIN / 308

Water District

SFWMD  
3301 GUN CLUB RD  
WEST PALM BEACH FL 33406

## Sales / Transactions

Generated on 1/3/2024 8:42 AM

Sale Price	Date	Clerk File Number	Type	Notes	Vacant/Improved
0.00	10/10/2023	<a href="#">2023000330723</a>	<a href="#">11</a>	There are 2 additional parcel(s) with this document (may have been split after the transaction date)... <a href="#">07-47-25-B2-0100P.00CE</a> <a href="#">08-47-25-00-00003.0030</a>	V
0.00	11/15/2022	<a href="#">2022000346672</a>	<a href="#">88</a>	There are 4 additional parcel(s) with this document (may have been split after the transaction date)... <a href="#">07-47-25-B2-01000.000A</a> <a href="#">07-47-25-B2-0100P.00CE</a> <a href="#">07-47-25-B2-010C1.0000</a> <a href="#">07-47-25-B2-010C3.0000</a>	I

[View Recorded Plat at LeeClerk.org](#)

Use the above link to view recorded plat information on the Lee County Clerk of Courts website.

Help safeguard your home against property fraud. Sign up for the Lee Clerk's free [Property Fraud Alert](#).

## Building / Construction Permit Data

Generated on 1/3/2024 8:42 AM

Permit Number	Permit Type	Date
<a href="#">DSH22-97564-BOS</a>	Boathouse, Dock & Shoreline	02/13/2023
<a href="#">DSH14-14572-BOS</a>	Boathouse, Dock & Shoreline	02/23/2015
<a href="#">DSH15-18957-BOS</a>	Boathouse, Dock & Shoreline	02/23/2015
<a href="#">DSH15-18958-BOS</a>	Boathouse, Dock & Shoreline	02/23/2015
<a href="#">DSH14-17671-BOS</a>	Boathouse, Dock & Shoreline	01/07/2015
<a href="#">COM14-14787-BOS</a>	Site Development - Driveway / Sidewalks	09/09/2014
<a href="#">DEM2014-00084</a>	Demolition	05/15/2014
<a href="#">DEM2014-00067</a>	Demolition	04/17/2014
<a href="#">DEM2014-00068</a>	Demolition	04/17/2014
<a href="#">DEM2011-00095</a>	Demolition	05/25/2011
<a href="#">DEM2006-00425</a>	Demolition	12/12/2006

**IMPORTANT: THIS MAY NOT BE A COMPREHENSIVE OR TIMELY LISTING OF PERMITS ISSUED FOR THIS PROPERTY.**

Note: The Lee County Property Appraiser's Office does not issue or maintain any permit information. The Building / Construction permit data displayed here represents only those records this Office may find necessary to conduct Property Appraiser business. Use of this information is with the understanding that in no way is this to be considered a comprehensive listing of permits for this or any other parcel.

The Date field represents the date the property appraiser received information regarding permit activity; it may or not represent the actual date of permit issuance or completion.

Full, accurate, active and valid permit information for parcels can only be obtained from the [appropriate permit issuing agency](#).

### **Parcel Numbering History**

Generated on 1/3/2024 8:42 AM

Prior STRAP	Prior Folio ID	Renumber Reason	Renumber Date
07-47-25-B2-U1635.2031	<a href="#">10610725</a>	Split (From another parcel - Delete Occurs	11/15/2022

### **Solid Waste (Garbage) Roll Data**

Generated on 1/3/2024 8:42 AM

Solid Waste District	Roll Type	Category	Unit / Area	Tax Amount
003 - Service Area 3	-			0.00
		Collection Days		
		Recycling	Horticulture	
		Monday	Monday	

### **Flood and Storm Information**

Generated on 1/3/2024 8:42 AM

Community	Flood Insurance	Find my flood zone	Date	Evacuation Zone
071C	Panel	Version		
	0589	G	11/17/2022	A

Generated on 1/3/2024 8:42 AM





## THE RITZ-CARLTON RESIDENCES

ESTERO BAY

### **South Tower Residence 01:** (4 Bedroom, 4.5 Bathroom, Den)

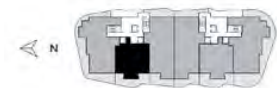
- Interior: 3,885 SQ FT
- Exterior: 1,625 SQ FT
- Total: 5,510 SQ FT
- Priced From \$4,525,000



