

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED APRIL 23, 2024

NEW ISSUE - BOOK-ENTRY ONLY
LIMITED OFFERING

NOT RATED

In the opinion of Bond Counsel, assuming compliance with existing statutes, regulations, published rulings and court decisions, and assuming continuing compliance by the District with the tax covenants set forth in the Indenture, and the accuracy of certain representations included in the closing transcript for the Series 2024 Bonds, interest on the Series 2024 Bonds is, under Section 103 of the Code, excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for the purpose of computing the alternative minimum tax imposed on such corporations. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2024 Bonds. Bond Counsel is further of the opinion that, pursuant to the Act, the Series 2024 Bonds and the 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 Chapter 220.

\$7,470,000*

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT
(CITY OF MINNEOLA, FLORIDA)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(NORTH PARCEL ASSESSMENT AREA ONE)

Dated: Date of Issuance

Due: As set forth below

The Hills of Minneola Community Development District Special Assessment Revenue Bonds, Series 2024 (North Parcel Assessment Area One) (the "Series 2024 Bonds") are being issued by the Hills of Minneola Community Development District (the "District") only in fully registered form, without coupons, in denominations of \$5,000 or 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 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 System" herein.

Proceeds of the Series 2024 Bonds will be applied to: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the North Parcel Assessment Area One Project (as hereinafter defined); (ii) pay certain costs associated with the issuance of the Series 2024 Bonds; (iii) pay a portion of the interest accruing on the Series 2024 Bonds; and (iv) fund the 2024 Reserve Account as herein provided. See "ESTIMATED SOURCES AND USES OF SERIES 2024 BOND PROCEEDS."

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 by Ordinance No. 2019-05 of the City Council of the City of Minneola, Florida, adopted on July 2, 2019 (the "Ordinance"). The Series 2024 Bonds are being issued pursuant to the Act, Resolutions 2019-24 and 2024-08 adopted by the Board of Supervisors of the District (the "Board") on September 9, 2019 and April 22, 2024, respectively, and a Master Trust Indenture, dated as of July 1, 2020 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of May 1, 2024 (the "Third 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 2024 Trust Estate, without preference or priority of one Series 2024 Bond over another. The 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 levied and imposed pursuant to the Assessment Proceedings (as hereinafter defined) as the same may be amended from time to time (the "2024 Pledged Revenues") and the Funds and Accounts (except for the 2024 Rebate Account and the 2024 Costs of Issuance Account) established under the Third Supplemental Indenture (the "2024 Pledged Funds"). 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 FLORIDA. 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 2024 PLEDGED REVENUES AND THE 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 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

Table with 4 columns: Amount, Series, Maturity Date, and Yield/Price/CUSIP. Rows include Series 2024 Term Bond due May 1, 2024.

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 Akerman LLP, Jacksonville, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Straley Robin Vericker P.A., Tampa, Florida and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. The Developer (as defined herein) is represented by BakerHostetler, Orlando, Florida. It is expected that the Series 2024 Bonds will be delivered in book-entry form through the facilities of DTC on or about May __, 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.

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.

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

Richard Jerman,* Chairperson
Daniel Edwards,* Vice-Chairperson
Matthew White**, Assistant Secretary
James Dunn,* Assistant Secretary
Max Perlman,** Assistant Secretary

* Employee of, or affiliated with, the South Parcel Developer (as defined herein)

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

DISTRICT MANAGER/METHODOLOGY CONSULTANT

Wrathell, Hunt & Associates, LLC
Boca Raton, Florida

DISTRICT COUNSEL

Straley Robin Vericker P.A.
Tampa, Florida

BOND COUNSEL

Akerman LLP
Jacksonville, Florida

DISTRICT ENGINEER

Poulos & Bennett, LLC
Orlando, 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 DEVELOPER (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 DEVELOPER OR THE BUILDERS OR IN THE STATUS OF THE DEVELOPMENT, THE NORTH PARCEL ASSESSMENT AREA, NORTH PARCEL ASSESSMENT AREA ONE, OR THE NORTH PARCEL ASSESSMENT AREA ONE PROJECT (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 COUNTY, 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 SERIES 2024 ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S AND THE DEVELOPER'S CONTROL. BECAUSE THE DISTRICT AND THE DEVELOPER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

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

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND 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).

TABLE OF CONTENTS

	PAGE
INTRODUCTION	1
DESCRIPTION OF THE SERIES 2024 BONDS	3
General Description.....	3
Redemption Provisions.....	4
Notice of Redemption	6
Purchase of Series 2024 Bonds	6
Book-Entry System	7
SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS	9
General	9
Covenant to Levy the Series 2024 Assessments	10
Prepayment of Series 2024 Assessments	10
Limitation on Issuance of Additional Obligations	11
2024 Acquisition and Construction Account.....	11
2024 Reserve Account.....	12
Deposit and Application of the 2024 Pledged Revenues	13
Investments.....	15
Indenture Provisions Relating to Bankruptcy or Insolvency of a Landowner.....	15
Events of Default and Certain Remedies upon an Event of Default	16
ENFORCEMENT OF ASSESSMENT COLLECTIONS	18
General	18
Uniform Method Procedure.....	18
Foreclosure	21
BONDOWNERS' RISKS	22
Concentration of Land Ownership	22
Bankruptcy and Related Risks.....	22
Series 2024 Assessments Are Non-Recourse	23
Regulatory and Environmental Risks	23
Economic Conditions and Changes in Development Plans.....	24
Other Taxes and Assessments	24
Limited Secondary Market for Series 2024 Bonds	25
Inadequacy of Reserve Account.....	25
Legal Delays.....	25
IRS Examination and Audit Risk	25
Loss of Exemption from Securities Registration.....	27
Federal Tax Reform.....	27
State Tax Reform.....	28
Insufficient Resources or Other Factors Causing Failure to Complete Development.....	28
Pandemics and Other Public Health Emergencies	28
Cybersecurity.....	29
Prepayment and Redemption Risk	29
Payment of Series 2024 Assessments after Bank Foreclosure	29
ESTIMATED SOURCES AND USES OF SERIES 2024 BOND PROCEEDS.....	30
DEBT SERVICE REQUIREMENTS.....	31
THE DISTRICT.....	32

General Information	32
Legal Powers and Authority	32
Board of Supervisors	32
The District Manager and Other Consultants	33
Outstanding Bond Indebtedness	34
THE CAPITAL IMPROVEMENT PLAN AND THE NORTH PARCEL ASSESSMENT AREA ONE PROJECT	35
ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS	37
THE DEVELOPMENT	38
General	38
Land Acquisition and Finance Plan	39
Development Plan / Status	40
Residential Product Offerings	40
Development Approvals	40
Environmental	41
Amenities	41
Utilities	42
Taxes, Fees and Assessments	42
Competition	43
THE DEVELOPER	43
TAX MATTERS	43
General	43
Collateral Tax Consequences	44
Other Tax Matters	44
Original Issue Discount	45
Information Reporting and Backup Withholding	45
AGREEMENT BY THE STATE	46
LEGALITY FOR INVESTMENT	46
SUITABILITY FOR INVESTMENT	46
ENFORCEABILITY OF REMEDIES	46
LITIGATION	47
The District	47
The Developer	47
CONTINGENT FEES	47
NO RATING	47
EXPERTS	47
FINANCIAL INFORMATION	47
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS	48
CONTINUING DISCLOSURE	48
UNDERWRITING	49
VALIDATION	49
LEGAL MATTERS	49

MISCELLANEOUS	50
AUTHORIZATION AND APPROVAL	51
APPENDIX A: SUPPLEMENTAL ENGINEER'S REPORT	A-1
APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL INDENTURE	B-1
APPENDIX C: PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL	C-1
APPENDIX D: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT	D-1
APPENDIX E: ASSESSMENT METHODOLOGY	E-1
APPENDIX F: DISTRICT'S FINANCIAL STATEMENTS	F-1

[THIS PAGE INTENTIONALLY LEFT BLANK]

LIMITED OFFERING MEMORANDUM

\$7,470,000*

**HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT
(CITY OF MINNEOLA, FLORIDA)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(NORTH PARCEL ASSESSMENT AREA ONE)**

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 Hills of Minneola Community Development District (the "District") of its \$7,470,000* Special Assessment Revenue Bonds, Series 2024 (North Parcel Assessment Area One) (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 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 by Ordinance No. 2019-05 of the City Council of the City of Minneola, Florida, adopted on July 2, 2019 (the "Ordinance"). The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as hereinafter defined) and has previously determined to undertake, in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the District Lands. The Act authorizes the District to issue bonds for the purposes of, among others, financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, or equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, street lights and other basic infrastructure projects within or without the boundaries of the District as provided in the Act.

The boundaries of the District contain approximately 877 acres of land (the "District Lands") located entirely within the City of Minneola (the "City") which is located within Lake County, Florida (the "County"). The District Lands are being developed as a 2,608 unit residential community to be known as "Hills of Minneola" and referred to herein as the "Development." Multiple Assessment Areas have been created to facilitate the District's development and financing plan. The South Parcel Assessment Area contains approximately 537.4 acres of land that are planned for 1,754 single-family lots. The North Parcel Assessment Area One contains 198 single-family platted lots and approximately 65.251 acres planned for 148 lots (for a total of 346 lots).

* Preliminary, subject to change.

Pulte Home Company, LLC, a Michigan limited liability company (the "Developer") is the land developer and homebuilder for the North Parcel Assessment Area One. See "THE DEVELOPER" herein for more information. The Developer is marketing and constructing homes for sale to homebuyers under its age-restricted 55+ "active adult" Del Webb brand. As of March 31, 2024, approximately 36 homes have closed with homebuyers and an additional 90 homes are under contract pending closing in the North Parcel Assessment Area. Approximately 58 homes have been constructed or are under construction in the North Parcel Assessment Area. See "THE DEVELOPMENT" herein for more information.

The District previously issued its Series 2020 Bonds (as defined herein) and its Series 2021 Bonds (as defined herein) to finance a portion of the infrastructure for the South Parcel Assessment Area of the District. JEN Florida 30, LLC, a Florida limited liability company (the "South Parcel Developer") was the master developer of the South Parcel Assessment Area. Additional information on the South Parcel Assessment Area is available on the emma.msrb.org website in connection with the District's Series 2020 Bonds and Series 2021 Bonds.

The Series 2024 Bonds will provide funds to develop the infrastructure for a portion of the North Parcel Assessment Area of the District (as further described herein, the "North Parcel Assessment Area One Project"). The Series 2024 Bonds will be secured by the Series 2024 Assessments which will initially be assigned to the 198 platted lots and the remaining approximately 65.251 acres within North Parcel Assessment Area One planned for 148 lots (for a total of 346 lots). As the remaining lots are platted, the Series 2024 Assessments will be assigned on a first platted, first assigned basis as set forth in the Assessment Methodology. Additional bonds are expected to be issued in the future to finance the costs associated with the public infrastructure improvements associated with North Parcel Assessment Area Two; provided, however, such additional bonds will be secured by Special Assessments levied on the North Parcel Assessment Area Two only. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Limitation on Issuance of Additional Obligations," "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" and "APPENDIX E: ASSESSMENT METHODOLOGY" herein for more information.

The Series 2024 Bonds are being issued pursuant to the Act, Resolution Nos. 2019-24 and 2024-08 adopted by the Board of Supervisors of the District (the "Board") on September 9, 2019 and April 22, 2024, respectively, as supplemented, and a Master Trust Indenture, dated as of July 1, 2020 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of May 1, 2024 (the "Third 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: COPY OF MASTER INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL INDENTURE" hereto.

The Series 2024 Bonds are equally and ratably secured by the 2024 Trust Estate, without preference or priority of one Series 2024 Bond over another. The 2024 Trust Estate consists of all right, title and interest of the District in, to and under, subject to the terms of the Indenture, the revenues derived by the District from the Series 2024 Assessments levied and imposed pursuant to the Assessment Proceedings as the same may be amended from time to time (the "2024 Pledged Revenues") and the Funds and Accounts (except for the 2024 Rebate Account and the 2024 Costs of Issuance Account) established under the Third Supplemental Indenture (the "2024 Pledged Funds"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS."

Proceeds of the Series 2024 Bonds will be applied to: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the North Parcel Assessment Area One Project; (ii) pay certain costs associated with the issuance of the Series 2024 Bonds; (iii) pay a portion of the interest

accruing on the Series 2024 Bonds; and (iv) fund the 2024 Reserve Account as herein provided. See "ESTIMATED SOURCES AND USES OF SERIES 2024 BOND PROCEEDS."

There follows in this Limited Offering Memorandum a brief description of the District, the North Parcel Assessment Area One Project, the Development, the North Parcel Assessment Area, the Developer 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. A copy of the Master Indenture and proposed form of the Third 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 or any integral multiples thereof (an "Authorized Denomination"). 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 transfer 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 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 System" herein.

The Third 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 Beneficial Owner.

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 at the option of the District prior to maturity, in whole or in part, on any date on or after May 1, 20__ at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

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

<u>Year</u>	<u>Amortization Installment</u>
	\$

*

* Maturity

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

<u>Year</u>	<u>Amortization Installment</u>
	\$

*

* Maturity

[Remainder of page intentionally left blank.]

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

<u>Year</u>	<u>Amortization Installment</u>
	\$

*

* Maturity

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

<u>Year</u>	<u>Amortization Installment</u>
	\$

*

* Maturity

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.

Upon redemption or purchase of the Series 2024 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service on the Series 2024 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2024 Bonds.

Extraordinary Mandatory Redemption

The Series 2024 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2024 Bonds treating for such purposes each Amortization Installment as a maturity divided

by the aggregate principal amount of Outstanding Series 2024 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Quarterly Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after the Completion Date of the North Parcel Assessment Area One Project by application of moneys transferred from the 2024 Acquisition and Construction Account to the 2024 Prepayment Account in accordance with the terms of the Indenture; or

(ii) Amounts are deposited into the 2024 Prepayment Account from the prepayment of Series 2024 Assessments and from amounts deposited into the 2024 Prepayment Account from any other sources; or

(iii) When the amount on deposit in the 2024 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2024 Bonds then Outstanding as provided in the Third Supplemental Indenture.

Except as otherwise provided in the Indenture, if less than all of the Series 2024 Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2024 Bonds or portions of such Series 2024 Bonds of that maturity to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

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 sixty (60) days prior to the redemption date 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.

If at the time of mailing the notice of an optional redemption, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem all the Series 2024 Bonds called for redemption, such notice shall state that the redemption is conditional and is subject to the deposit of the redemption moneys with the Trustee or Paying Agent, as the case may be, not later than the redemption or purchase date, such notice shall be of no effect unless such moneys are so deposited. Reference is hereby specifically made to "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL INDENTURE" for additional details concerning the redemption of Series 2024 Bonds.

Purchase of Series 2024 Bonds

At the written direction of the District, the Trustee shall apply moneys from time to time available in the 2024 Sinking Fund Account to the purchase of Series 2024 Bonds, at prices not higher than the principal amount thereof, in lieu of redemption as aforesaid, provided that firm purchase commitments can

be made before the notice of redemption would otherwise be required to be given. In the event of purchases at less than the principal amount thereof, the difference between the amount in the 2024 Sinking Fund representing the principal amount of the Series 2024 Bonds so purchased and the purchase price thereof (exclusive of accrued interest) shall be transferred to the 2024 Interest Account of the debt Service Fund.

Book-Entry System

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District does not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2024 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 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 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 account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 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 or maturity 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 interest 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 Paying Agent, 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 Paying Agent, 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 interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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 FLORIDA. 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 2024 PLEDGED REVENUES AND THE 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 2024 Trust Estate, without preference or priority of one Series 2024 Bond over another. The 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 levied and imposed pursuant to the Assessment Proceedings (as hereinafter defined) as the same may be amended from time to time (the "2024 Pledged Revenues") and the Funds and Accounts (except for the 2024 Rebate Account and the 2024 Costs of Issuance Account) established under the Third Supplemental Indenture (the "2024 Pledged Funds"). The "Series 2024 Assessments" are the Special Assessments levied against properties within the District specifically benefited by the North Parcel Assessment Area One Project, as described in the Assessment Proceedings (as hereinafter defined). The Series 2024 Bonds are not secured by assessments on any other District Lands.

"Special Assessments" as defined in the Master Indenture means (a) the net proceeds derived from the levy and collection of "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act against District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the net proceeds derived from the levy and collection of "benefit special assessments," as provided for in Section 190.021(2) of the Act, against the lands within the District that are subject to assessments as a result of a particular Project or any portion thereof, and in the case of both "special assessments" and "benefit special assessments," including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" shall not include "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under

Section 190.021(3) of the Act. The Series 2024 Assessments do not include any "benefit special assessments". "Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2024 Assessments, including the Assessment Resolution and any supplemental proceedings undertaken by the District with respect to the Series 2024 Assessments.

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 Assessment Proceedings with respect to the Series 2024 Assessments, including the Assessment Methodology (defined herein), and to levy Series 2024 Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2024 Bonds when due. The District will further agree that it shall not amend the Assessment Methodology in any material manner without the written consent of the Majority Owners.

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 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 Assessment Proceedings, an owner of property subject to the Series 2024 Assessments may pay the principal balance of such Series 2024 Assessments, in whole or in part at any time, if there is also paid an amount equal to the interest that would otherwise be due on such balance to the earlier of the next succeeding November 1 or May 1, which is at least 45 days after the date of payment. If such prepayment shall occur within 45 days of the next Redemption Date, accrued interest shall be calculated to the next succeeding Redemption Date.

Pursuant to the Act, 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 North Parcel Assessment Area One Project has been completed or acquired by the District, and the Board has adopted a resolution accepting the North Parcel Assessment Area One Project pursuant to Chapter 170.09, Florida Statutes. The Developer will covenant to waive this right in connection with the lands the Developer owns in North Parcel Assessment Area One in connection with the issuance of the Series 2024 Bonds. Such declaration will be recorded in the public records of the County. Such waiver by the Developer shall not impact the above prepayment rights of the other current landowners in North Parcel Assessment Area One. See "BONDOWNERS' RISKS – Prepayment and Redemption Risk" herein.

Any prepayment of Series 2024 Assessments is to be applied to the extraordinary mandatory redemption of Series 2024 Bonds, as indicated under "DESCRIPTION OF THE SERIES 2024 BONDS –

Redemption Provisions – Extraordinary Mandatory Redemption." The prepayment of Series 2024 Assessments does not entitle the owner of the property to a discount for early payment.

Limitation on Issuance of Additional Obligations

Other than Bonds issued to refund a portion of Outstanding Series 2024 Bonds, the issuance of which as determined by the District results in 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 2024 Trust Estate. In addition, the District will covenant not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the Series 2024 Assessments for any capital project unless (i) the Series 2024 Assessments have been Substantially Absorbed; or (ii) the District has received the written approval of the Majority Owners to such debt issuance. "Substantially Absorbed" means the date at least seventy-five percent (75%) of the principal portion of the Series 2024 Assessments have been assigned to residential units that have received certificates of occupancy. The District may impose Special Assessments on property subject to the Series 2024 Assessments which as determined by the District, are necessary for health, safety and welfare reasons or to remediate a natural disaster and issue debt secured by such Special Assessments. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the Series 2024 Assessments without limitation except as limited by the documents pursuant to which such Bonds or debt are issued. The Trustee and the District may rely on a certificate from the District Manager regarding such status of the residential units and the Series 2024 Assessments and in the absence of receipt of such certificate, may assume Substantial Absorption has not occurred.