Bay View

### **South Tower Residence 02:** (2 Bedroom, 3 Bathroom, Den)

- Interior: 2,628 SQ FT
- Exterior: 770 SQ FT
- Total: 3,398 SQ FT
- Priced From \$3,330,000



Bay View

### **South Tower Residence 03:** (3 Bedroom, 3.5 Bathroom, Den)

- Interior: 3,610 SQ FT
- Exterior: 1,020 SQ FT
- Total: 4,630 SQ FT
- Priced From \$3,485,000



Bay View

### **South Tower Residence 04:** (3 Bedroom, 3.5 Bathroom, Den)

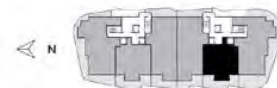
- Interior: 3,610 SQ FT
- Exterior: 990 SQ FT
- Total: 4,600
- Priced From \$3,505,000



Bay View

### **South Tower Residence 05:** (2 Bedroom, 3 Bathroom, Den)

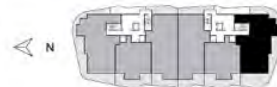
- Interior: 2,628 SQ FT
- Exterior: 800 SQ FT
- Total: 3,428 SQ FT
- Priced From \$3,260,000



Bay View

### **South Tower Residence 06:** (4 Bedroom, 4.5 Bathroom, Den)

- Interior: 3,885 SQ FT
- Exterior: 2,265 SQ FT
- Total: 6,150 SQ FT
- Priced From \$5,035,000



Bay View

12/1/2023



Pricing is subject to change without notice. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER OR LESSEE.

## **Addendum E**

### **Comparable Data**

## Land Sales

# Land Sale Profile

Sale No. 1

## Location & Property Identification

Property Name: The Island at West Bay Club  
High Rise Land

Sub-Property Type: Residential, Multifamily Land

Address: 5100 Baybridge Blvd.

City/State/Zip: Estero, FL 33928

County: Lee

Submarket: Estero

Market Orientation: Coastal-Waterfront



IRR Event ID: 3192353

## Sale Information

Sale Price: \$33,500,000

Effective Sale Price: \$33,500,000

Sale Date: 01/16/2024

Sale Status: Closed

\$/Acre(Gross): \$6,215,213

\$/Land SF(Gross): \$142.68

\$/Acre(Usable): \$6,215,213

\$/Land SF(Usable): \$142.68

\$/Unit (Potential): \$389,535 /Unit

Grantor/Seller: West Bay Hill LLC

Grantee/Buyer: KT West Bay LLC

Property Rights: Fee Simple

% of Interest Conveyed: 100.00

Financing: Cash to seller - buyer obtained financing

Verified By: Anthony R. Sartori, MAI

Verification Date: 01/19/2024

Verification Type: Confirmed-Confidential

Zoning Desc.: RPD

Source of Land Info.: Public Records

## Comments

Purchased for the development of an 86-unit high rise condominium known as The Island at West Bay Club. Gulf of Mexico and Estero Bay views.

## Improvement and Site Data

Legal/Tax/Parcel ID: 06-47-25-E2-0900A.0000

Acres(Usable/Gross): 5.39/5.39

Land-SF(Usable/Gross): 234,788/234,788

Usable/Gross Ratio: 1.00

No. of Units (Potential): 86

Zoning Code: RPD

**The Island at West Bay Club High Rise Land**



# Land Sale Profile

Sale No. 2

## Location & Property Identification

Property Name:	601 Quay Commons
Sub-Property Type:	Residential, Single Family Development Land
Address:	601 Quay Commons
City/State/Zip:	Sarasota, FL 34236
County:	Sarasota
Submarket:	Sarasota
Market Orientation:	Suburban
Property Location:	SEC Quay Commons and Blvd of The Arts, additional parcel W/S Quay Commons
IRR Event ID:	3067700



## Sale Information

Sale Price:	\$32,000,000
Effective Sale Price:	\$32,000,000
Sale Date:	09/29/2023
Sale Status:	Closed
\$/Acre(Gross):	\$21,793,911
\$/Land SF(Gross):	\$500.33
\$/Acre(Usable):	\$21,793,911
\$/Land SF(Usable):	\$500.33
\$/Unit (Potential):	\$260,163 /Unit
Grantor/Seller:	Quay Venture, LLC
Grantee/Buyer:	Quat1 and 9, LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Warranty Deed
Recording No.:	Inst No: 2023151271
Verified By:	Bruce D. Throdahl
Verification Date:	11/07/2023
Confirmation Source:	Public records, Costar
Verification Type:	Confirmed-Other