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. Additionally, the District expects 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" herein.

2024 Acquisition and Construction Account

Pursuant to the Third Supplemental Indenture, there is established within the Acquisition and Construction Fund held by the Trustee a 2024 Acquisition and Construction Account. Amounts on deposit in the 2024 Acquisition and Construction Account shall be applied to pay the Costs of the North Parcel Assessment Area One Project upon presentment to the Trustee of a properly signed requisition in substantially the form attached to the Third Supplemental Indenture, and the Trustee shall pay such requisition and shall have no duty to confirm that the amount so requisitioned is for a Cost of the North Parcel Assessment Area One Project or is properly payable thereunder.

Any balance remaining in the 2024 Acquisition and Construction Account after the Completion Date of the North Parcel Assessment Area One Project and after retaining the amount, if any, of all remaining unpaid Costs of the North Parcel Assessment Area One Project set forth in the Engineers' Certificate establishing such Completion Date, shall be deposited in the 2024 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2024 Bonds in the manner prescribed in the Series 2024 Bonds. At such time as there are no amounts on deposit in the 2024 Acquisition and Construction Account such account shall be closed.

Notwithstanding the foregoing, the District shall not declare that the Completion Date has occurred until after the Reserve Account Release Conditions (as hereinafter defined) have been satisfied and certain moneys as provided for in the Indenture have been transferred from the 2024 Reserve Account to the 2024

Acquisition and Construction Account and such monies have been expended or the District Engineer has otherwise certified in writing to the District and the Trustee that such amount is in excess of what is needed to complete the North Parcel Assessment Area One Project.

2024 Reserve Account

Pursuant to the Third Supplemental Indenture, there is established within the Debt Service Reserve Fund held by the Trustee a 2024 Reserve Account, in which in connection with the issuance of the Series 2024 Bonds monies will be deposited in an amount equal to the 2024 Reserve Account Requirement. See "ESTIMATED SOURCES AND USES OF SERIES 2024 BOND PROCEEDS" herein. The "2024 Reserve Account Requirement" shall (i) initially be an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement with respect to the Series 2024 Bonds Outstanding, as calculated from time to time; (ii) upon the occurrence of the Reserve Account Release Conditions, ten percent (10%) of the maximum annual Debt Service Requirement with respect to the Series 2024 Bonds Outstanding, as calculated from time to time. The 2024 Reserve Account Requirement for the Series 2024 Bonds shall be re-calculated from time to time upon the payment of principal of the Series 2024 Bonds pursuant to extraordinary mandatory redemption (but not upon optional redemption or mandatory redemption to satisfy Amortization Installments) and any resulting excess shall be transferred as provided in the Third Supplemental Indenture. Initially, the 2024 Reserve Account Requirement shall be equal to \$_____.

"Reserve Account Release Conditions" shall mean, collectively, (i) all of the Outstanding principal portion of the Series 2024 Assessments has been assigned to residential units that have been constructed and each have received certificates of occupancy, and (ii) there shall be no Events of Default under the Indenture with respect to the Series 2024 Bonds, each as certified by the District Manager.

Amounts on deposit in the 2024 Reserve Account except as provided elsewhere in the Indenture shall be used only for the purpose of making payments into the 2024 Interest Account and the 2024 Sinking Fund Account to pay the Series 2024 Bonds, without distinction as to Series 2024 Bonds and without privilege or priority of one Series 2024 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

Notwithstanding any of the foregoing, amounts on deposit in the 2024 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Owners of the Series 2024 Bonds to the 2024 Prepayment Account if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2024 Assessments and applied to redeem a portion of the Series 2024 Bonds is less than the principal amount of Series 2024 Bonds indebtedness attributable to such lands.

Upon satisfaction of Reserve Account Release Conditions the Trustee shall release and transfer any excess from the 2024 Reserve Account to the 2024 Acquisition and Construction Account. For the purpose of calculating the 2024 Reserve Account Requirement, maximum annual debt service shall be calculated as of the date of the original issuance and delivery of the Series 2024 Bonds and recalculated in connection with each extraordinary mandatory redemption of the Series 2024 Bonds from Prepayment Principal as set forth herein (but not upon the optional or mandatory sinking fund redemption thereof). The District Manager shall deliver a written certification to the District and the Trustee stating that the Reserve Account Release Conditions have been satisfied and setting forth the amount of the new 2024 Reserve Account Requirement (upon which certificate the Trustee may conclusively rely).

The Trustee shall release any excess due to such extraordinary mandatory redemption from the 2024 Reserve Account and transfer such excess to the 2024 Prepayment Account. Upon final maturity or

redemption of all Series 2024 Bonds, amounts on deposit in the 2024 Reserve Account shall be used to pay the principal of and interest on the Series 2024 Bonds.

The Trustee, on each March 15, June 15, September 15 and December 15 (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2024 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2024 Reserve Account, from the first legally available sources of the District. Any surplus in the 2024 Reserve Account (other than any surplus resulting from investment earnings which shall be applied as provided below) shall be deposited into the 2024 Prepayment Account.

All earnings on investments in the 2024 Reserve Account shall be deposited to the 2024 Revenue Account provided no deficiency exists in the 2024 Reserve Account except that prior to the Completion Date for the North Parcel Assessment Area One Project earnings shall be deposited to the 2024 Acquisition and Construction Account if a deficiency does not exist in the 2024 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2024 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and Investment Securities.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2024 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2024 Bonds, together with accrued interest on such Series 2024 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2024 Prepayment Account the amount on deposit in the 2024 Reserve Account to pay and redeem all of the Outstanding Series 2024 Bonds on the earliest such date.

Deposit and Application of the 2024 Pledged Revenues

Pursuant to the Third Supplemental Indenture, there is established within the Revenue Fund a 2024 Revenue Account into which the Trustee shall deposit the revenues from the Series 2024 Assessments including the interest thereon with the Trustee. Upon deposit of the revenues from the Series 2024 Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such Series 2024 Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

- (i) Assessment Interest which shall be deposited into the 2024 Interest Account;
- (ii) Assessment Principal, which shall be deposited into the 2024 Sinking Fund Account;
- (iii) Prepayment Principal which shall be deposited into the 2024 Prepayment Account;
- (iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal, from the 2024 Reserve Account to pay the principal of Series 2024 Bonds to the extent that less than the 2024 Reserve Account Requirement is on deposit in the 2024 Reserve Account, and, the balance, if any, shall be deposited into the 2024 Sinking Fund Account;
- (v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal, from the 2024 Reserve Account to pay the interest of Series 2024 Bonds to the extent that less than the 2024 Reserve Account Requirement is on deposit in a 2024 Reserve Account, and, the balance, if any, shall be deposited into the 2024 Interest Account;

(vi) The balance shall be deposited in the 2024 Revenue Account.

On each March 15, June 15, September 15 and December 15 (or if such Day is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2024 Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District from the 2024 Revenue Account to pay amounts on the next Interest Payment Date from the 2024 Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2024 Bonds on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2024 Bonds. All interest due in regard to such prepayments shall be paid from the 2024 Interest Account or, if insufficient amounts are on deposit in the 2024 Interest Account to pay such interest then from the 2024 Revenue Account.

Anything in the Indenture to the contrary, on each 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 transfer from amounts on deposit in the 2024 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the 2024 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2024 Bonds then Outstanding on such May 1 or November 1, less any other amount already on deposit in the 2024 Interest Account not previously credited;

SECOND, beginning on May 1, 2025, and no later than the Business day next preceding each May 1 thereafter while Series 2024 Bonds remain Outstanding, to the 2024 Sinking Fund Account, an amount equal to the Amortization Installment on the Series 2024 Bonds due on such May 1 or the principal maturing on such May 1, less any amount on deposit in the 2024 Sinking Fund Account not previously credited;

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

FOURTH, the balance shall be retained in the 2024 Revenue Account.

Anything in the Indenture to the contrary notwithstanding, it shall not constitute an Event of Default under the Indenture if the full amount of the foregoing despots are not made due to an insufficiency of funds therefore provided, however, that nothing in this paragraph is meant to change what are otherwise Events of Default as set forth in the Indenture.

On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the 2024 Revenue Account to the 2024 Rebate Account established for the Series 2024 Bonds in the Rebate Fund 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. To the extent insufficient moneys are on deposit in the 2024 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

Investments

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in all of the Funds and Accounts held as security for the Series 2024 Bonds shall be invested only in Investment Securities, and further, earnings on investments in the 2024 Acquisition and Construction Account and 2024 Costs of Issuance Account shall be retained as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the 2024 Revenue Account, 2024 Sinking Fund Account, the 2024 Interest Account and the 2024 Prepayment Account and the 2024 Optional Redemption Account in the Bond Redemption Fund shall be deposited, as realized, to the credit of the 2024 Revenue Account and used for the purpose of such Account.

Indenture Provisions Relating to Bankruptcy or Insolvency of a Landowner

The Indenture contains the following provisions which, pursuant to the Indenture, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the Series 2024 Assessments pledged to the Series 2024 Bonds 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 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: (i) the District will agree that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2024 Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2024 Assessments relating to the Series 2024 Bonds Outstanding, the Outstanding Series 2024 Bonds or any rights of the Trustee under the Indenture (provided, however, the Majority Owners shall be deemed to have consented, on behalf of the Owners of all of the Series 2024 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Majority Owners within sixty (60) days following receipt by the Majority Owners of the written request for consent); (ii) 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 Outstanding, the Series 2024 Bonds 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 will agree that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, Majority Owners shall be deemed to have consented, on behalf of all of the Owners of the Series 2024 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Majority Owners within sixty (60) days following receipt by the Majority Owners of the 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 Series 2024 Assessments relating to the Series 2024 Bonds 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 the Series 2024 Bonds 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 (v) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceedings or take any other action in such Proceedings, which is adverse to Trustee's enforcement or the District's claim and rights with respect to the Series 2024 Assessments relating to the Series 2024 Bonds 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 (i) to file a proof of claim with respect to the Series 2024 Assessments pledged to the Series 2024 Bonds Outstanding, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

Notwithstanding the provisions of the immediately preceding paragraph, nothing in the immediately preceding paragraph 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 claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2024 Assessments relating to the Series 2024 Bonds 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 (iv) or (v) above. See "BONDOWNERS' RISKS – Bankruptcy and Related Risks" for more information regarding Indenture provisions relating to bankruptcy or insolvency of a landowner.

Events of Default and Certain Remedies upon an Event of Default

The Indenture provides that each of the following shall be an "Event of Default" under the Indenture, with respect to the Series 2024 Bonds:

- (a) if payment of any installment of interest on any Series 2024 Bonds is not made when it becomes due and payable; or
- (b) if payment of the principal or Redemption Price of any Series 2024 Bonds is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or
- (c) if the District, for any reason, fails in, or is rendered incapable of, fulfilling its obligations under the Indenture or under the Act, which may be determined solely by the Majority Owners of each Series of the applicable Bonds; or
- (d) if the District proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the District or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the District and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or
- (e) if the District defaults in the due and punctual performance of any other covenant in the Indenture or in any Series 2024 Bonds and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such

notice in its discretion and shall give such notice at the written request of the Holders of not less than a majority in aggregate principal amount of the Series 2024 Bonds Outstanding; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) Any portion of the Series 2024 Assessments pledged to the Series 2024 Bonds shall have become delinquent and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds from the 2024 Reserve Account to pay the Debt Service Requirements on the Series 2024 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2024 Reserve Account to pay the Debt Service Requirements on the Series 2024 Bonds) (the foregoing being referred to as a "2024 Reserve Account Event") unless within sixty (60) days from the 2024 Reserve Account Event either (i) the District has paid to the Trustee the amounts, if any, withdrawn from the 2024 Reserve Account or (ii) the Delinquent Assessment Principal and Delinquent Assessment Interest giving rise to the 2024 Reserve Account Event are no longer delinquent Special Assessments; and

(g) More than fifteen percent (15%) of the Operation and Maintenance Assessments that are directly billed by the District and levied by the District on tax parcels subject to the Series 2024 Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due. The District shall give written notice to the trustee of the occurrence of such event not later than ten (10) days after the end of the sixty (60) day period referred to in the preceding sentence. The Trustee shall not be deemed to have knowledge of the occurrence of such an Event of Default absent notice thereof from the District.

No Series of Bonds issued under the Master Indenture are subject to acceleration unless the Special Assessments securing such Bonds have been accelerated. Upon an Event of Default, no optional redemption or extraordinary mandatory redemption of the Series 2024 Bonds shall occur unless all of the Series 2024 Bonds where an Event of Default has occurred will be redeemed or if 100% of the Holders of such Series 2024 Bonds agree to such redemption.

If any Event of Default with respect to the Series 2024 Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Owners and receipt of indemnity to its satisfaction shall, in its own name:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Series 2024 Bonds, including, without limitation, the right to require the District to carry out any agreements with, or for the benefit of, the Bondholders of the Series 2024 Bonds and to perform its or their duties under the Act;

(b) bring suit upon the Series 2024 Bonds;

(c) by action or suit in equity require the District to account as if it were the trustee of an express trust for the Holders of the Series 2024 Bonds;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Series 2024 Bonds; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series 2024 Bonds.

The Majority Owners of the Outstanding Series 2024 Bonds then subject to remedial proceedings under Article X of the Master Indenture shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture. The Trustee shall have no liability as a result of any actions taken upon any such direction of the Holders.

The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2024 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Series 2024 Assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, and the provisions for the foreclosure of liens of delinquent Series 2024 Assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, all in a manner consistent with the Indenture. All Series 2024 Assessments that are billed and collected directly by the District shall be due and payable by the applicable landowner no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Series 2024 Bonds is the Series 2024 Assessments imposed on the North Parcel Assessment Area One lands, which are the lands in the District specially benefited by the North Parcel Assessment Area One Project pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX E: ASSESSMENT METHODOLOGY."

The determination, order, levy, and collection of Series 2024 Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District, the Lake County Tax Collector (the "Tax Collector") or the Lake County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in a delay in the collection of, or the complete inability to collect, the Series 2024 Assessments during any year. Such delays in the collection of Series 2024 Assessments, or complete inability to collect Series 2024 Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2024 Bonds. See "BONDOWNERS' RISKS." 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. The Act provides for various methods of collection of delinquent Series 2024 Assessments by reference to other provisions of the Florida Statutes. See "BONDOWNERS' RISKS." The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such statutes.

Uniform Method Procedure

Initially, the Developer will directly pay the Series 2024 Assessments to the District. As the lands in the North Parcel Assessment Area are platted and assigned their respective tax folio numbers, it is anticipated that the Series 2024 Assessments will be collected pursuant to the Uniform Method of collection (the "Uniform Method"). At such times as the Series 2024 Assessments are collected pursuant to the Uniform Method, the provisions of this section shall become applicable. The Florida Statutes provide that, subject to certain conditions, non-ad valorem special assessments may be collected by using the Uniform Method. The Uniform Method 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. The District's election to use a certain collection method with respect to the Series 2024 Assessments does not preclude it from electing to use another collection method in the future, subject to the provisions of the Indenture. See "–Foreclosure" below with respect to collection of delinquent assessments not collected pursuant to the Uniform Method.

If the Uniform Method of collection is utilized, the Series 2024 Assessments will be collected together with County, special district, and other ad valorem taxes and non-ad valorem 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 ad valorem taxes and non-ad valorem 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 being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay, all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2024 Assessments. Upon any receipt of moneys by the Tax Collector from the Series 2024 Assessments, such moneys will be delivered to the District, which will remit such Series 2024 Assessments to the Trustee for deposit to the 2024 Revenue Account within the Revenue Fund, except that any Prepayments of Series 2024 Assessments shall be deposited to the 2024 Prepayment Account within the Bond Redemption Fund created under the Indenture and applied in accordance therewith.

All County, school and special district, including the District, ad valorem taxes, non-ad valorem special assessments, including the Series 2024 Assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds are payable at one time, except for partial payment schedules as may be provided by Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. In such cases, the Tax Collector does not accept such partial payment and the partial payment is returned to the taxpayer. 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 the debt service requirements 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 ad valorem taxes and non-ad valorem special 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, or (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 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. In the event of a delinquency in the payment of taxes and assessments on real property, the landowner may, prior to the sale of tax certificates, pay the total amount of delinquent ad valorem taxes and non-ad valorem assessments plus the cost of advertising and the applicable interest charge on the amount of such delinquent taxes and assessments. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and assessments owing, penalties and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%). Tax certificates are sold by public bid. 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 (currently 18%). The Tax Collector does not collect any money if tax certificates are "struck off" (issued) to the County. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than 18% per annum and a fee. Proceeds from the sale of tax certificates are required to be used to pay taxes and assessments (including the Series 2024 Assessments), interest, costs and charges on the real property described in the certificate. The demand for such certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within 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. 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.

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 in the preceding paragraph.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due. If the County holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate. 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 the amount paid by such holder in applying for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, and all other amounts paid by such person in applying for a tax deed, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other 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.

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

If there are no bidders at the public sale, the County may, at any time within ninety (90) days from the date of offering for public sale, purchase the land without further notice or advertising for a statutorily prescribed opening bid. After ninety (90) days have passed, any person or governmental unit may purchase the land by paying the amount of the opening bid. 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 of delinquency, unsold lands escheat to the County in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

Foreclosure

The following discussion regarding foreclosure is not applicable if the Series 2024 Assessments are being collected pursuant to the Uniform Method. In the event that the District itself directly levies and enforces, pursuant to Chapters 170 and 190, Florida Statutes, the collection of the Series 2024 Assessments levied on the land within the District, Section 170.10, Florida Statutes provides that upon the failure of any property owner to pay all or any part of the principal of a special assessment, including a Series 2024 Assessment, or the interest thereon, when due, the governing body of the entity levying the assessment is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes relating to foreclosure of municipal tax and special assessment liens. Such a proceeding is in rem, meaning that it is brought against the land not against the owner. 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 that the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage, rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2024 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 as such enforcement is dependent upon judicial action which is often subject to discretion and delay.

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 Developer owns all of the assessable lands within North Parcel Assessment Area One, 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 Developer and the other future landowners in North Parcel Assessment Area One. 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 DEVELOPER" 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 Developer 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 Developer 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 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 – Indenture Provisions Relating to Bankruptcy or Insolvency of a 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 Developer 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 Developer nor any other subsequent landowners have any personal obligation to pay the Series 2024 Assessments. Neither the Developer nor any subsequent landowners are guarantors of payment of any Series 2024 Assessments, and the recourse for the failure of the Developer 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 Developer or subsequent landowners to pay the Series 2024 Assessments is a relevant factor, the willingness of the Developer 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 Developer 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, including North Parcel Assessment Area One, 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, including the North Parcel Assessment Area One Project. 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 North Parcel Assessment Area One 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 North Parcel Assessment Area One.

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 North Parcel Assessment Area One 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 Developer. Moreover, the Developer has 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 County or any other local special purpose or general purpose governmental entities. County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 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 North Parcel Assessment Area One, 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 2024 Reserve Account. The ability of the 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 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 2024 Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2024 Assessments, the 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 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 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 2024 Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – 2024 Reserve Account" herein for more information about the 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 Code (as defined herein), 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 North Parcel Assessment Area One Project will exceed the available 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 North Parcel Assessment Area One Project, that the District will be able to raise, through the issuance of additional bonds or otherwise, the moneys necessary to complete the North Parcel Assessment Area One Project. 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 – Additional Obligations" for more information.

The Developer will not be entering into any completion agreements or collateral assignment agreements in connection with the Series 2024 Bonds. Further, even if development of Assessment Area One is completed, there are no assurances that any additional homes will be constructed and sold within Assessment Area One. See "THE DEVELOPER" 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 Developer, 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 Developer or subsequent owners of the property within North Parcel Assessment Area One. 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. Notwithstanding the foregoing to the contrary, existing landowners other than the Developer may have a one-time statutory right to prepay the Series 2024 Assessments without interest for a period of thirty (30) days after the improvements have been completed and the Board has adopted a resolution accepting the improvement. In the event of such prepayments during such period, the District may not have sufficient funds to repay interest on the Series 2024 Bonds without drawing on the 2024 Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 204 BONDS – Prepayment of Series 2024 Assessments" herein for more information. See also "Inadequacy of Reserve Account" herein.

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.

[Remainder of page intentionally left blank.]

ESTIMATED SOURCES AND USES OF SERIES 2024 BOND PROCEEDS

<u>Source of Funds</u>	<u>Series 2024 Bonds</u>
Principal Amount of Series 2024 Bonds [Plus/Less: Net Original Issue Premium/Discount]	\$ _____ _____
Total Sources	\$ _____
<u>Use of Funds</u>	
Deposit to 2024 Acquisition and Construction Account	\$ _____
Deposit to 2024 Interest Account ⁽¹⁾	_____
Deposit to 2024 Reserve Account	_____
Costs of Issuance, including Underwriter's Discount ⁽²⁾	_____
Total Uses	\$ _____

-
- (1) Represents capitalized interest on the Series 2024 Bonds through and including November 1, 2024.
(2) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2024 Bonds.

[Remainder of page intentionally left blank.]

DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2024 Bonds:

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

TOTALS

* The final maturity of the Series 2024 Bonds is [May 1, 20__].

[Remainder of page intentionally left blank.]

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 of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 2019-05 of City Council of the City of Minneola, Florida, effective on July 2, 2019 (the "Ordinance"). The District encompasses approximately 877.15 acres of land and is located in the City of Minneola, Florida, which is located in Lake County, Florida. The District is located north of Florida's Turnpike's Minneola Exit. The North Parcel is directly north of Highway 561A and south of Sugarloaf Mountain Road.

Legal Powers and Authority

The District is an independent unit of local government created pursuant to and established in accordance with the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development pursuant to its general law charter. The District is classified as an independent district under Chapter 189, Florida Statutes.

Among other provisions, the Act gives the District's Board of Supervisors the authority to, among other things: (a) plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities 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 wastewater 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, and (iv) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses and security; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessments liens as provided in the Act; and (d) exercise all other powers necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

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

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

Board of Supervisors

The governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). The Act provides that, at the initial meeting of the landowners, Supervisors must be elected by the landowners with the two Supervisors receiving the highest number of

votes to serve for four years and the remaining Supervisors to serve for a two-year term. Three of the five Supervisors are elected to the Board every two years in November. At such election the two Supervisors receiving the highest number of votes are elected to four-year terms and the remaining Supervisor is elected to a two-year term. Until the later of six (6) years after the initial appointment of Supervisors or the year in which there are at least 250 qualified electors in the District, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected by vote of the landowners of the District. Ownership of the land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number and, for purposes of determining voting interests, platted lots shall be counted individually and rounded up to the nearest whole acre and shall not be aggregated for determining the number of voting units held). Upon the later of six (6) years after the initial appointment of Supervisors or the year in which there are at least 250 qualified electors in the District, the Supervisors whose terms are expiring will be elected (as their terms expire) by qualified electors of the District, except as described below. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State of Florida 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, both to four-year terms. Thereafter, as terms expire, all Supervisors must be qualified electors and are elected to serve four-year terms. If there is a vacancy on the Board, whether as a result of the resignation or removal of a Supervisor or because no elector qualifies for a seat to be filled in an election, the remaining Board members are to fill such vacancy for the unexpired term.

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 shall be elected by qualified electors in the District. Elections subsequent to such decision shall be held in a manner such that the Supervisors will serve four-year terms with staggered expiration dates in the manner set forth in the Act.

The Act provides that it shall not be an impermissible conflict of interest under 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.

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>
Richard Jerman*	Chairperson	November 2026
Daniel Edwards*	Vice-Chairperson	November 2024
Matthew White**	Assistant Secretary	November 2024
James Dunn*	Assistant Secretary	November 2024
Max Perlman**	Assistant Secretary	November 2026

* Employee of, or affiliated with, the South Parcel Developer.

** Employee of, or affiliated with, the Developer.

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

The District Manager and Other Consultants

The chief administrative official of the District is the District Manager (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, a Florida limited liability company, 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 Akerman LLP, Jacksonville, Florida, as Bond Counsel; Poulos & Bennett, LLC, Orlando, Florida, as District Engineer; and Straley Robin Vericker P.A., Tampa, Florida, as District Counsel. The Board has also retained Wrathell, Hunt & Associates, LLC, to serve as Methodology Consultant for the Series 2024 Bonds.

Outstanding Bond Indebtedness

The District previously issued its \$23,520,000 Special Assessment Revenue Bonds, Series 2020 (South Parcel Assessment Area) (the "Series 2020 Bonds"), of which \$22,155,000 was outstanding as of April 21, 2024. The Series 2020 Bonds are secured by the Series 2020 Assessments levied on certain South Parcel Assessment Area lands, which lands are separate and distinct from the lands within North Parcel Assessment Area One that are subject to the Series 2024 Assessments securing the Series 2024 Bonds.

The District previously issued its Special Assessment Revenue Bonds, Series 2021 (South Parcel Assessment Area Phase 2) (the "Series 2021 Bonds") on August 24, 2021, in the original aggregate principal amount of \$5,890,000, of which \$5,770,000 was outstanding as of April 21, 2024. The Series 2021 Bonds are secured by the special assessments assigned to the lands within South Parcel Assessment Area Phase 2, which lands are separate and distinct from the lands within North Parcel Assessment Area One that are subject to the Series 2024 Assessments securing the Series 2024 Bonds.

[Remainder of page intentionally left blank.]

**THE CAPITAL IMPROVEMENT PLAN AND THE NORTH PARCEL
ASSESSMENT AREA ONE PROJECT**

Poulos & Bennett, LLC (the "District Engineer") prepared a report entitled Hills of Minneola Community Development District Engineer's Report, revised July 6, 2021 (the "Master Engineer's Report"), as supplemented by the First Supplemental Engineer's Report for the Hills of Minneola Community Development District dated April 22, 2024 (the "Supplemental Engineer's Report" and together with the Master Engineer's Report, the "Engineer's Report"). The Engineer's Report sets forth certain master infrastructure capital improvements to be constructed, acquired and/or installed within or outside of the District (the "Capital Improvement Plan" or the "CIP).

Multiple Assessment Areas have been created to facilitate the District's development and financing plan. The South Parcel Assessment Area contains approximately 537.4 acres of land that are planned for 1,754 single-family lots. The District previously issued its Series 2020 Bonds and Series 2021 Bonds in order to finance a portion of the costs associated with the South Parcel Assessment Area. Additional information on the South Parcel Assessment Area is available on the emma.msrb.org website in connection with the District's Series 2020 Bonds and Series 2021 Bonds.

The North Parcel within the District contains approximately 339 acres of land that are planned for 846 single-family lots. Land development within the North Parcel will be completed in approximately six phases. The first three phases of land development associated with the development of the North Parcel consist in the aggregate of approximately 180.6 acres of land which are planned to contain 346 lots (of which 198 lots have been platted to date) ("North Parcel Assessment Area One"). The remaining three phases of land development associated with the development of the North Parcel consist in the aggregate of approximately 158.4 acres of land which are planned to contain 500 lots ("North Parcel Assessment Area Two"). The portion of the Capital Improvement Plan associated with North Parcel Assessment Area One is referred to herein as the "North Parcel Assessment Area One Project".

The Series 2024 Bonds are being issued to finance a portion of the North Parcel Assessment Area One Project. The Supplemental Engineer's Report estimated the total cost of the North Parcel Assessment Area One Project to be approximately \$13,565,291, as more particularly described below. See the Supplemental Engineer's Report attached in Appendix A hereto for more information regarding the below improvements.

<u>North Parcel Assessment Area One Project</u>	<u>Estimated Cost</u>
Sanitary Sewer Systems	\$2,679,435.64
Potable Water Systems	2,216,710.67
Reclaimed Water Systems	1,159,882.12
Entry Landscape/Hardscape (outside of gates)	3,052,570.00
SECO Undergrounding of Electrical	355,927.03
CR 561 (non-impact fee creditable portion)	105,383.24
North Hancock Road (non-impact fee creditable portion)	1,090,183.68
Professional Fees	1,671,990.00
Contingency	<u>1,233,208.24</u>
Total	\$13,565,290.62

Land development within North Parcel Assessment Area One is being phased. Land development associated with the first two phases is complete. Plats for the 95 lots in Phase One and the 103 lots in Phase Two were recorded in January 2023 and July 2023, respectively. Land development for the third phase is

underway with completion expected by October 2024. A plat for the remaining 148 lots planned for the third phase of land development within North Parcel Assessment Area One is expected to be recorded by June 2024.

The Developer estimates the total land development costs associated with the 346 lots planned for North Parcel Assessment Area One to be approximately \$41.1 million. As of March 31, 2024, the Developer has spent approximately \$37.5 million on land development associated with North Parcel Assessment Area One, a portion of which includes the North Parcel Assessment Area One Project. The available net proceeds of the Series 2024 Bonds will be approximately \$6.86* million and such proceeds will be used by the District towards the acquisition of a portion of the North Parcel Assessment Area One Project from the Developer. It is anticipated that the Developer will fund the remaining development costs for North Parcel Assessment Area One with equity.

The District anticipates issuing additional bonds in the future in order to finance a portion of the remaining three phases of land development associated with the North Parcel Assessment Area Two. Such bonds will be secured by lands which are separate and distinct from the North Parcel Assessment Area One lands which secure the Series 2024 Bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Limitation on Issuance of Additional Obligations" herein for more information.

The District Engineer has indicated that all engineering permits necessary to construct the North Parcel Assessment Area One Project that are set forth in the Engineer's Report have been obtained or will be obtained in the ordinary course of business. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Zoning and Permitting" for a more detailed description of the entitlement and permitting status of the Development.

See "APPENDIX A: SUPPLEMENTAL ENGINEER'S REPORT" for more information regarding the above improvements.

[Remainder of page intentionally left blank.]

* Preliminary, subject to change.

ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

Wrathell, Hunt & Associates, LLC, a Florida limited liability company (the "Methodology Consultant"), has prepared a Revised Master Special Assessment Methodology Report (North Parcel Assessment Area One), dated April 22, 2024, as supplemented by the Third Supplemental Special Assessment Methodology Report (North Parcel Assessment Area One Project) dated April 22, 2024, included herein as APPENDIX E (collectively, 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 North Parcel Assessment Area One Project and collected by the District as a result thereof. Once the final terms of the Series 2024 Bonds are determined, the 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 which will initially be assigned to the 198 platted lots and the remaining approximately 65.251 acres within North Parcel Assessment Area One. As the remaining lots are platted, the Series 2024 Assessments will be assigned on a first platted, first assigned basis as set forth the Assessment Methodology attached hereto. See "APPENDIX E: ASSESSMENT METHODOLOGY" herein for more information. Upon platting of all of the 346 planned lots, the par per unit and annual Series 2024 Assessments for the Series 2024 Bonds are estimated to be as follows.

<u>Product Type</u>	<u>No. of Units</u>	<u>Annual Series 2024 Assessments Per Unit**/**</u>	<u>Series 2024 Bonds Par Debt Per Unit*</u>
40'	73	\$1,250	\$17,676
50'	163	1,500	\$21,212
65'	<u>110</u>	1,750	\$24,747
Total	<u>346</u>		

*Preliminary, subject to change. This Series 2024 Assessments will be grossed up to include early payment discounts and County collection fees when the Uniform Method is used.

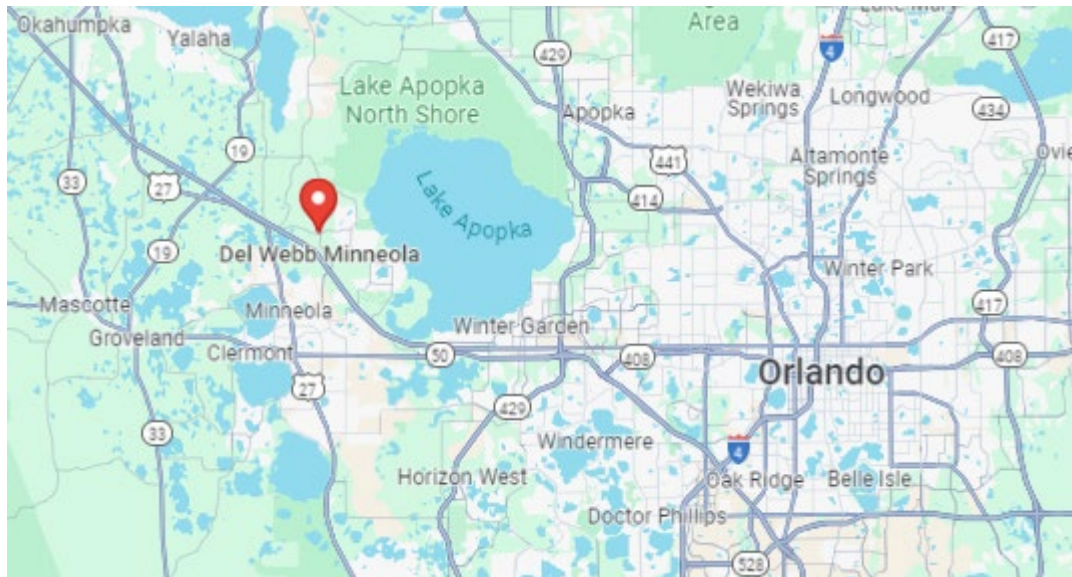
The District will continue to levy annual assessments to cover its operation and maintenance costs, which amounts are approximately \$100 per unit in the North Parcel Assessment Area but subject to change in the future. The land within the District has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District is currently approximately 17.9704 mills. These taxes would be payable in addition to the Series 2024 Assessments and any other assessments levied by the District; which amount is subject to change. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Lake County, Florida may 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 "BONDOWNERS' RISKS" and "THE DEVELOPMENT – Taxes, Fees and Assessments" for more information, including proposed associations' assessments.

The information appearing below under the captions "THE DEVELOPMENT" and "THE DEVELOPER" has been furnished by the Developer 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 Developer make any representation or warranty as to the accuracy or completeness of such information supplied by them. The following information is provided by the Developer as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. The Developer is not guaranteeing payment of the Series 2024 Bonds or the Series 2024 Assessments.

THE DEVELOPMENT

General

The District Lands encompass approximately 877.15 gross acres located entirely within the City of Minneola (the "City") within Lake County, Florida (the "County"). The District Lands are being developed as two separate residential communities which include (i) the 1,754 unit community known as "Hills of Minneola" (the "South Parcel Assessment Area") and (ii) the 846 unit community known as "Del Webb Minneola" (the "North Parcel Assessment Area" and, together with the South Parcel Assessment Area, the "Development"). The Development is located north of Florida's Turnpike's Minneola Exit. The South Parcel Assessment Area is directly east of Hancock Road and the North Parcel is directly north of Highway 561A and south of Sugarloaf Mountain Road. Set forth below is a map that shows the general location of the Development.



The District previously issued two series of bonds to finance a portion of the costs associated with the South Parcel Assessment Area. The North Parcel Assessment Area within the District contains approximately 339 acres of land that are planned for 846 single-family lots. Land development within the North Parcel Assessment Area will be completed in approximately six phases. The first three phases of land development associated with the development of the North Parcel Assessment Area consist in the aggregate of approximately 180.6 acres of land which are planned to contain 346 lots ("North Parcel Assessment Area One"). The remaining three phases of land development associated with the development of the North Parcel Assessment Area consist in the aggregate of approximately 158.4 acres of land which are planned to contain 500 lots ("North Parcel Assessment Area Two"). The portion of the Capital Improvement Plan associated with North Parcel Assessment Area One is referred to herein as the "North Parcel Assessment Area One Project". See

"THE CAPITAL IMPROVEMENT PLAN AND THE NORTH PARCEL ASSESSMENT AREA ONE PROJECT" herein for more information.

The Series 2024 Bonds are being issued to finance the District's acquisition of a portion of the North Parcel Assessment Area One Project. The Series 2024 Bonds will be secured by the Series 2024 Assessments which will initially be assigned to the 198 platted lots and the remaining approximately 65.251 acres within North Parcel Assessment Area One. As the remaining lots are platted, the Series 2024 Assessments will be assigned on a first platted, first assigned basis as set forth the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein for more information.

The District anticipates issuing additional bonds in the future in order to finance a portion of the remaining three phases of land development associated with the North Parcel Assessment Area. Such bonds will be secured by lands which are separate and distinct from the North Parcel Assessment Area One lands which secure the Series 2024 Bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Limitation on Issuance of Additional Obligations" herein for more information.

Pulte Home Company, LLC, a Michigan limited liability company (the "Developer") is the land developer and homebuilder for the North Parcel Assessment Area. The Developer is marketing and constructing homes for sale to homebuyers under its age-restricted 55+ "active adult" Del Webb brand. See "THE DEVELOPER" herein for more information.

Sales and vertical construction within North Parcel Assessment Area One commenced in June 2023. Closings with homebuyers commenced in January 2024. As of March 31, 2024, approximately 36 homes have closed with homebuyers and an additional 90 homes are under contract pending closing in the North Parcel Assessment Area. Approximately 58 homes have been constructed or are under construction in the North Parcel Assessment Area.

Homes within the North Parcel Assessment Area will range in size from approximately 1,405 square feet to 3,453 square feet and starting price points will range from approximately \$409,990 to \$691,190. The target customers for units within the North Parcel Assessment Area are retirees and empty-nesters. See "THE DEVELOPMENT —Residential Product Offerings" herein for more information.

Land Acquisition and Finance Plan

The Developer acquired the lands within the North Parcel Assessment Area on August 10, 2021 for approximately \$21,150,000 which was paid for with Developer equity. There are no mortgages on the North Parcel.

The Developer estimates the total land development costs associated with the 346 lots planned for North Parcel Assessment Area One to be approximately \$41.1 million. As of March 31, 2024, the Developer has spent approximately \$37.5 million on land development associated with North Parcel Assessment Area One, a portion of which includes the North Parcel Assessment Area One Project. The available net proceeds of the Series 2024 Bonds will be approximately \$6.86* million and such proceeds will be used to acquire a portion of the North Parcel Assessment Area One Project from the Developer. The remaining costs are expected to be funded by Developer equity. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

* Preliminary, subject to change.