MSA:	North Port-Sarasota-Bradenton, FL
Legal/Tax/Parcel ID:	2009160024; 2009160014
Acres(Usable/Gross):	1.47/1.47
Land-SF(Usable/Gross):	63,957/63,957
Usable/Gross Ratio:	1.00
No. of Units (Potential):	123
Shape:	Irregular
Topography:	Level
Vegetation:	Minimal
Corner Lot:	Yes
Frontage Desc.:	175' W/S Quay Commons, 243' E/S Quay Commons
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	Stop sign
Traffic Flow:	Low
AccessibilityRating:	Average
Visibility Rating:	Average
Zoning Code:	DTB
Zoning Desc.:	Downtown Bayfront
Flood Plain:	Yes
Flood Zone Designation:	AE
Comm. Panel No.:	12115C0133F
Date:	11/04/2016
Utilities Desc.:	All assumed available
Source of Land Info.:	Public Records

## Improvement and Site Data

601 Quay Commons



### Comments

---

This vacant land property site area consists of two parcels containing 1.47 acres or 63,957.47 square feet. The property is accessible from the east and west sides of Quay Commons with frontage along the south side of Boulevard of the Arts as well as N. Tamiami Trail in Sarasota, Sarasota County. The buyers plan on building an 18-story tower with 123 luxury condo units. This property last sold on September 29th, 2023 for \$32,000,000 or \$500.33/psf.

# Land Sale Profile

Sale No. 3

## Location & Property Identification

Property Name: Red Coconut RV Park  
Sub-Property Type: Residential, Multifamily Land  
Address: 3001 Estero Blvd.  
City/State/Zip: Fort Myers Beach, FL 33931  
County: Lee  
Submarket: South Fort Myers/San Carlos  
Market Orientation: Coastal-Waterfront



IRR Event ID: 3051689

## Sale Information

Sale Price: \$52,000,000  
Effective Sale Price: \$52,000,000  
Sale Date: 09/19/2023  
Recording Date: 09/20/2023  
Sale Status: Closed  
\$/Acre(Gross): \$5,356,683  
\$/Land SF(Gross): \$122.97  
\$/Acre(Usable): \$5,356,683  
\$/Land SF(Usable): \$122.97  
\$/Unit (Potential): \$358,621 /Unit  
Grantor/Seller: Red Coconut RV Park  
Grantee/Buyer: Segate Fort Myers  
Property Rights: Fee Simple  
Financing: Cash to seller - buyer obtained financing  
Conditions of Sale: Arm's-length  
Document Type: Deed  
Recording No.: 2023000309279  
Verified By: Carlton J. Lloyd, MAI  
Verification Date: 09/21/2023  
Confirmation Source: Broker/articles  
Verification Type: Confirmed-Buyer Broker

Legal/Tax/Parcel ID: 29-46-24-W1-00145.1000,  
29-46-24-W1-00145.5000 and  
29-46-24-W1-0120A.0010

Acres(Usable/Gross): 9.71/9.71  
Land-SF(Usable/Gross): 422,859/422,859  
Usable/Gross Ratio: 1.00  
No. of Units (Potential): 145  
Frontage Feet: 425  
Frontage Desc.: Gulf Of Mexico  
Zoning Code: V  
Zoning Desc.: Village  
Source of Land Info.: Other

## Comments

This is the sale of the former Red Coconut RV park which was demolished in Hurricane Ian in September 2022. The site can support up to 15 units per acre or 145 units under the Fort Myers Beach comprehensive plan. The buyer has not announced plans for redevelopment.