Development Plan / Status

Land development within North Parcel Assessment Area One will occur in three phases as set forth below.

Phase One. The first phase of land development associated with North Parcel Assessment Area One contains 95 platted lots ("Phase One"). Land development for Phase One is complete, a plat for the 95 lots which comprise Phase One was recorded on January 18, 2023.

Phase Two. The second phase of land development associated with North Parcel Assessment Area One contains 103 platted lots ("Phase Two"). Land development for Phase Two is complete, a plat for the 103 lots which comprise Phase Two was recorded on July 14, 2023.

Phase Three. The third phase of land development associated with North Parcel Assessment Area One is planned to contain 148 lots ("Phase Three"). Land development associated with Phase Three is underway, with completion expected by October 2024. A plat for the 148 lots planned for Phase Three is expected to be recorded by June 2024.

Sales and vertical construction within North Parcel Assessment Area One commenced in June 2023. Closings with homebuyers commenced in January 2024. As of March 31, 2024, approximately 36 homes have closed with homebuyers and an additional 90 homes are under contract pending closing in the North Parcel Assessment Area. Approximately 58 homes have been constructed or are under construction in the North Parcel Assessment Area.

The Developer anticipates that approximately 128 units per annum will close with homebuyers until build out. 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 customers for units within the North Parcel Assessment Area are retirees and empty-nesters. Below is a summary of the expected types of units and price points for units in the North Parcel Assessment Area.

<u>Product Type</u>	<u>Square Footage</u>	<u>Beds/Baths</u>	<u>Starting Price Points</u>
Scenic – 40'	1,405 – 1,655	2-3 Bedrooms, 2 Baths	\$409,990 - \$426,990
Distinctive – 50'	1,670 – 2,870	3-5 Bedrooms, 2-4 Baths	\$465,990 - \$588,490
Echelon – 65'	2,269– 3,453	2-4 Bedrooms, 2.5-5 Baths	\$615,990 - \$688,190

Development Approvals

The land within the District, including, without limitation, North Parcel Assessment Area One, is zoned to allow for the contemplated residential uses described herein. The South Parcel Developer is required to construct an additional two lanes to the existing two-lane Hancock Road at an impact fee creditable cost of approximately \$4 million. The Hancock Road expansion is required to be constructed upon the earlier of the development of 1,000 lots in the Development or the time required by a County trips

analysis; provided, however, the Developer is not yet required to begin construction. Design of the Hancock Road expansion is complete. It is anticipated that construction of the Hancock Road expansion will commence in the fourth quarter of 2024 and be completed in the fourth quarter of 2025. The South Parcel agreed to complete the Hancock Road expansion south of Highway 561A in the completion agreement it entered into at the time of issuance of the Series 2020 Bonds and the Series 2021 Bonds. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development."

The District Engineer has indicated that all permits have been received by jurisdictional agencies to allow for the development contemplated herein or are reasonably expected to be received in the ordinary course.

Environmental

The Developer obtained a Phase I Environmental Site Assessment dated June 25, 2021 (the "ESA") covering the land in the North Parcel Assessment Area. No recognized environmental conditions, historical environmental conditions, de minimis conditions nor business environmental risks were identified in connection with the North Parcel Assessment Area. Additional information on prior environmental reports conducted on District Lands, including the North Parcel Assessment Area, is available on the emma.msrb.org website in connection with the District's issuance of its Series 2020 Bonds and Series 2021 Bonds. See "BONDOWNERS' RISKS – Regulatory and Environmental Risks" herein for more information regarding potential environmental risks.

Amenities

The South Parcel Assessment Area contains an approximately 15-acre community site which includes a clubhouse, a resort-style swimming pool, fitness center, tot lot and open space areas (collectively, the "Main Amenity"). Construction of the Main Amenity is complete. The Main Amenity is owned, operated and maintained by the District. In addition, the South Parcel Assessment Area will contain three smaller neighborhood parks with playgrounds, dog parks and open spaces. The Main Amenity will be accessible to all residents within the District.

The North Parcel Assessment Area is planned to contain an extensive resort area amenity to support the Del Webb active adult community (the "North Parcel Amenity"). The North Parcel Assessment Area Amenity includes a 14,000 square foot clubhouse, onsite bar and grill with indoor and outdoor seating, outdoor pool and spa, fitness center, tennis courts, pickleball courts. Construction of the North Parcel Amenity is expected to commence in June 2024 and is expected to be completed by August 2024 at a total approximate cost of \$19.15 million. Construction of the North Parcel Amenity will be privately funded by the Developer and access to the North Parcel Amenity will be restricted to residents of the North Parcel only. Set forth on the following page is a rendering of the clubhouse and pool deck associated with the North Parcel Amenity.

[Remainder of page intentionally left blank.]



Utilities

Potable water, wastewater treatment and reclaimed wastewater (reuse services) for the Development are expected to be provided by the City. Electric power is expected to be provided by SECO. All utility services are available to the property.

Taxes, Fees and Assessments

The Series 2024 Bonds will be secured by the Series 2024 Assessments which will initially be assigned to the 198 platted lots and the remaining approximately 65.251 acres within North Parcel Assessment Area One. As the remaining lots are platted, the Series 2024 Assessments will be assigned on a first platted, first assigned basis as set forth the Assessment Methodology attached hereto. See "APPENDIX E: ASSESSMENT METHODOLOGY" herein for more information. Upon platting of all of the 346 planned lots, the par per unit and annual Series 2024 Assessments for the Series 2024 Bonds are estimated to be as follows.

<u>Product Type</u>	<u>No. of Units</u>	<u>Annual Series 2024 Assessments Per Unit**/**</u>	<u>Series 2024 Bonds Par Debt Per Unit*</u>
40'	73	\$1,250	\$17,676
50'	163	1,500	\$21,212
65'	<u>110</u>	1,750	\$24,747
Total	346		

*Preliminary, subject to change. This Series 2024 Assessments will be grossed up to include early payment discounts and County collection fees when the Uniform Method is used.

The District will continue to levy annual assessments to cover its operation and maintenance costs, which amounts are approximately \$100 per unit in the North Parcel Assessment Area but subject to change in the future. In addition, residents will be required to pay homeowners association fees which are currently estimated to be between \$374 and \$394 per year per residential unit, which is subject to change. In addition there is an annual food and beverage minimum fee of \$840 per year which will begin being charged upon completion of the amenity. The land within the District has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate

imposed on taxable properties in the District is currently approximately 17.9704 mills. These taxes would be payable in addition to the Series 2024 Assessments and any other assessments levied by the District; which amount is subject to change. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Lake County, Florida may 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 and product types. Those communities include Del Webb Oasis, Del Webb Sunbridge, and K Hov's Four Seasons.

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

THE DEVELOPER

Pulte Home Company, LLC, a Michigan limited liability company (the "Developer"), is the sole land developer and homebuilder for the Development. The Developer, which is the successor by conversion to Pulte Home Corporation, a Michigan corporation formed on January 24, 1985, is wholly owned by PulteGroup, Inc., a Michigan corporation ("PulteGroup").

PulteGroup stock trades on the New York Stock Exchange under the symbol PHM. PulteGroup is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The file number for PulteGroup is No. 1-9804. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 1024, 450 Fifth Street NW, Judiciary Plaza, Washington, DC, and at the SEC's internet website at <http://www.sec.gov>. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. All documents subsequently filed by PulteGroup pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

Neither the Developer nor any of the other entities listed above are guaranteeing payment of the Series 2024 Bonds or the Series 2024 Special Assessments. None of the entities listed herein, other than the Developer, has entered into any agreements in connection with the issuance of the Series 2024 Bonds.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance and delivery of the Series 2024 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2024 Bonds. The District has covenanted in the Indenture to comply with each such requirement.

In the opinion of Akerman LLP, Bond Counsel, the proposed form of which is included as APPENDIX C hereto, assuming continuing compliance with certain covenants by the District and the accuracy of certain representations of the District, under existing statutes, regulations, published rulings, and judicial decisions, interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the "adjusted financial statement income" (as defined in Section 56A of the Code) of "applicable corporations" (as defined in Section 59 of the Code) for the purposes of computing the alternative minimum tax imposed on such corporations.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2024 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of these certifications and representations.

Bond Counsel's opinions are based on existing law, which is subject to change. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service ("IRS") or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The IRS has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2024 Bonds. Owners of the Series 2024 Bonds are advised that, if the IRS does audit the Series 2024 Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Series 2024 Bonds may have limited rights to participate in such procedure. The commencement of 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.

Collateral Tax Consequences

Prospective purchasers of the Series 2024 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2024 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2024 Bonds from gross income pursuant to Section 103 of the Code and the treatment of interest for purposes of the federal alternative minimum tax. Prospective purchasers of the Series 2024 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

In the opinion of Bond Counsel, interest on the Series 2024 Bonds is exempt from taxation under the existing laws of the State of Florida, except as to estate taxes and taxes imposed under Chapter 220,

Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220, *Florida Statutes*.

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.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2024 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar in nature to the Series 2024 Bonds. From time to time, legislative proposals may be introduced which could have an effect on both the federal tax consequences resulting from the ownership of the Series 2024 Bonds and their market value. No assurance can be given that any such legislative proposals, if enacted, would not apply to, or would not have an adverse effect upon, the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their tax advisors as to the impact of any pending or proposed legislation. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2024 Bonds may affect the tax status of interest on the Series 2024 Bonds.

Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2024 Bonds maturing on _____ (the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and if applicable, interest rate, was sold is "original issue discount." For federal income tax purposes, original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded on each interest payment date (or over a shorter permitted compounding interval selected by the Owner). A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds subject to the same considerations discussed above and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2024 Bonds is subject to information reporting to the Internal Revenue Service. Interest paid on tax-exempt bonds such as the Series 2024 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2024 Bonds, under certain

circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2024 Bonds and proceeds from the sale of Series 2024 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2024 Bonds. This withholding generally applies if the owner of Series 2024 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2024 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

AGREEMENT BY THE STATE

Under the Act, the State of Florida 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 the 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 of Florida, 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 Florida 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, 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 Assessment Proceedings.

The Developer

The Developer has represented that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the development of the Development or to complete the North Parcel Assessment Area One Project as described herein, or materially and adversely affect the ability of the Developer to pay the Series 2024 Assessments imposed against certain lands within the District owned by the Developer or to otherwise perform its various respective obligations described in this Limited Offering Memorandum.

CONTINGENT FEES

The District has retained Bond Counsel, District Counsel, the Consulting Engineer, the District Manager/Methodology Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (which 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 Consulting 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 Supplemental Engineer's Report included in APPENDIX A to this Limited Offering Memorandum has been prepared by Poulos & Bennett, LLC, Orlando, 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, 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.

FINANCIAL INFORMATION

This District will covenant in a Continuing Disclosure Agreement, 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, 2023, which are due on or before June 30, 2024. Attached hereto as APPENDIX F is a copy

of the District's audited financial statements for the District's fiscal year ended September 30, 2022, as well as the District's unaudited monthly financial statements for the period ended March 31, 2024. Such financial statements, including the auditor's report included within the audited financial statements, have been included in this Limited Offering Memorandum as public documents and consent from the auditor was not requested. Further, the auditors have not performed any services related to, and therefore are not associated with, the preparation of this Limited Offering Memorandum. The Series 2024 Bonds are not general obligation bonds of the District and are payable solely from the Series 2024 Pledged Revenues.

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

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

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 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 Developer 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 Developer to comply with their respective obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Series 2024 Bondholders (including owners of beneficial interests in such Series 2024 Bonds) to bring an action for specific performance.

The District has previously entered into a continuing disclosure undertaking pursuant to Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), with respect to its Series 2020 Bonds and Series 2021 Bonds. A review of filings made pursuant to such prior undertaking indicates that a certain annual filings required to be made by the District was not timely filed and notice of such late filing were not provided. The District will appoint the District Manager as the dissemination agent in the Disclosure Agreement and anticipates satisfying all future disclosure obligations required pursuant to the Disclosure Agreement.

The Developer has entered into previous written agreements in connection with the Rule with respect to bonds issued by other community development districts. A review of filings made pursuant to such prior undertakings indicates that certain filings required to be made by the Developer were not timely filed and that notice of such late filings was not always provided. The Developer anticipates satisfying all future disclosure obligations required pursuant to the Disclosure Agreement.

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] 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 Fifth Judicial Circuit Court of Florida in and for Lake County, Florida, rendered on February 4, 2020. Additional Bonds were also validated by a judgment of the Circuit Court of the Fifth Judicial Circuit Court of Florida in and for Lake County, Florida, rendered on September 21, 2022. The period of time during which appeals can be taken from such judgments 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 Akerman LLP, Jacksonville, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel Straley Robin Vericker P.A., Tampa, Florida and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. The Developer is represented by BakerHostetler, Orlando, Florida.

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

[Remainder of page intentionally left blank.]

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.

[Remainder of page intentionally left blank.]

AUTHORIZATION AND APPROVAL

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

**HILLS OF MINNEOLA COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairperson, Board of Supervisors

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

SUPPLEMENTAL ENGINEER'S REPORT

[THIS PAGE INTENTIONALLY LEFT BLANK]

**FIRST SUPPLEMENTAL ENGINEER’S REPORT FOR THE
HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT**

April 22, 2024

1. PURPOSE

This report supplements the District’s *Master Engineer’s Report*, dated July 6, 2021 (“**Master Report**”) for the purpose of describing the first phase of the District’s North Parcel Assessment Area One CIP¹ to be known as the “**North Parcel Assessment Area One Project.**”

2. NORTH PARCEL ASSESSMENT AREA ONE PROJECT

The District’s North Parcel Assessment Area One Project includes the portion of the CIP that is necessary for the development of what is known as “**North Parcel Assessment Area One**” of the District. A legal description and sketch for North Parcel Assessment Area One are shown in **Exhibit A**.

Product Mix

The table below shows the product types that are planned for Assessment Area One:

Product Types

Product Type	Assessment Area One Units
SF 40	73
SF 50	163
SF 65	110
TOTAL	346

List of North Parcel Assessment Area One Project Improvements

The various improvements that are part of the overall CIP – including those that are part of the North Parcel Assessment Area One Project – are described in detail in the Master Report, and those descriptions are incorporated herein. The North Parcel Assessment Area One Project includes, generally stated, the following items relating to North Parcel Assessment Area One: storm sewer facilities, potable water facilities, reclaimed water facilities, sanitary sewer facilities, and internal roadways.

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Master Report.

Permits

The status of the applicable permits necessary for the North Parcel Assessment Area One Project is as shown below. All permits and approvals necessary for the development of the North Parcel Assessment Area One Project have been obtained or are reasonably expected to be obtained in due course.

Permit Table

Agency	Permit & Number	Date Approved/Status
SJRWMD		
Del Webb Hills of Minneola Conceptual ERP	167975-1	7/14/2021
Del Webb Hills of Minneola Phase 1&2 Individual ERP	167975-2	7/29/2021
Del Webb Hills of Minneola Phase 3&4 Mass Grading Individual ERP	167975-3	9/13/2021
Del Webb Hills of Minneola Phase 3 Individual ERP	167975-4	1/5/2023
City of Minneola		
Del Webb Hills of Minneola Phase 1 Construction Plan	---	4/11/2022
Del Webb Hills of Minneola Phase 2 Construction Plan	---	5/10/2022
Del Webb Hills of Minneola Phase 3 Construction Plan	---	8/18/2023
Lake County		
Commercial/Subdivision Driveway Connection	53304	2/11/2022
Right-of-Way Utilization Permit	10772	4/4/2022
FDEP		
Del Webb Hills of Minneola Phase 1 Water Permit	0080503-118-DSGP	10/14/2021
Del Webb Hills of Minneola Phase 2 Water Permit	0080503-119-DSGP	12/29/2021
Del Webb Hills of Minneola Phase 3 Water Permit	0080503-136-DSGP	11/21/2023
Del Webb Hills of Minneola Phase 1 Sewer Permit	0410882-001-DWC/CM	10/29/2021
Del Webb Hills of Minneola Phase 2 Sewer Permit	35-0410882-002	12/27/2021
Del Webb Hills of Minneola Phase 3 Sewer Permit	0410882-003-DWC/CG	11/13/2023

Estimated Costs

The table below shows the costs that are necessary for delivery of the North Parcel Assessment Area One lots for the North Parcel Assessment Area One Project, which includes the roads, utilities, and other improvements specific to North Parcel Assessment Area One.

ESTIMATED COSTS OF DELIVERING THE NORTH PARCEL ASSESSMENT AREA ONE PROJECT

Improvement	North Parcel Assessment Area One Project Estimated Cost
Sanitary Sewer Systems	\$2,679,435.64
Potable Water Systems	\$2,216,710.67
Reclaimed Water Systems	\$1,159,882.12
Entry Landscape/Hardscape (outside of gates)	\$3,052,570.00
SECO Undergrounding of Electrical	\$355,927.03
CR 561 (non-impact fee creditable portion)	\$105,383.24
North Hancock Road (non-impact fee creditable portion)	\$1,090,183.68
Professional Fees	\$1,671,990.00
SUB-TOTAL	\$12,332,082.38
10% Contingency	\$1,233,208.24
TOTAL	\$13,565,290.62

- a. The probable costs estimated herein do not include anticipated carrying cost, interest reserves or other anticipated CDD expenditures that may be incurred.
- b. The developer reserves the right to finance any of the improvements outlined above, and have such improvements owned and maintained by a property owner’s or homeowner’s association, in which case such items would not be part of the CIP.
- c. The District may enter into an agreement with a third-party, or an applicable property owner’s or homeowner’s association, to maintain any District-owned improvements, subject to the approval of the District’s bond counsel.
- d. Impact fee credits may be available from master roadway and utility improvements. The developer and the District will enter into an acquisition agreement whereby the developer may elect to keep any such credits, provided that consideration is provided to the District in the form of improvements, land, a prepayment of debt assessments, or other consideration.

While the delivery of the North Parcel Assessment Area One Project will necessarily involve the installation of certain “master” improvements, the District’s North Parcel Assessment Area One Project is a part of the entire CIP, which functions as a system of improvements that includes the entire CIP for Hills of Minneola CDD. Accordingly, the North Parcel Assessment Area One Project lots only receive a pro-rated benefit from the overall CIP based on “ERU” factors as established under the District’s assessment reports.

3. CONCLUSION

The North Parcel Assessment Area One Project will be designed in accordance with current governmental regulations and requirements. The North Parcel Assessment Area One Project will serve its intended function so long as the construction is in substantial compliance with the design.

It is further our opinion that:

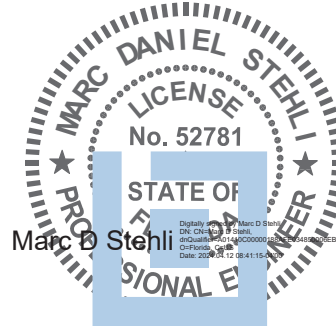
- the estimated cost to the North Parcel Assessment Area One Project as set forth herein is reasonable based on prices currently being experienced in the jurisdiction in which the District is located, and is not greater than the lesser of the actual cost of construction or the fair market value of such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

As described above, this report identifies the benefits from the North Parcel Assessment Area One Project to the 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 North Parcel Assessment Area One Project, 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 enable properties within its boundaries to be developed.

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

Please note that the North Parcel Assessment Area One Project as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the North Parcel Assessment Area One Project, as used herein, refers to sufficient public infrastructure of the kinds

described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units in the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.



This item has been electronically signed and sealed by Marc D. Stehli, P.E. using a Digital Signature. Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies.

Marc D. Stehli, District Engineer
P.E. No. 52781
Date: April 22, 2024

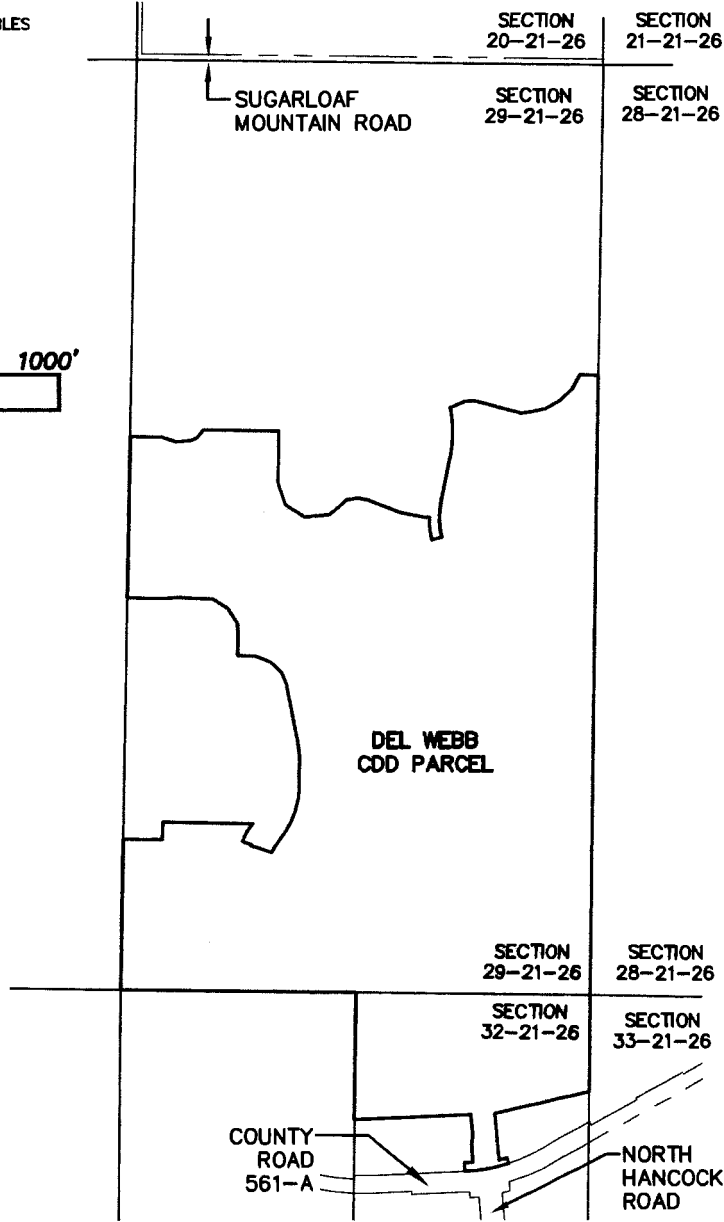
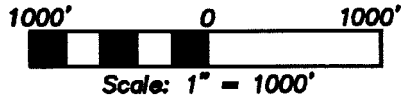
EXHIBIT A: Del Webb Minneola North Parcel Assessment Area One Sketch & Description

Exhibit A

SKETCH OF DESCRIPTION

SEE SHEET 1 FOR KEY MAP
 SEE SHEETS 2 THROUGH 4 FOR SKETCH
 SEE SHEET 5 FOR LINE AND CURVE TABLES
 SEE SHEET 6 FOR LEGAL DESCRIPTION
 SEE SHEET 7 FOR LEGAL DESCRIPTION,
 NOTES AND LEGEND

KEY MAP



PREPARED FOR:
PULTE HOME CORPORATION
 DEL WEBB MINNEOLA - CDD (PHASES 1 THROUGH 3)

DATE	BY	DESCRIPTION



DONALD W. McINTOSH ASSOCIATES, INC.
ENGINEERS PLANNERS SURVEYORS
 1950 SUMMIT PARK DRIVE, ORLANDO, FLORIDA 32810 (407) 644-4068
 CERTIFICATE OF AUTHORIZATION NO. LB68

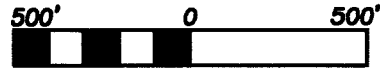
DONALD W. McINTOSH ASSOCIATES, INC.
 CERTIFICATE OF AUTHORIZATION NO. LB68

Robert "Ty" Sears April 11, 2024
 Florida Professional Surveyor and Mapper
 Certificate No. 6950
 NOT VALID WITHOUT THE ORIGINAL SIGNATURE
 AND SEAL OR AN ELECTRONIC SIGNATURE OF A
 FLORIDA PROFESSIONAL SURVEYOR AND MAPPER.

DRAWN BY: <u>RTS</u>	CHECKED BY: <u>RTS</u>	JOB NO. <u>19142</u>	SCALE <u>1"=1000'</u>	SHEET <u>1</u> OF <u>7</u>
DATE: <u>4/2024</u>	DATE: <u>4/2024</u>			

SKETCH OF DESCRIPTION

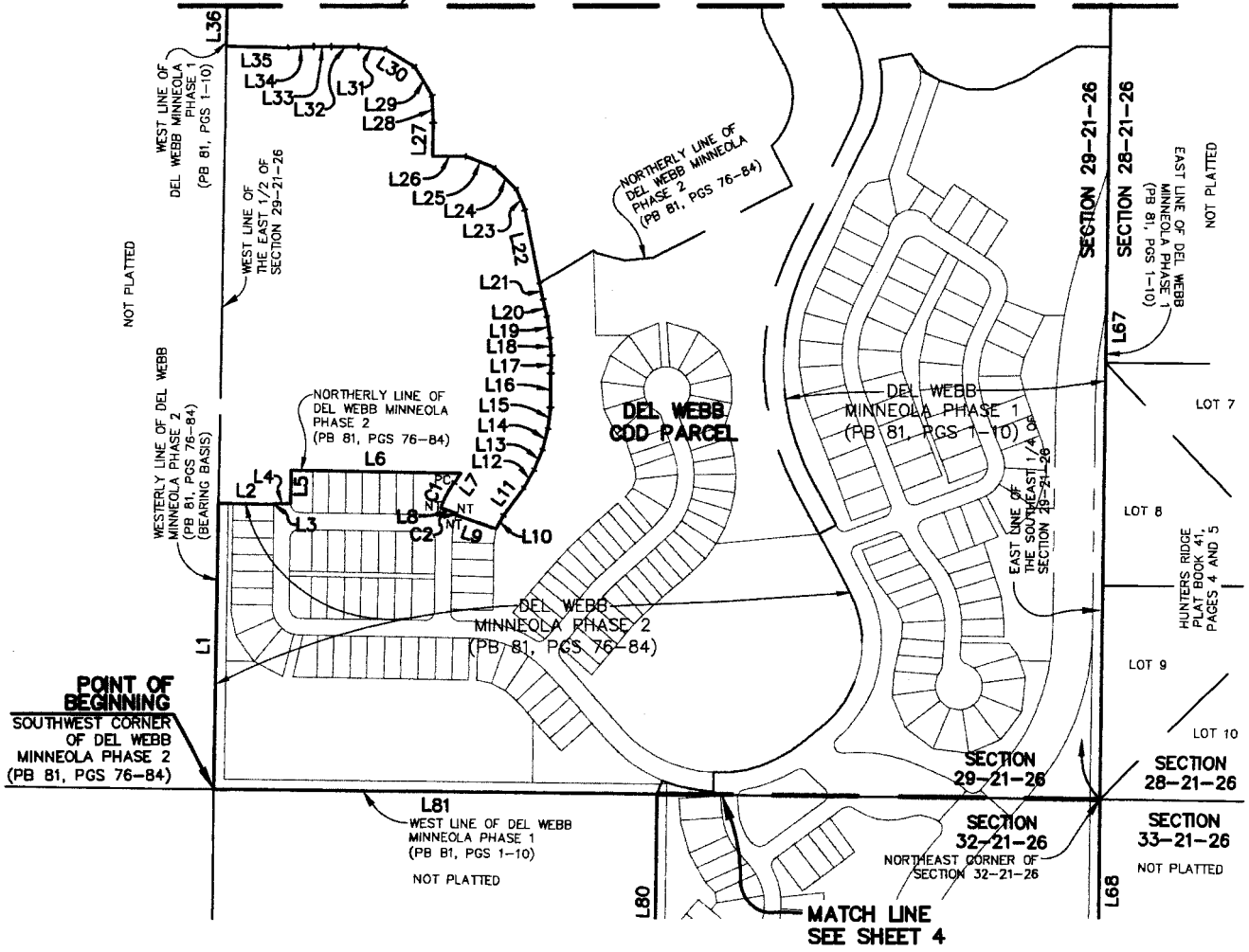
SEE SHEET 1 FOR KEY MAP
 SEE SHEETS 2 THROUGH 4 FOR SKETCH
 SEE SHEET 5 FOR LINE AND CURVE TABLES
 SEE SHEET 6 FOR LEGAL DESCRIPTION
 SEE SHEET 7 FOR LEGAL DESCRIPTION, NOTES AND LEGEND



Scale: 1" = 500'



MATCH LINE - SEE SHEET 3



DONALD W. McINTOSH ASSOCIATES, INC.
ENGINEERS PLANNERS SURVEYORS

1950 SUMMIT PARK DRIVE, ORLANDO, FLORIDA 32810 (407) 644-4068
 CERTIFICATE OF AUTHORIZATION NO. LB68

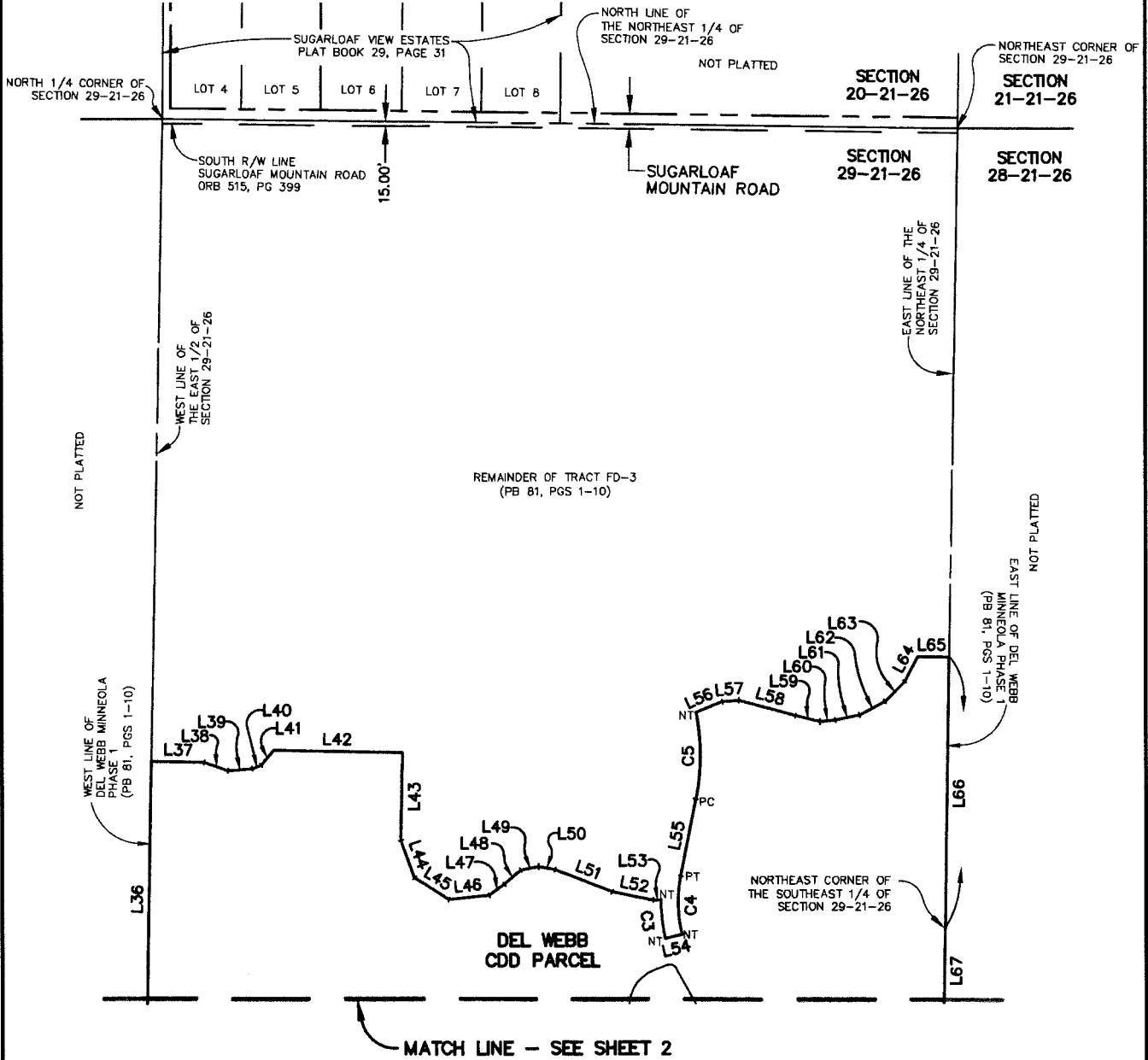
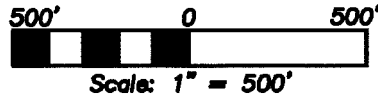
PREPARED FOR:
PULTE HOME CORPORATION

DRAWN BY: <u>RTS</u>	CHECKED BY: <u>RTS</u>	JOB NO. <u>19142</u>	SCALE <u>1"=500'</u>	SHEET <u>2</u>
DATE: <u>4/2024</u>	DATE: <u>4/2024</u>			OF <u>7</u>

DEL WEBB MINNEOLA
 CDD (PHASES 1 THROUGH 3)

SKETCH OF DESCRIPTION

SEE SHEET 1 FOR KEY MAP
 SEE SHEETS 2 THROUGH 4 FOR SKETCH
 SEE SHEET 5 FOR LINE AND CURVE TABLES
 SEE SHEET 6 FOR LEGAL DESCRIPTION
 SEE SHEET 7 FOR LEGAL DESCRIPTION, NOTES AND LEGEND



DONALD W. McINTOSH ASSOCIATES, INC.
ENGINEERS PLANNERS SURVEYORS
 1950 SUMMIT PARK DRIVE, ORLANDO, FLORIDA 32810 (407) 644-4068
 CERTIFICATE OF AUTHORIZATION NO. LB68

PREPARED FOR:

PULTE HOME CORPORATION

DRAWN BY: RTS
 DATE: 4/2024

CHECKED BY: RTS
 DATE: 4/2024

JOB NO.
19142

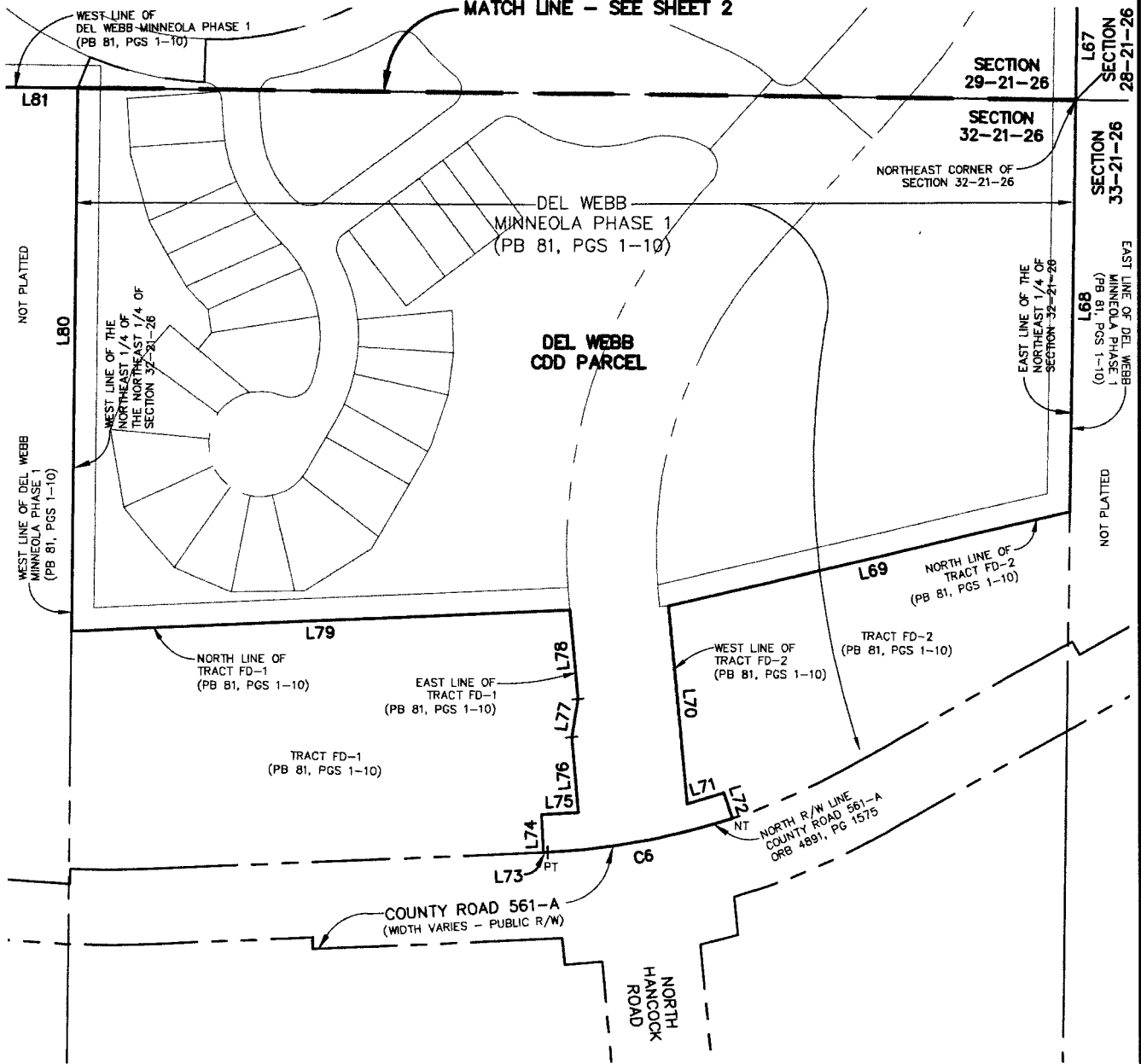
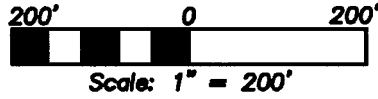
SCALE
1"=500'