This is the site of the former Red Coconut RV park which was destroyed in Hurricane Ian September 2022

## Improvement and Site Data

MSA: Cape Coral-Fort Myers, FL  
Metropolitan Statistical Area

Red Coconut RV Park





# Land Sale Profile

Sale No. 4

## Location & Property Identification

Property Name:	Inlet Quay
Sub-Property Type:	Residential, Multifamily Land
Address:	750 Goodlette Rd. N.
City/State/Zip:	Naples, FL 34102
County:	Collier
Submarket:	Naples
Market Orientation:	Coastal-Waterfront
IRR Event ID:	3176252



## Sale Information

Sale Price:	\$9,970,000
Effective Sale Price:	\$9,970,000
Sale Date:	04/08/2022
Recording Date:	04/19/2022
Sale Status:	Closed
\$/Unit:	\$269,459 /Unit
\$/Acre(Gross):	\$2,271,071
\$/Land SF(Gross):	\$52.14
\$/Acre(Usable):	\$2,271,071
\$/Land SF(Usable):	\$52.14
\$/Unit (Potential):	\$269,459 /Unit
Grantor/Seller:	Lot 7 Holdings, LLC
Grantee/Buyer:	Good Naples I, LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Seller financing
Conditions of Sale:	Arm's-length
Document Type:	Warranty Deed
Recording No.:	6113-3609
Verified By:	Steven B. Stokes
Verification Date:	11/27/2023
Confirmation Source:	Nate Serenius - T2 Capital Management, LLC
Verification Type:	Confirmed-Buyer

Legal/Tax/Parcel ID:	6050000740
Acres(Usable/Gross):	4.39/4.39
Land-SF(Usable/Gross):	191,228/191,228
Usable/Gross Ratio:	1.00
No. of Units (Potential):	37
Shape:	Very Irregular
Topography:	Level
Corner Lot:	No
Frontage Desc.:	Goodlette-Frank Rd N
Traffic Count:	26500
Density-Unit/Gross Acre:	8.43
Density-Unit/Usable Acre:	8.43
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	Yes
Flood Zone Designation:	AE
Comm. Panel No.:	12021C0391H
Date:	05/16/2012

Utilities:	, Water Port Access
Source of Land Info.:	Public Records

## Comments

Previously sold in March 2022 for \$7,640,000. Prior to the most recent sale, a quit-claim assignment of residential units was recorded on April 5, 2022. 37 residential units were assigned to Good Naples I, LLC, who intends to develop the 4.39-acre site with 37 waterfront luxury condos and 19 boat slips. Amenities will include pool,

## Improvement and Site Data

Inlet Quay





### Comments (Cont'd)

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firepits, outdoor grilling spaces, fitness center, social bar, and lobby.

Addenda

## **Engagement Letter**

Saltleaf CDD





## PROPOSAL/ENGAGEMENT LETTER

December 8, 2023

Saltleaf CDD  
c/o Check Adams  
District Manager  
Wrathell, Hunt and Associates, LLC  
2300 Glades Road, Suite 410W  
Boca Raton, Florida 33431  
Phone: (561)571-0010  
[wrathellc@whhassociates.com](mailto:wrathellc@whhassociates.com)

SUBJECT: Proposal/Authorization for Valuation and Consulting Services  
Saltleaf CDD  
North Side of Coconut Road  
Portions of Tax ID 08-47-25-00-00001.0030, 07-47-25-B2-00000.0010, 07-47-25-B2-010C1.0000, 07-47-25-B2-010C2.0000, and 07-47-25-B2-010C3.0000  
Lee County Florida (the "Subject Property")

Dear Mr. Adams:

Upon your acceptance of this letter agreement, Integra Realty Resources –Southwest Florida ("IRR – Southwest Florida"), will prepare an appraisal of the Subject Property.

The purpose of the appraisal is to estimate the market value of the fee simple estate in the subject property development land in its as is condition (developable with 1,244 units) as well as in its as proposed condition (developable with 1,732 units). It is further the purpose to estimate the market value of the fee simple interest in the Marina component in its as is and upon completion/stabilization conditions.

The intended use of the appraisal is to assist the client with a potential bond offering for the CDD. The report may not be used for any other purpose. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) developed by the Appraisal Standards Board of the

Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have analyzed a portion of the subject parent tract within the past three years for another client.

In accordance with our correspondence, the scope of this assignment will require IRR – Southwest Florida consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis and preparation of the report.

The appraisal will be communicated in a summary report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions a copy of which is attached as Attachment I.

The fee for this assignment will be [REDACTED] with delivery within 20 business days. If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

If required, post analysis services which include testimony at any court hearings, additional valuation scenarios, review of the opposition expert's report(s), additional research and conference calls or meetings with any party which exceed the time allotted for an assignment of this nature. Court appearances, expert witness testimony, etc., will be billed at an hourly rate of \$275.00/hour plus travel expenses for MAI's and principal appraisers and \$90-\$175/hour for associate appraisers depending on their background and experience

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance or wetlands. Therefore, unless we have been provided with appropriate third party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our then current hourly rates for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Integra City and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in our marketing materials, database and derivative products so long as your identity is kept confidential. You agree that all data already in the public domain may be utilized on an unrestricted basis.