SHEET 3
 OF 7

DEL WEBB MINNEOLA
 CDD (PHASES 1 THROUGH 3)

SKETCH OF DESCRIPTION

SEE SHEET 1 FOR KEY MAP
 SEE SHEETS 2 THROUGH 4 FOR SKETCH
 SEE SHEET 5 FOR LINE AND CURVE TABLES
 SEE SHEET 6 FOR LEGAL DESCRIPTION
 SEE SHEET 7 FOR LEGAL DESCRIPTION, NOTES AND LEGEND



DONALD W. MCINTOSH ASSOCIATES, INC.
 ENGINEERS PLANNERS SURVEYORS
 1950 SUMMIT PARK DRIVE, ORLANDO, FLORIDA 32810 (407) 644-4068
 CERTIFICATE OF AUTHORIZATION NO. LB68

PREPARED FOR:
PULTE HOME CORPORATION

DRAWN BY: RTS	CHECKED BY: RTS	JOB NO.	SCALE	SHEET
DATE: 4/2024	DATE: 4/2024	19142	1"=200'	4
				OF 7

DEL WEBB MINNEOLA CDD (PHASES 1 THROUGH 3)

SKETCH OF DESCRIPTION

SEE SHEET 1 FOR KEY MAP
 SEE SHEETS 2 THROUGH 4 FOR SKETCH
 SEE SHEET 5 FOR LINE AND CURVE TABLES
 SEE SHEET 6 FOR LEGAL DESCRIPTION
 SEE SHEET 7 FOR LEGAL DESCRIPTION, NOTES AND LEGEND

LINE TABLE		
NUMBER	BEARING	DISTANCE
L1	N01°08'03"E	852.98'
L2	S88°51'57"E	170.00'
L3	N01°08'03"E	2.29'
L4	S88°51'57"E	50.00'
L5	N01°08'03"E	100.00'
L6	S88°51'57"E	503.95'
L7	S36°06'27"W	34.49'
L8	S70°36'03"E	50.00'
L9	S71°02'28"E	125.00'
L10	N28°50'31"E	43.94'
L11	N36°40'13"E	102.53'
L12	N30°35'19"E	64.37'
L13	N22°24'09"E	64.37'
L14	N14°13'17"E	64.37'
L15	N06°02'21"E	64.37'
L16	N00°37'41"E	101.44'
L17	N01°10'08"E	53.47'
L18	N03°19'09"W	51.95'
L19	N07°47'12"W	65.48'
L20	N12°07'16"W	51.17'
L21	N11°27'25"W	50.00'
L22	N11°27'25"W	222.43'
L23	N22°31'26"W	67.57'
L24	N45°27'00"W	90.98'
L25	N68°18'11"W	90.98'
L26	N89°37'13"W	99.92'
L27	N01°08'03"E	100.04'
L28	N02°04'22"W	80.64'
L29	N30°13'22"W	101.08'
L30	N58°34'44"W	100.76'

LINE TABLE		
NUMBER	BEARING	DISTANCE
L31	N86°01'44"W	79.09'
L32	N88°51'57"W	80.00'
L33	N89°07'40"W	54.09'
L34	S87°40'09"W	76.78'
L35	N88°51'57"W	187.80'
L36	N01°08'03"E	913.07'
L37	S88°51'57"E	178.42'
L38	S70°32'56"E	83.09'
L39	N85°20'06"E	83.10'
L40	N68°37'07"E	32.32'
L41	N39°32'19"E	64.39'
L42	S88°51'57"E	421.79'
L43	S01°08'03"W	291.43'
L44	S19°15'13"E	131.16'
L45	S57°39'16"E	135.34'
L46	N84°09'32"E	134.86'
L47	N54°37'55"E	62.70'
L48	N49°03'31"E	72.24'
L49	N79°07'09"E	59.98'
L50	S80°03'00"E	57.94'
L51	S68°54'50"E	204.28'
L52	S78°45'56"E	138.03'
L53	S89°04'30"E	28.38'
L54	N76°25'50"E	57.00'
L55	N11°11'46"E	260.23'
L56	N67°08'20"E	94.46'
L57	N85°34'22"E	55.20'
L58	S74°38'26"E	192.47'
L59	S76°39'26"E	82.52'
L60	N84°21'42"E	50.07'

LINE TABLE		
NUMBER	BEARING	DISTANCE
L61	N78°31'31"E	82.27'
L62	N61°57'33"E	94.40'
L63	N45°26'42"E	94.40'
L64	N28°54'56"E	94.40'
L65	S88°59'55"E	105.32'
L66	S01°03'08"W	901.37'
L67	S00°56'17"W	2604.97'
L68	S00°53'33"W	546.58'
L69	S76°52'39"W	546.97'
L70	S05°06'23"E	263.99'
L71	N73°24'53"E	50.24'
L72	S18°22'27"E	35.34'
L73	S87°39'59"W	5.93'
L74	N02°56'58"W	50.12'
L75	N87°03'02"E	50.08'
L76	N05°06'23"W	100.35'
L77	N09°33'18"E	51.36'
L78	N05°06'23"W	118.92'
L79	S87°38'06"W	664.80'
L80	N00°49'41"E	720.15'
L81	N89°17'15"W	1327.17'

CURVE TABLE					
NUMBER	RADIUS	DELTA	LENGTH	CHORD	CHORD BEARING
C1	300.00'	16°13'32"	84.96'	84.67'	S27°59'42"W
C2	250.00'	1°01'10"	4.45'	4.45'	S19°28'09"W
C3	507.00'	14°30'12"	128.34'	127.99'	S06°19'04"E
C4	450.00'	24°45'56"	194.51'	193.00'	N01°11'12"W
C5	750.00'	21°59'40"	287.91'	286.14'	N00°11'57"E
C6	895.37'	16°00'38"	250.20'	249.39'	S79°39'40"W



DONALD W. MCINTOSH ASSOCIATES, INC.
 ENGINEERS PLANNERS SURVEYORS
 1950 SUMMIT PARK DRIVE, ORLANDO, FLORIDA 32810 (407) 644-4068
 CERTIFICATE OF AUTHORIZATION NO. LB68

PREPARED FOR:
PULTE HOME CORPORATION

DRAWN BY: <u>RTS</u>	CHECKED BY: <u>RTS</u>	JOB NO. <u>19142</u>	SCALE <u>N/A</u>	SHEET <u>5</u>
DATE: <u>4/2024</u>	DATE: <u>4/2024</u>			OF <u>7</u>

DEL WEBB MINNEOLA
 CDD (PHASES 1 THROUGH 3)

SKETCH OF DESCRIPTION


SEE SHEET 1 FOR KEY MAP
 SEE SHEETS 2 THROUGH 4 FOR SKETCH
 SEE SHEET 5 FOR LINE AND CURVE TABLES
 SEE SHEET 6 FOR LEGAL DESCRIPTION
 SEE SHEET 7 FOR LEGAL DESCRIPTION, NOTES AND LEGEND

DESCRIPTION:

That part of DEL WEBB MINNEOLA PHASE 1, according to the plat thereof, as recorded in Plat Book 81, Pages 1 through 10, of the Public Records of Lake County, Florida and DEL WEBB MINNEOLA PHASE 2, according to the plat thereof, as recorded in Plat Book 81, Pages 76 through 84, of the Public Records of Lake County, Florida, described as follows:

BEGIN at the Southwest corner of said plat of DEL WEBB MINNEOLA PHASE 2; thence run the following courses and distances along the Westerly and Northerly line of said plat of DEL WEBB MINNEOLA PHASE 2: N01°08'03"E, 852.98 feet; S88°51'57"E, 170.00 feet; N01°08'03"E, 2.29 feet; S88°51'57"E, 50.00 feet; N01°08'03"E, 100.00 feet; S88°51'57"E, 503.95 feet; S36°06'27"W, 34.49 feet to the point of curvature of a curve concave Southeasterly having a radius of 300.00 feet and a chord bearing of S27°59'42"W; thence Southwesterly along the arc of said curve through a central angle of 16°13'32" for a distance of 84.96 feet to a non-tangent line; S70°36'03"E, 50.00 feet to a non-tangent curve concave Easterly having a radius of 250.00 feet and a chord bearing of S19°28'09"W; thence Southerly along the arc of said curve through a central angle of 01°01'10" for a distance of 4.45 feet to a non-tangent line; S71°02'26"E, 125.00 feet; N28°50'31"E, 43.94 feet; N36°40'13"E, 102.53 feet; N30°35'19"E, 64.37 feet; N22°24'09"E, 64.37 feet; N14°13'17"E, 64.37 feet; N06°02'21"E, 64.37 feet; N00°37'41"E, 101.44 feet; N01°10'08"E, 53.47 feet; N03°19'09"W, 51.95 feet; N07°47'12"W, 65.48 feet; N12°07'16"W, 51.17 feet; N11°27'25"W, 50.00 feet; thence departing said Northerly line, run N11°27'25"W, 222.43 feet; thence N22°31'26"W, 67.57 feet; thence N45°27'00"W, 90.98 feet; thence N68°18'11"W, 90.98 feet; thence N89°37'13"W, 99.92 feet; thence N01°08'03"E, 100.04 feet; thence N02°04'22"W, 80.64 feet; thence N30°13'22"W, 101.08 feet; thence N58°34'44"W, 100.76 feet; thence N86°01'44"W, 79.09 feet; thence N88°51'57"W, 80.00 feet; thence N89°07'40"W, 54.09 feet; thence S87°40'09"W, 76.78 feet; thence N88°51'57"W, 187.80 feet to the West line of the aforesaid plat of DEL WEBB MINNEOLA PHASE 1; thence N01°08'03"E along said West line, 913.07 feet; thence departing said West line, run S88°51'57"E, 178.42 feet; thence S70°32'56"E, 83.09 feet; thence N85°20'06"E, 83.10 feet; thence N68°37'07"E, 32.32 feet; thence N39°32'19"E, 64.39 feet; thence S88°51'57"E, 421.79 feet; thence S01°08'03"W, 291.43 feet; thence S19°15'13"E, 131.16 feet; thence S57°39'16"E, 135.34 feet; thence N84°09'32"E, 134.86 feet; thence N54°37'55"E, 62.70 feet; thence N49°03'31"E, 72.24 feet; thence N79°07'09"E, 59.98 feet; thence S80°03'00"E, 57.94 feet; thence S68°54'50"E, 204.28 feet; thence S78°45'56"E, 138.03 feet; thence S89°04'30"E, 28.38 feet to a non-tangent curve concave Easterly having a radius of 507.00 feet and a chord bearing of S06°19'04"E; thence Southerly along the arc of said curve through a central angle of 14°30'12" for a distance of 128.34 feet to a non-tangent line; thence N76°25'50"E, 57.00 feet to a non-tangent curve concave Easterly having a radius of 450.00 feet and a chord bearing of N01°11'12"W; thence Northerly along the arc of said curve through a central angle of 24°45'56" for a distance of 194.51 feet to the point of tangency; thence N11°11'46"E, 260.23 feet to the point of curvature of a curve concave Westerly having a radius of 750.00 feet and a chord bearing of N00°11'57"E; thence Northerly along the arc of said curve through a central angle of 21°59'40" for a distance of 287.91 feet to a non-tangent line; thence N67°08'20"E, 94.46 feet; thence N85°34'22"E, 55.20 feet; thence S74°38'26"E, 192.47 feet; thence S76°39'26"E, 82.52 feet; thence N84°21'42"E, 50.07 feet; thence N78°31'31"E, 82.27 feet; thence N61°57'33"E, 94.40 feet; thence N45°26'42"E, 94.40 feet; thence N28°54'56"E, 94.40 feet; thence S88°59'55"E, 105.32 feet to the East line of aforesaid plat of DEL WEBB MINNEOLA PHASE 1; thence S01°03'08"W along said East line, 901.37 feet to the Northeast corner of the Southeast 1/4 of Section 29, Township 21 South, Range 26 East; thence S00°56'17"W along said East line, 2604.97 feet to the Northeast corner of Section 32, Township 21 South, Range 26 East; thence S00°53'33"W along said East line, 546.58 feet to the North line of Tract FD-2, according to said plat of DEL WEBB MINNEOLA PHASE 1; thence departing said East line, run S76°52'39"W along said North line, 546.97 feet to the West line of said Tract FD-2; thence departing said North line, run S05°06'23"E along said West line, 263.99 feet; thence N73°24'53"E along said West line, 50.24 feet; thence S18°22'27"E along said West line, 35.34 feet to the North

LEGAL DESCRIPTION CONTINUES ON SHEET 7

	DONALD W. McINTOSH ASSOCIATES, INC.			PREPARED FOR: PULTE HOME CORPORATION DEL WEBB MINNEOLA CDD (PHASES 1 THROUGH 3)
	ENGINEERS	PLANNERS	SURVEYORS	
1950 SUMMIT PARK DRIVE, ORLANDO, FLORIDA 32810 (407) 644-4068 CERTIFICATE OF AUTHORIZATION NO. LB68				
DRAWN BY: <u>RTS</u>	CHECKED BY: <u>RTS</u>	JOB NO.	SCALE	SHEET <u>6</u>
DATE: <u>4/2024</u>	DATE: <u>4/2024</u>	<u>19142</u>	<u>N/A</u>	OF <u>7</u>

SKETCH OF DESCRIPTION

SEE SHEET 1 FOR KEY MAP
 SEE SHEETS 2 THROUGH 4 FOR SKETCH
 SEE SHEET 5 FOR LINE AND CURVE TABLES
 SEE SHEET 6 FOR LEGAL DESCRIPTION
 SEE SHEET 7 FOR LEGAL DESCRIPTION, NOTES AND LEGEND

LEGAL DESCRIPTION CONTINUED FROM SHEET 6

right-of-way line of County Road 561-A, as recorded in Official Records Book 4891, Page 1575, of the Public Records of Lake County, Florida and a non-tangent curve concave Northerly having a radius of 895.37 feet and a chord bearing of S79°39'40"W; thence departing said West line, run Westerly along said North right-of-way line and the arc of said curve through a central angle of 16°00'38" for a distance of 250.20 feet to the point of tangency; thence S87°39'59"W along said North right-of-way line, 5.93 feet to the East line of Tract FD-1, according to said plat of DEL WEBB MINNEOLA PHASE 1; thence departing said North right-of-way line, run N02°56'58"W along said East line, 50.12 feet; thence N87°03'02"E along said East line, 50.08 feet; thence N05°06'23"W along said East line, 100.35 feet; thence N09°33'18"E along said East line, 51.36 feet; thence N05°06'23"W along said East line, 118.92 feet to the North line of said Tract FD-1; thence departing said East line, run S87°38'06"W along said North line, 664.80 feet to the aforesaid West line of the plat of DEL WEBB MINNEOLA PHASE 1; thence departing said North line, run N00°49'41"E along said West line, 720.15 feet; thence N89°17'15"W along said West line, 1327.17 feet to the POINT OF BEGINNING.

Containing 181.449 acres more or less and being subject to any rights-of-way, restrictions and easements of record.

NOTES:

- This is not a survey.
- Not valid without the original signature and seal, or an original electronic signature of a Florida professional surveyor and mapper.
- Bearings based on the Westerly line of DEL WEBB MINNEOLA PHASE 2, according to the plat thereof, as recorded in Plat Book 81, Pages 76 through 84, of the Public Records of Lake County, Florida, as being N01°08'03"E, per Plat.
- The features and linework shown hereon are relative to National Geodetic Survey control point "LC02" (PID AA1802), Latitude 28°36'11.31522"(N) Longitude 81°41'24.63516"(W) (Northing 1552630.20, Easting 434703.14), Florida State Plane Coordinate System, Florida East Zone, 1983 North American Datum, 2011 adjustment.
- Lands shown hereon were not abstracted for rights-of-way, easements, ownership or other instruments of record by this firm.
- No title opinion or abstract of matters affecting title or boundary to the subject property or those of adjoining land owners have been provided. It is possible there are deeds of record, unrecorded deeds or other instruments which could affect the boundaries or use of the subject property.
- This Sketch of Description does not depict any easements of record that may be within or adjoining the lands described hereon.
- The configuration of this Sketch of Description is based on direction provided by Client.

LEGEND

- L1 LINE NUMBER (SEE TABLE)
- C1 CURVE NUMBER (SEE TABLE)
- CL CENTERLINE
- R/W RIGHT-OF-WAY
- PB PLAT BOOK
- PG(S) PAGE(S)
- PC POINT OF CURVATURE
- PCC POINT OF COMPOUND CURVATURE
- PRC POINT OF REVERSE CURVATURE
- PT POINT OF TANGENCY
- POB POINT OF BEGINNING
- NT NON-TANGENT
- No. NUMBER
- ORB OFFICIAL RECORDS BOOK
- DWMA DONALD W. McINTOSH ASSOCIATES, INC.
- CS# SKETCH NUMBER
- SECTION 29-21-26 SECTION, TOWNSHIP, RANGE



DONALD W. McINTOSH ASSOCIATES, INC.
ENGINEERS PLANNERS SURVEYORS

1950 SUMMIT PARK DRIVE, ORLANDO, FLORIDA 32810 (407) 644-4068
 CERTIFICATE OF AUTHORIZATION NO. LB68

PREPARED FOR:

PULTE HOME CORPORATION

DRAWN BY: <u>RTS</u>	CHECKED BY: <u>RTS</u>	JOB NO. 19142	SCALE N/A	SHEET <u>7</u>
DATE: <u>4/2024</u>	DATE: <u>4/2024</u>			OF <u>7</u>

DEL WEBB MINNEOLA
 CDD (PHASES 1 THROUGH 3)

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

**COPY OF MASTER INDENTURE AND PROPOSED FORM
OF THIRD SUPPLEMENTAL INDENTURE**

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

MASTER TRUST INDENTURE

between

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

Dated as of July 1, 2020

relating to

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

SPECIAL ASSESSMENT REVENUE BONDS

ARTICLE I DEFINITIONS2

ARTICLE II THE BONDS14

 Section 2.01 Amounts and Terms of Bonds; Details of Bonds14

 Section 2.02 Execution15

 Section 2.03 Authentication15

 Section 2.04 Registration and Registrar15

 Section 2.05 Mutilated, Destroyed, Lost or Stolen Bonds15

 Section 2.06 Temporary Bonds16

 Section 2.07 Cancellation and Destruction of Surrendered Bonds16

 Section 2.08 Registration, Transfer and Exchange16

 Section 2.09 Persons Deemed Owners17

 Section 2.10 Limitation on Incurrence of Certain Indebtedness17

 Section 2.11 Qualification for The Depository Trust Company18

ARTICLE III ISSUE OF BONDS20

 Section 3.01 Issue of Bonds20

ARTICLE IV CONSTRUCTION OR ACQUISITION OF PROJECT23

 Section 4.01 Project to Conform to Plans and Specifications; Changes23

 Section 4.02 Compliance Requirements23

ARTICLE V ACQUISITION AND CONSTRUCTION FUND24

 Section 5.01 Acquisition and Construction Fund24

ARTICLE VI SPECIAL ASSESSMENTS; APPLICATION THEREOF TO FUNDS AND ACCOUNTS26

 Section 6.01 Special Assessments; Lien of Indenture on Pledged Revenues26

 Section 6.02 Funds and Accounts Relating to the Bonds26

 Section 6.03 Revenue Fund27

 Section 6.04 Debt Service Fund28

 Section 6.05 Debt Service Reserve Fund30

 Section 6.06 Bond Redemption Fund32

 Section 6.07 Drawings on Credit Facility33

 Section 6.08 Procedure When Funds Are Sufficient to Pay All Bonds of a Series33

 Section 6.09 Certain Moneys to Be Held for Series Bondowners Only33

 Section 6.10 Unclaimed Moneys34

 Section 6.11 Rebate Fund34

ARTICLE VII SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS35

 Section 7.01 Deposits and Security Therefor35

 Section 7.02 Investment or Deposit of Funds35

 Section 7.03 Valuation of Funds36

49853853.3

49853853.3

-i-

ARTICLE VIII REDEMPTION AND PURCHASE OF BONDS37

 Section 8.01 Redemption Dates and Prices37

 Section 8.02 Notice of Redemption and of Purchase38

 Section 8.03 Payment of Redemption Price39

 Section 8.04 Partial Redemption of Bonds40

ARTICLE IX COVENANTS OF THE ISSUER41

 Section 9.01 Power to Issue Bonds and Create Lien41

 Section 9.02 Payment of Principal and Interest on Bonds41

 Section 9.03 Special Assessments; Re-Assessments42

 Section 9.04 Method of Collection42

 Section 9.05 Delinquent Special Assessments42

 Section 9.06 Sale of Tax Certificates and Issuance of Tax Deeds; Foreclosure of Special Assessment Liens43

 Section 9.07 Books and Records with Respect to Special Assessments43

 Section 9.08 Deposit of Special Assessments44

 Section 9.09 Construction to be on District Lands44

 Section 9.10 Operation, Use and Maintenance of Project44

 Section 9.11 Observance of and Compliance with Valid Requirements44

 Section 9.12 Public Liability and Property Damage Insurance; Maintenance of Insurance; Use of Insurance and Condemnation Proceeds44

 Section 9.13 Collection of Insurance Proceeds46

 Section 9.14 Use of Revenues for Authorized Purposes Only46

 Section 9.15 Books and Records47

 Section 9.16 Observance of Accounting Standards47

 Section 9.17 Employment of Certified Public Accountant47

 Section 9.18 Establishment of Fiscal Year, Annual Budget47

 Section 9.19 Employment of Consulting Engineer; Consulting Engineer's Report47

 Section 9.20 Audit Reports48

 Section 9.21 Reserved48

 Section 9.22 Covenant Against Sale or Encumbrance; Exceptions48

 Section 9.23 No Loss of Lien on Pledged Revenue48

 Section 9.24 Compliance With Other Contracts and Agreements49

 Section 9.25 Issuance of Additional Obligations49

 Section 9.26 Extension of Time for Payment of Interest Prohibited49

 Section 9.27 Further Assurances49

 Section 9.28 Use of Bond Proceeds to Comply with Internal Revenue Code49

 Section 9.29 Corporate Existence and Maintenance of Properties49

 Section 9.30 Continuing Disclosure50

ARTICLE X EVENTS OF DEFAULT AND REMEDIES51

 Section 10.01 Events of Default and Remedies51

 Section 10.02 Events of Default Defined51

 Section 10.03 No Acceleration; Redemption52

 Section 10.04 Legal Proceedings by Trustee52

 Section 10.05 Discontinuance of Proceedings by Trustee52

 Section 10.06 Bondholders May Direct Proceedings52

 Section 10.07 Limitations on Actions by Bondholders52

 Section 10.08 Trustee May Enforce Rights Without Possession of Bonds53

 Section 10.09 Remedies Not Exclusive53

 Section 10.10 Delays and Omissions Not to Impair Rights53

 Section 10.11 Application of Moneys in Event of Default53

 Section 10.12 Trustee and Bondholders Entitled to all Remedies under Act54

 Section 10.13 Trustee's Right to Receiver; Compliance with Act54

 Section 10.14 Credit Facility Issuer's Rights Upon Events of Default54

ARTICLE XI THE TRUSTEE; THE PAYING AGENT AND REGISTRAR56

 Section 11.01 Acceptance of Trust56

 Section 11.02 No Responsibility for Recitals56

 Section 11.03 Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence56

 Section 11.04 Compensation and Indemnity57

 Section 11.05 No Duty to Renew Insurance57

 Section 11.06 Notice of Default; Right to Investigate57

 Section 11.07 Obligation to Act on Defaults57

 Section 11.08 Reliance by Trustee58

 Section 11.09 Trustee May Deal in Bonds58

 Section 11.10 Construction of Ambiguous Provisions58

 Section 11.11 Resignation of Trustee58

 Section 11.12 Removal of Trustee58

 Section 11.13 Appointment of Successor Trustee59

 Section 11.14 Qualification of Successor59

 Section 11.15 Instruments of Succession59

 Section 11.16 Merger of Trustee59

 Section 11.17 Extension of Rights and Duties of Trustee to Paying Agent and Registrar59

 Section 11.18 Resignation of Paying Agent or Registrar60

 Section 11.19 Removal of Paying Agent or Registrar60

 Section 11.20 Appointment of Successor Paying Agent or Registrar60

 Section 11.21 Qualifications of Successor Paying Agent or Registrar60

 Section 11.22 Judicial Appointment of Successor Paying Agent or Registrar61

 Section 11.23 Acceptance of Duties by Successor Paying Agent or Registrar61

 Section 11.24 Successor by Merger or Consolidation61

ARTICLE XII ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS62

 Section 12.01 Acts of Bondholders; Evidence of Ownership of Bonds62

ARTICLE XIII AMENDMENTS AND SUPPLEMENTS63

 Section 13.01 Amendments and Supplements Without Bondholders' Consent63

 Section 13.02 Amendments With Bondholders' Consent63

 Section 13.03 Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel64

49853853.3

49853853.3

-ii-

-iii-

ARTICLE XIV DEFEASANCE.....	65
Section 14.01 Defeasance.....	65
Section 14.02 Deposit of Funds for Payment of Bonds.....	65
ARTICLE XV MISCELLANEOUS PROVISIONS.....	67
Section 15.01 Limitations on Recourse.....	67
Section 15.02 Payment Dates.....	67
Section 15.03 No Rights Conferred on Others.....	67
Section 15.04 Illegal Provisions Disregarded.....	67
Section 15.05 Substitute Notice.....	67
Section 15.06 Notices.....	67
Section 15.07 Controlling Law.....	68
Section 15.08 Successors and Assigns.....	68
Section 15.09 Headings for Convenience Only.....	68
Section 15.10 Counterparts.....	69
Section 15.11 Appendices and Exhibits.....	69
Section 15.12 Patriot Act Requirements of Trustee.....	69
Section 15.13 Brokerage Confirmations.....	69

Exhibit A – Acquisition and Construction Fund Requisition

THIS MASTER TRUST INDENTURE, dated as of July 1, 2020 (the “Master Indenture”), by and between HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT (together with its permitted successors and assigns, the “Issuer”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and U.S. BANK NATIONAL ASSOCIATION, a national banking association authorized to accept and execute the trusts herein set forth (said banking association and any bank or trust company becoming successor trustee under this Master Indenture and all Supplemental Indentures (as hereinafter defined) being hereinafter referred to as the “Trustee”);

WITNESSETH:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), and established by Ordinance No. 2019-05 of the City of Minneola, Florida effective on July 2, 2019, for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of public infrastructure and other public facilities within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, the premises governed by the Issuer are located entirely within the boundaries of the City of Minneola, Florida (the “City”) (herein, the “District Lands”); and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure and facilities pursuant to the Act for the special benefit of certain District Lands (as further described within the applicable Supplemental Indenture, each herein defined as the “Project”); and

WHEREAS, the Issuer proposes to finance the cost of acquisition and construction of the Project by the issuance of one or more series of Bonds (as herein defined) pursuant to this Master Indenture.

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH, that to provide for the issuance of Bonds (as hereinafter defined) under this Master Indenture, as supplemented from time to time by one or more Supplemental Indentures (as hereinafter defined), the security and payment of the principal, redemption or purchase price thereof (as the case may be) and interest thereon, any reimbursement due to a Credit Facility Issuer (hereinafter defined), if any, for any drawing on its Credit Facility (hereinafter defined), as required under the terms of the corresponding Credit Facility Agreement (hereinafter defined), the rights of the Owners of the Bonds of a Series (as hereinafter defined) and the performance and observance of all of the covenants contained herein and in said Bonds and in any Credit Facility Agreement for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds of a Series by the Owners thereof, from time to time, the issuance by any Credit Facility Issuer of its Credit Facility, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer hereby assigns, transfers, sets over and pledges to the Trustee and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on

49853853.3

-iv-

49853853.3

1

Bonds of a Series issued hereunder and any reimbursement due to any Credit Facility Issuer for any drawing on its Credit Facility issued with respect to any such Bonds, as required under the terms of the corresponding Credit Facility Agreement, all in the manner hereinafter provided, and in addition, the following terms shall have the meanings specified below:

**ARTICLE I
DEFINITIONS**

In this Master Indenture and any indenture supplemental hereto (except as otherwise expressly provided or unless the context otherwise requires) terms defined in the recitals hereto shall have the same meaning throughout this Master Indenture and all Supplemental Indentures, and in addition, the following terms shall have the meanings specified below:

“Account” shall mean any account established pursuant to this Master Indenture and all Supplemental Indentures.

“Act” shall mean the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended from time to time, and any successor statute thereto.

“Annual Budget” shall mean the Issuer’s budget of current operating and maintenance expenses for the Project for a Fiscal Year, as the same may be amended from time to time, adopted in accordance with the provisions hereof.

“Arbitrage Certificate” shall mean the certificate of the Issuer delivered at the time of issuance of a Series of Bonds setting forth the expectations of the Issuer with respect to the use of the proceeds of such Series and also containing certain covenants of the Issuer in order to achieve compliance with the Code relating to the tax-status of the Bonds.

“Authorized Denomination” shall mean, unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, a denomination of \$5,000 and integral multiples of \$5,000 in excess thereof.

“Beneficial Owner” shall mean the Person treated as the owner of Bonds for federal income tax purposes while the Bonds are registered in the name of Cede & Co., as the nominee of DTC. The Trustee is authorized to recognize the Beneficial Owners of a Series of Bonds for purposes of approvals, consents or other actions taken hereunder or under a Supplemental Indenture if beneficial ownership is proven to the satisfaction of the Trustee.

“Board” shall mean the Board of Supervisors of the Issuer.

“Bond Counsel” shall mean Akerman LLP and any other Counsel of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and their political subdivisions.

“Bondholder,” “Holder of Bonds,” “Holder,” “Bondowner” or “Owner” or any similar term shall mean any Person or Persons who shall be the registered owner of any Outstanding Bond or Bonds, as evidenced on the Bond Register of the Issuer kept by the Registrar.

“Bond Redemption Fund” shall mean the Fund so designated which is established pursuant to Section 6.06 hereof.

“Bond Register” shall have the meaning specified in Section 2.04 of this Master Indenture.

“Bonds” shall mean the Hills of Minneola Community Development District Special Assessment Revenue Bonds, issued in one or more Series pursuant to the provisions of this Master Indenture and Bonds subsequently issued to refund all or a portion of such aforementioned Bonds. If the Issuer determines to issue bond anticipation notes to be secured in whole or in part by a lien on the net proceeds of Bonds to be issued under this Master Indenture, the term “Bonds” shall apply to such short-term notes but only to the extent the Supplemental Indenture relating to such bond anticipation notes so provides.

“Business Day” shall mean any day other than a Saturday or Sunday or legal holiday or a day on which the office of the Issuer, or corporate office of the Trustee, the Registrar or any Paying Agent is closed, or a day on which the New York Stock Exchange is closed.

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

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

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Completion Date” shall have the meaning given to such term in Section 5.01 of this Master Indenture.

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

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

“Consulting Engineer” shall mean the Independent engineer or engineering firm or corporation at the time employed by the issuer under the provisions of Section 9.19 of this Master Indenture to perform and carry out duties imposed on the Consulting Engineer by this Master Indenture and any Supplemental Indentures. The Independent engineer or engineering firm or corporation at the time serving as the engineer to the Issuer may serve as Consulting Engineer under this Master Indenture and any Supplemental Indentures.

49853853.3

2

B-2

49853853.3

3

"Continuing Disclosure Agreement" shall mean a Continuing Disclosure Agreement, of the Issuer, and any other obligated party under the Rule, in connection with the issuance of one or more Series of Bonds hereunder, pursuant to the requirements of the Rule.

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

- (a) expenses of determining the feasibility or practicability of acquisition, construction, or reconstruction of a Project;
- (b) cost of surveys, estimates, plans, and specifications;
- (c) cost of improvements;
- (d) engineering, architectural, fiscal, legal, accounting and other professional and advisory expenses and charges;
- (e) cost of all labor, materials, machinery, and equipment (including, without limitation, (i) amounts payable to contractors, builders and materialmen and costs incident to the award of contracts and (ii) the cost of labor, facilities and services furnished by the Issuer and its employees, materials and supplies purchased by the Issuer and permits and licenses obtained by the Issuer);
- (f) cost of all lands, properties, rights, easements, and franchises acquired;
- (g) financing charges;
- (h) creation of initial reserve and debt service funds;
- (i) working capital;
- (j) interest charges incurred or estimated to be incurred on money borrowed prior to and during construction and acquisition and for such reasonable period of time after completion of construction or acquisition as the Board may determine and as approved by Bond Counsel;
- (k) the cost of issuance of Bonds, including, without limitation, advertisements and printing;
- (l) the cost of any election held pursuant to the Act and all other expenses of issuance of bonds;
- (m) the discount, if any, on the sale or exchange of Bonds;
- (n) amounts required to repay temporary or bond anticipation loans made to finance any costs permitted under the Act;

4

49853853.3

which the entity providing such facility agrees to provide funds to make payment of the principal of and interest on the Bonds. Notwithstanding anything to the contrary contained in this Master Indenture, the Bonds may be issued without a Credit Facility; the decision to provide a Credit Facility in respect of any Bonds shall be within the absolute discretion of the Board.

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

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

"Debt Service Fund" shall mean the Fund so designated which is established pursuant to Section 6.04 hereof.

"Debt Service Requirements," with reference to a specified period, shall mean:

- (a) interest payable on the Bonds during such period, subject to reduction for amounts held as capitalized interest in the Funds and Accounts established under this Master Indenture and any Supplemental Indentures; and
- (b) amounts required to be paid into any mandatory sinking fund account with respect to the Bonds during such period; and
- (c) amounts required to pay the principal of the Bonds maturing during such period and not to be redeemed prior to or at maturity through any sinking fund account.

For any Bonds that bear interest at a variable rate, the interest payable for a specified period shall be determined as if such Bonds bear interest at the maximum rate provided for in the applicable Supplemental Indenture and if no maximum rate is provided for in the Supplemental Indenture, the maximum rate shall be 10.00% per annum.

"Debt Service Reserve Fund" shall mean the Fund so designated which is established pursuant to Section 6.05 hereof.

"Debt Service Reserve Insurance Policy" shall mean the insurance policy, surety bond or other evidence of insurance, if any, deposited to the credit of the Debt Service Reserve Fund or any Account or subaccount therein in lieu of or in partial substitution for cash or securities on deposit therein, which policy, bond or the evidence of insurance constitutes an unconditional senior obligation of the issuer thereof. The issuer thereof shall be a municipal bond insurer whose obligations ranking *pari passu* with its obligations under such policy, bond or other evidence of insurance are rated at the time of deposit of such policy, bond or other evidence of insurance to the credit of the Debt Service Reserve Fund or any Account or subaccount therein in one of the three (3) highest rating categories of either Moody's or S&P, unless otherwise approved by the Credit Facility Issuer, if any, who has issued a Credit Facility with respect to the Bonds.

"Debt Service Reserve Letter of Credit" shall mean the irrevocable, transferable letter or line of credit, if any, deposited for the credit of the Debt Service Reserve Fund or any Account or subaccount therein in lieu of or in partial substitution for cash or securities on deposit therein,

6

49853853.3

(o) costs of prior improvements performed by the Issuer in anticipation of the Project;

(p) costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services, or any other Person, for a default or breach under the corresponding contract, or in connection with any other dispute;

(q) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(r) payments, contributions, dedications, and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any District purpose;

(s) administrative expenses;

(t) taxes, assessments and similar governmental charges during construction or reconstruction of the Project;

(u) expenses of Project management and supervision;

(v) costs of effecting compliance with any and all governmental permits relating to the Project;

(w) such other expenses as may be necessary or incidental to the acquisition, construction, or reconstruction of the Project or to the financing thereof; and

(x) any other "cost" or expense as provided by the Act.

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

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

"County" shall mean Lake County, Florida.

"Credit Facility" shall mean any credit enhancement mechanism such as an irrevocable letter of credit, a surety bond, a policy of municipal bond insurance, a corporate or other guaranty, a purchase agreement, a credit agreement or deficiency agreement or other similar facility applicable to the Bonds, as established pursuant to a Supplemental Indenture, pursuant to

5

49853853.3

which letter or line of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter or line of credit shall be a banking association, bank or trust company or branch thereof whose senior debt obligations ranking *pari passu* with its obligations under such letter or line of credit are rated at the time of deposit of the letter or line of credit to the credit of the Debt Service Reserve Fund or any Account or subaccount therein in one of the two highest rating categories of both Moody's and S&P, unless otherwise approved by the Credit Facility Issuer, if any, who has issued a Credit Facility with respect to the Bonds.

"Debt Service Reserve Requirement" shall mean, for each Series of Bonds, unless a different requirement (which requirement may be \$0) shall be specified in a Supplemental Indenture, an amount equal to the lesser of (i) the maximum annual Debt Service Requirements for the Outstanding Bonds of such Series, (ii) 125% of the average annual Debt Service Requirements for the Outstanding Bonds of such Series, and (iii) 10% of the original proceeds (within the meaning of the Code) of the Bonds of such Series.

"Defeasance Securities" shall mean, to the extent permitted by law, (a) cash or (b) non-callable Government Obligations.

"District Lands" or "District" shall mean the premises governed by the Issuer.

"District Manager" shall mean the then District Manager or acting District Manager of the Issuer.

"Event of Default" shall mean any of the events described in Section 10.02 hereof.

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

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

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

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

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

7

49853853.3

"Indenture" shall mean, with respect to any Series of Bonds, this Master Indenture as supplemented by the Supplemental Indenture pursuant to which such Series of Bonds is issued.

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

"Interest Account" shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

"Interest Payment Date" shall mean, unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, each May 1 and November 1 commencing on the date specified in the Certified Resolution of the Issuer or in the Supplemental Indenture pursuant to which a Series of Bonds is issued.

"Interest Period" shall mean the period from and including any Interest Payment Date to and excluding the next succeeding Interest Payment Date; provided, however, that upon final payment of any Bond at maturity or upon redemption or mandatory purchase, the Interest Period shall extend to, but not include, the date of such final payment.