Mr. Adams  
December 8, 2023  
Page 3

If you are in agreement with the terms set forth in this letter and wish us to proceed with the engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,

**INTEGRA REALTY RESOURCES – SOUTHWEST FLORIDA**

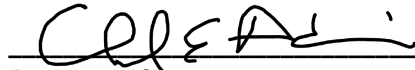


Carlton J Lloyd, MAI  
Florida State-Certified General Real Estate Appraiser RZ#2618  
Senior Managing Director-Southwest Florida

Attachments

**AGREED & ACCEPTED THIS** 11 **DAY OF** December, 2023.

**BY:**

  
\_\_\_\_\_  
**AUTHORIZED SIGNATURE**

Chesley E Adams jr  
\_\_\_\_\_  
**NAME (PRINT)**

**ATTACHMENT I**

**ASSUMPTIONS & LIMITING CONDITIONS**

This appraisal is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
11. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
12. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
13. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
14. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
15. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
16. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
17. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial

ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

18. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
19. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
20. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
21. Integra – Southwest Florida is not a building or environmental inspector. Integra - Southwest Florida does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
22. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
23. It is expressly acknowledged that in any action which may be brought against Integra Realty Resources – Southwest Florida, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
24. Integra – Southwest Florida, an independently owned and operated company, has prepared the appraisal for the specific purpose stated elsewhere in the report. The intended use of the appraisal is stated in the General Information section of the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided.

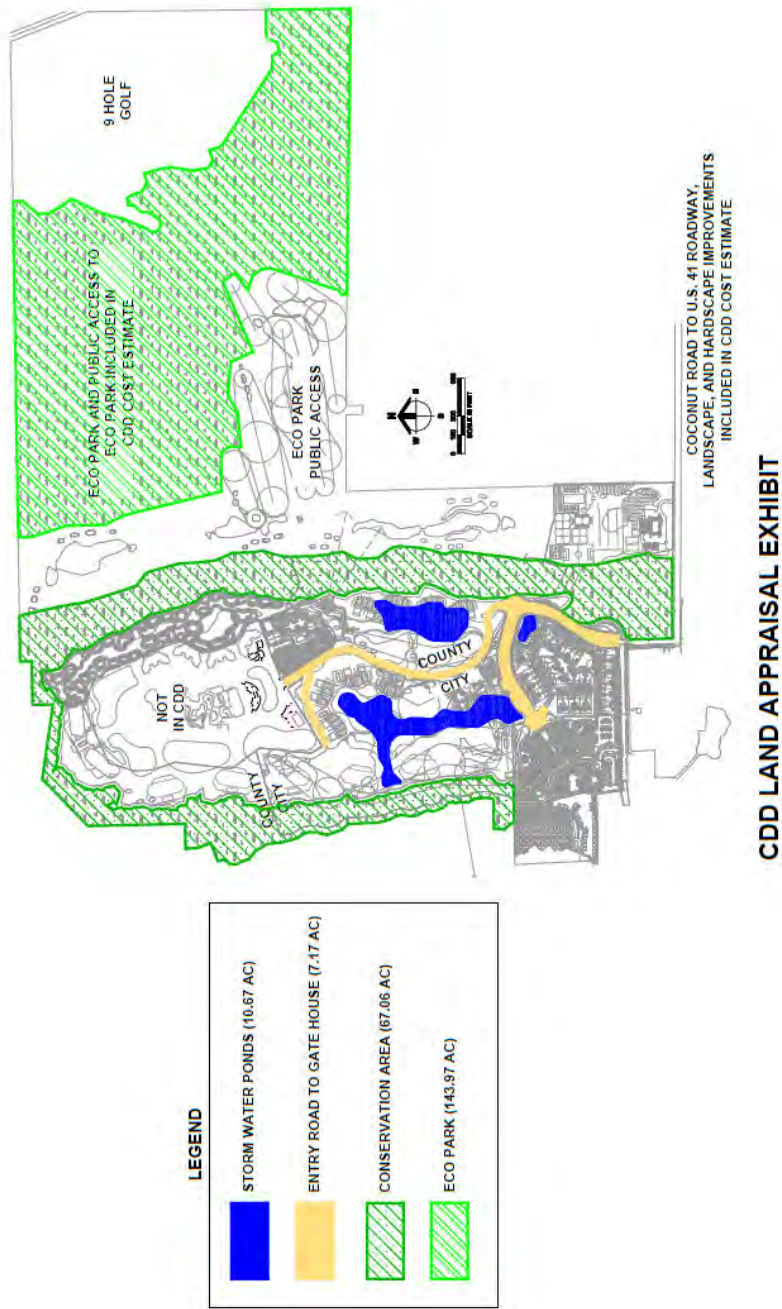


Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
26. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

**ATTACHMENT II**  
**PROPERTY IDENTIFICATION**



**APPENDIX G**  
**FINANCIAL STATEMENTS**

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**SALTLEAF  
COMMUNITY DEVELOPMENT DISTRICT  
FINANCIAL STATEMENTS  
UNAUDITED  
JANUARY 31, 2024**

**SALTLEAF  
COMMUNITY DEVELOPMENT DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JANUARY 31, 2024**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 35,346	\$ -	\$ 35,346
Due from Landowner	24,689	10,062	34,751
Total assets	<u>60,035</u>	<u>10,062</u>	<u>70,097</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 53,604	\$ 10,062	\$ 63,666
Due to Landowner	-	10,062	10,062
Accrued wages payable	800	-	800
Accrued taxes payable	61	-	61
Landowner advance	6,000	-	6,000
Total liabilities	<u>60,465</u>	<u>20,124</u>	<u>80,589</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred receipts	24,689	-	24,689
Total deferred inflows of resources	<u>24,689</u>	<u>-</u>	<u>24,689</u>
Fund balances:			
Restricted for:			
Debt service	-	(10,062)	(10,062)
Unassigned	(25,119)	-	(25,119)
Total fund balances	<u>(25,119)</u>	<u>(10,062)</u>	<u>(35,181)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,035</u>	<u>\$ 10,062</u>	<u>\$ 70,097</u>

**SALTLEAF  
COMMUNITY DEVELOPMENT DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE PERIOD ENDED JANUARY 31, 2024**

	Current Month	Year to Date	Budget	% of Budget
<b>REVENUES</b>				
Landowner contribution	\$ -	\$ 2,058	\$ 92,623	2%
Total revenues	-	2,058	92,623	2%
<b>EXPENDITURES</b>				
<b>Professional &amp; administrative</b>				
Supervisor	215	431	-	N/A
Management/accounting/recording	2,000	8,000	44,000	18%
Legal	3,434	9,172	25,000	37%
Engineering	1,775	8,990	2,000	450%
Audit	-	-	4,500	0%
Arbitrage rebate calculation*	-	-	500	0%
Dissemination agent*	-	-	833	0%
Trustee*	-	-	5,500	0%
Telephone	17	67	200	34%
Postage	-	-	500	0%
Printing & binding	42	167	500	33%
Legal advertising	-	-	1,750	0%
Annual special district fee	-	-	175	0%
Insurance	-	-	5,500	0%
Contingencies/bank charges	-	350	750	47%
Website hosting & maintenance	-	-	705	0%
Website ADA compliance	-	-	210	0%
Total expenditures	7,483	27,177	92,623	29%
Excess/(deficiency) of revenues over/(under) expenditures	(7,483)	(25,119)	-	
Fund balances - beginning	(17,636)	-	-	
Fund balances - ending	\$ (25,119)	\$ (25,119)	\$ -	

**SALTLEAF  
COMMUNITY DEVELOPMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
DEBT SERVICE FUND  
FOR THE PERIOD ENDED JANUARY 31, 2024**

	Current Month	Year To Date
<b>REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>-</u>
 <b>EXPENDITURES</b>		
<b>Debt service</b>		
Cost of issuance	<u>3,727</u>	<u>8,367</u>
Total debt service	<u>3,727</u>	<u>8,367</u>
 Excess/(deficiency) of revenues over/(under) expenditures	 (3,727)	 (8,367)
 Fund balances - beginning	 <u>(6,335)</u>	 <u>(1,695)</u>
Fund balances - ending	<u><u>\$ (10,062)</u></u>	<u><u>\$ (10,062)</u></u>





**SALTEAR COMMUNITY DEVELOPMENT DISTRICT (LEE COUNTY, FLORIDA)  
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2024**



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