"Investment Securities" shall mean and include any of the following securities:

- (i) Government Obligations;
- (ii) 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; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;
- (iii) Both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody's and S&P, and (B) shares of money market mutual funds that invest only in the obligations described in (i) and (ii) above;
- (iv) 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

(v) 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 the issuer is permitted under the Indenture and is a legal investment for funds of the Issuer.

"Issuer" shall mean the Hills of Minneola Community Development District.

"Major Non-Recurring Expense" shall mean the cost of major replacement or reconstruction of the Project, or any part thereof, the cost of major repairs, renewals or replacements, the provision of a reserve for the payment of insurance premiums not due on an annual or more frequent basis, and the cost of studies, surveys, estimates and investigations in connection with any of the foregoing.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the applicable Series of Bonds then Outstanding.

"Master Indenture" shall mean, this Master Trust Indenture dated as of July 1, 2020 by and between the Issuer and the Trustee, as amended and or supplemented in accordance with the provisions of Article XIII hereof.

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

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

"Outstanding," in connection with a Series of Bonds, shall mean, as of the time in question, all Bonds of such Series authenticated and delivered under the Indenture, except:

- (a) all Bonds theretofore cancelled or required to be cancelled under Section 2.07 hereof;
- (b) Bonds for the payment, redemption or purchase of which moneys and/or Defeasance Securities, the principal of and interest on which, when due, will provide sufficient moneys to fully pay such Bonds in accordance with Article XIV hereof, shall have been or shall concurrently be deposited with the Trustee; provided that, if such Bonds are being redeemed, the required notice of redemption shall have been given or provision shall have been made therefor,

and that if such Bonds are being purchased, there shall be a firm commitment for the purchase and sale thereof; and

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

In determining whether the Holders of a requisite aggregate principal amount of Bonds Outstanding of a Series have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds of such Series which are known by the Trustee to be held by or on behalf of the Issuer shall be disregarded for the purpose of any such determination, unless all of the Bonds of such Series are held by or on behalf of the Issuer; provided, however, this provision does not affect the right of the Trustee to deal in Bonds as set forth in Section 11.09 hereof.

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

"Paying Agent" shall mean initially, U.S. Bank National Association and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

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

"Pledged Revenues" shall mean, unless otherwise provided by Supplemental Indenture with respect to a Series of Bonds, with respect to each Series of Bonds Outstanding, (a) all revenues received by the Issuer from Special Assessments levied and collected on all or a portion of the District Lands, with respect to the Project or portion thereof financed by such Series of Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Special Assessments or from the issuance and sale of tax certificates with respect to such Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture allocated to such Series of Bonds; provided, however, that Pledged Revenues shall not include any moneys transferred to the Rebate Fund, or investment earnings thereon.

"Prepayment" shall mean the payment by any owner of Property of the amount of Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date.

"Project" shall mean with respect to any Series of Bonds, the design, acquisition, construction equipping and/or improvement of certain public infrastructure and public facilities; and related incidental costs, all as more specifically described in the Supplemental Indenture relating to such Series of Bonds; provided that the Project shall specially benefit all of the District Lands on which Special Assessments to secure such Series of Bonds have been levied.

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

"Property Appraiser and Tax Collector Agreement" shall mean the Property Appraiser and Tax Collector Agreement described in Section 9.04 hereof.

"Rebate Fund" shall mean the Fund so designated, which is established pursuant to Section 6.11 of this Master Indenture.

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

"Redemption Price" shall mean the principal amount of any Bond of a Series plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

"Registrar" shall mean initially U.S. Bank National Association, which entity shall have the responsibilities set forth in Section 2.04 of this Master Indenture, and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

"Regular Record Date" shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

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

"Responsible Officer" shall mean any member of the Board or any other officer of the Issuer, including the Secretary, the District Manager or other person designated by Certified Resolution of the Issuer, a copy of which shall be on file with the Trustee, to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter, and when used with respect to the Trustee, any vice president, assistant vice president, senior associate or other officer of the Trustee within the corporate trust office specified in Section 15.06 (or any successor corporate trust office) having direct responsibility for the administration of this Indenture.

"Revenue Fund" shall mean the Fund so designated which is established pursuant to Section 6.03 hereof.

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

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

"Series" shall mean all of the Bonds authenticated and delivered at one time on original issuance and pursuant to any Certified Resolution of the Issuer authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof and the applicable Supplemental Indenture, regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the Issuer upon original issuance. Two or more Series or sub-Series of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture. As may be provided by subsequent proceedings of the Issuer, one or more Series of Bonds or sub-Series of Bonds, whether issued at the same time or not, may be separately secured by Special Assessments imposed pursuant to separate assessment proceedings. Such Bonds or sub-Series of Bonds which are secured by separate Special Assessments will not be issued as parity bonds even if issued at the same time.

"Series Account" shall mean any Account established as to a particular Series of Bonds.

"Sinking Fund Account" shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

"Special Assessments" shall mean (a) the net proceeds derived from the levy and collection of "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act against District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the net proceeds derived from the levy and collection of "benefit special assessments," as provided for in Section 190.021(2) of the Act, against the lands within the District that are subject to assessment as a result of a particular Project or any portion thereof, and in the case of both "special assessments" and "benefit special assessments," including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" shall not include "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act.

"Special Record Date" shall mean such date as shall be fixed for the payment of defaulted interest on the Bonds in accordance with Section 2.01 hereof.

"State" shall mean the State of Florida.

"Supplemental Indenture" and "indenture supplemental hereto" shall mean any indenture amending or supplementing this Master Indenture which may be entered into in accordance with the provisions of this Master Indenture.

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

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the form of Bond), refer to the entire Master Indenture.

Every "request," "requisition," "order," "demand," "application," "notice," "statement," "certificate," "consent," or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Responsible Officer of the Issuer.

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

[END OF ARTICLE I]

ARTICLE II THE BONDS

Section 2.01 Amounts and Terms of Bonds; Details of Bonds. The Issuer is hereby authorized to issue in one or more Series pursuant to the terms and conditions of this Master Indenture, its obligations to be known as "Hills of Minneola Community Development District Special Assessment Revenue Bonds, Series [to be designated]" (the "Bonds"). The Bonds shall be issued in Authorized Denominations unless otherwise provided in a Supplemental Indenture and within each Series shall be numbered consecutively from R-1 and upwards. All Bonds shall be issued only upon satisfaction of the conditions set forth in Article III hereof; and the Trustee shall, at the Issuer's request, authenticate such Bonds and deliver them as specified in such request.

Each Bond shall be dated, shall have such Interest Payment Dates, shall bear interest from such date or dates and at such rate or rates until the maturity thereof, payable on such Interest Payment Dates, and shall be stated to mature (subject to the right of prior redemption), all as provided in, or pursuant to, a Supplemental Indenture.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Unless otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, the principal of all Bonds shall be payable at the designated corporate trust office of the Paying Agent upon the presentation and surrender of such Bonds as the same shall become due and payable.

Except to the extent otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, interest on any Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register. The Bonds shall bear interest from the Interest Payment Date next preceding the date on which they are authenticated unless authenticated on an Interest Payment Date in which event they shall bear interest from such Interest Payment Date, or unless authenticated before the first Interest Payment Date in which event they shall bear interest from their date; provided, however, that if a Bond is authenticated between a Record Date and the next succeeding Interest Payment Date, such Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Bond interest thereon is in default, such Bond shall bear interest from the date to which interest has been paid or if interest has not been paid then from the Dated Date of the Bonds. Any interest on any Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register on the date of such mailings. The foregoing notwithstanding, but subject to the procedures set forth in Section 2.11 hereof, any Owner of Bonds of a Series in an aggregate

principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by such Bonds on the day before the default occurred.

The Trustee is hereby constituted and appointed as Paying Agent for the Bonds.

Section 2.02 Execution. The Bonds shall be executed by the manual or facsimile signature of the Chairperson or Vice Chairperson of the Issuer, and the corporate seal of the Issuer shall appear thereon (which may be in facsimile) and shall be attested by the manual or facsimile signature of its Secretary or Assistant Secretary. Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee, notwithstanding that one or both of the officers of the Issuer whose signatures appear on such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds.

Section 2.03 Authentication. No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created.

Section 2.04 Registration and Registrar. The Trustee is hereby constituted and appointed as the Registrar for the Bonds. The Registrar shall act as registrar and transfer agent for the Bonds. The Issuer shall cause to be kept at an office of the Registrar a register (herein sometimes referred to as the "Bond Register" or "Register") in which, subject to the provisions set forth in Section 2.08 below and such other regulations as the Issuer and Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and for the registration of transfers and exchanges of such Bonds. The Trustee shall notify the Issuer in writing of the specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept.

Section 2.05 Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond shall become mutilated, the Issuer shall execute and the Trustee shall thereupon authenticate and deliver a new Bond of like Series, tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of such mutilated Bond for cancellation, and the Issuer and the Trustee may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee; and if such evidence shall be satisfactory

to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver a new Bond of like Series, tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee, pay to the Owner the principal amount of and accrued interest on such Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.05 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Master Indenture and applicable Supplemental Indenture equally and proportionately with any and all other Bonds of such same Series duly issued hereunder and under such Supplemental Indenture.

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

Section 2.06 Temporary Bonds. Pending preparation of definitive Bonds, or by agreement with the original purchasers of all Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds of substantially the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds. So long as Cede & Co., or any other nominee of DTC is the registered Owner of the Bonds, the definitive Bonds shall be in typewritten form.

Section 2.07 Cancellation and Destruction of Surrendered Bonds. All Bonds surrendered for payment or redemption and all Bonds surrendered for exchange shall, at the time of such payment, redemption or exchange, be promptly transferred by the Registrar or the Paying Agent to, and cancelled and destroyed by, the Trustee in accordance with its retention policy then in effect.

Section 2.08 Registration, Transfer and Exchange. As provided in Section 2.04 hereof, the Issuer shall cause a Bond Register in respect of the Bonds to be kept at the designated office of the Registrar.

Upon surrender for registration of transfer of any Bond at the designated office of the Registrar, and upon compliance with the conditions for the transfer of Bonds set forth in this Section 2.08, the Issuer shall execute and the Trustee (or Registrar as described in Section 2.03 and Section 2.04 hereof) shall authenticate and deliver, in the name of the designated transferees,

one or more new Bonds of a like aggregate principal amount and of the same Series and maturity.

At the option of the Bondholder, Bonds may be exchanged for other Bonds of a like aggregate principal amount and of the same Series and maturity, upon surrender of the Bonds to be exchanged at any such office of the Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Trustee (or Registrar as described in Section 2.03 and Section 2.04 hereof) shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

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

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

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

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

Section 2.09 Persons Deemed Owners. The Issuer, the Trustee, any Paying Agent, or the Registrar shall deem and treat the person in whose name any Bond is registered as the absolute Owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, any Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal or Redemption Price of and interest on such Bond, and for all other purposes, and the Issuer, the Trustee, any Paying Agent, and the Registrar shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

Section 2.10 Limitation on Incurrence of Certain Indebtedness. The Issuer will not, unless permitted by the applicable Supplemental Indenture, issue Bonds of any Series secured by a parity lien on the same Pledged Revenues pledged to any Series of Outstanding Bonds, provided that the Issuer may enter into agreements with issuers of Credit Facilities which involve liens on Pledged Revenues on a parity with that of the Bonds or portion thereof which is supported by such Credit Facilities.

16

49853853.3

Section 2.11 Qualification for The Depository Trust Company. To the extent provided in a Supplemental Indenture or authorized and directed by a Resolution of the Issuer authorizing the issuance of a Series of Bonds, the Trustee shall be authorized to enter into agreements with The Depository Trust Company, New York, New York ("DTC") and other depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Trustee) by overnight delivery, courier service, telegram, teletype or other similar means of communication.

As long as the Bonds are held in book-entry only form, CFDE & Co., shall be considered the registered owner for all purposes hereof and the Bonds shall not be required to be presented for payment.

So long as there shall be maintained a book-entry-only system with respect to a Series of Bonds, the following provisions shall apply:

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

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

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

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

18

49853853.3

B-6

17

49853853.3

TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO BENEFICIAL OWNERS.

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

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

[END OF ARTICLE II]

19

49853853.3

**ARTICLE III
ISSUE OF BONDS**

Section 3.01 Issue of Bonds. Subject to the provisions of Section 2.01 hereof, the Issuer may issue one or more Series of Bonds hereunder and under Supplemental Indentures from time to time for the purpose of financing the Cost of acquisition or construction of a Project or to refund all or a portion of a Series of Bonds (and to pay the costs of the issuance of such Bonds and to pay the amounts required to be deposited with respect to such Bonds in the Funds and Accounts established under the Indenture). In connection with the issuance of a Series of Bonds the Trustee shall, at the request of the Issuer, authenticate the Bonds and deliver or cause them to be authenticated and delivered, as specified in the request, but only upon receipt of:

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

2) a written opinion or opinions of Counsel to the Issuer, addressed to Trustee substantially to the effect that (a) based on certificate of Issuer Engineer, the Issuer has good right and lawful authority under the Act to undertake any Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body; (b) that the Special Assessment proceedings have been taken in accordance with Florida law and that the Issuer has taken all action necessary to levy and impose the Special Assessments; and (c) that the Special Assessments are legal, valid, and binding liens upon the property against which the Special Assessments are made, coequal with the lien of all state, county, Issuer and municipal ad valorem taxes and superior in priority to all other liens, titles and claims against said property then existing or thereafter created, until paid;

3) for any Series of Bonds issued to finance the Cost of acquisition or construction of a Project, a Consulting Engineer's certificate addressed to the Issuer and the Trustee in connection with the issuance of Bonds any proceeds of which will be used to finance Costs of a Project setting forth the estimated cost of the Project, and in the case of an acquisition by the Issuer of all or a portion of the Project that has been completed, stating, substantially to the effect that in the signer's opinion, (a) that the portion of the Project improvements to be acquired from the proceeds of such Bonds have been completed in accordance with the plans and specifications therefor; (b) the Project improvements are constructed in a sound workmanlike manner and in accordance with industry standards; (c) the purchase price to be paid by the Issuer for the

20

49853853.3

12) in the case of the issuance of a refunding Series of Bonds, a written opinion of Bond Counsel to the effect that the issuance of such Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds issued pursuant to the Indenture (to the extent that upon original issuance thereof such Bonds were issued as Bonds the interest on which is excludable from gross income for federal income tax purposes); and

13) such other documents, certifications and opinions as shall be required by the Supplemental Indenture, by the Participating Underwriter or the initial purchaser of a Series of Bonds or by the Issuer or the Trustee upon advice of counsel.

At the option of the Issuer, any or all of the matters required to be stated in the Certified Resolution described in (1) above may instead be stated in a Supplemental Indenture, duly approved by a Certified Resolution of the Issuer. Execution of a Series of the Bonds by the Issuer and payment of the net purchase price of a Series of Bonds upon their issuance shall be conclusive evidence of satisfaction of conditions precedent, set forth in this Article, as to the Issuer, the Participating Underwriter and/or the initial purchaser of such Series of Bonds.

[END OF ARTICLE III]

22

49853853.3

Project improvements is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual Cost of construction of such improvements; and (d) the plans and specifications for the Project improvements have been approved by all Regulatory Bodies required to approve them or such approval can reasonably be expected to be obtained;

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

5) the proceeds of the sale of such Bonds together with any required equity deposit by any developer entity or any other legally available moneys;

6) any Credit Facility authorized by the Issuer in respect to such Bonds;

7) one or more Certified Resolutions of the Issuer relating to the levy of Special Assessments in respect of the Project, and evidencing that the Issuer has undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect Special Assessments upon the District Lands in an amount sufficient to pay the Debt Service Requirement on the Bonds to be issued;

8) an executed opinion of Bond Counsel;

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

10) a copy of a final judgment of validation and a Certificate of No Appeal with respect to the Bonds that are subject to validation or an opinion of Counsel that the Bonds are not subject to validation;

11) in the case of the issuance of a refunding Series of Bonds, an Officer's Certificate of the Issuer or a report of an accounting or similar firm stating (a) the Bonds to be refunded; (b) any other amounts available for such purpose; (c) that the proceeds of the issue plus the other amounts, if any, stated to be available for the purpose will be sufficient to refund the Bonds to be refunded in accordance with the refunding plan and in compliance with Article XIV of this Master Indenture, including, without limitation, to pay the Costs of issuance of such Bonds, and (d) that notice of redemption, if applicable, of the Bonds to be refunded has been duly given or that provision has been made therefor, as applicable;

21

49853853.3

**ARTICLE IV
CONSTRUCTION OR ACQUISITION OF PROJECT**

Section 4.01 Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete any Project or portion thereof for which any Series of Bonds is being issued in accordance with the plans and specifications therefor, as such plans and specifications may be amended from time to time, and subject to the specific requirements of the Supplemental Indenture for such Series of Bonds.

Section 4.02 Compliance Requirements. The Issuer will comply with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable in fact to any acquisition or construction hereby undertaken and shall obtain all necessary approvals under federal, state and local laws, acts, rules and regulations necessary for the construction or acquisition, completion and operation of any Project or portion thereof for which any Series of Bonds is being issued and shall complete any Project or portion thereof in conformity with such approvals, laws, rules and regulations.

[END OF ARTICLE IV]

23

49853853.3

**ARTICLE V
ACQUISITION AND CONSTRUCTION FUND**

Section 5.01 Acquisition and Construction Fund. The Trustee shall establish an Acquisition and Construction Fund into which shall be deposited the proceeds from each Series of Bonds issued under the Indenture (unless otherwise specified herein or in the applicable Supplemental Indenture for a Series of Bonds) and from which Costs may be paid as set forth herein and in the applicable Supplemental Indenture. Unless otherwise specified in the applicable Supplemental Indenture, a separate Series Account shall be established in the Acquisition and Construction Fund with respect to each Series of Bonds issued hereunder and the proceeds of each Series of Bonds (other than Bonds issued to refund all or a portion of the Bonds) shall be deposited into the corresponding Series Account in the Acquisition and Construction Fund. The amounts in any Series Account of the Acquisition and Construction Fund, until applied as hereinafter provided, shall be held for the security of the Series of Bonds hereunder in respect of which such Series Account was established. Separate subaccounts within any Series Account of the Acquisition and Construction Fund shall be maintained by the Trustee in respect of each Series of Bonds upon request of the Issuer whenever, in the opinion of the Issuer, it is appropriate to have a separate accounting in respect of the Costs of any designated portion of the Project including, but not limited to, a costs of issuance subaccount. Payments shall be made from the appropriate Series Account of the Acquisition and Construction Fund to pay any unpaid Costs of Issuance of the Series of Bonds in question, including without limitation, legal, engineering, and consultants' fees and to pay amounts to be reimbursed to the Issuer for Costs advanced, and thereafter to pay Costs of planning, financing, acquisition, construction, reconstruction, equipping and installation of the Project or portion thereof.

(a) Deposits. In addition to the deposit of amounts received by the Trustee on the date of issuance of each Series of Bonds, the Issuer shall pay or cause to be paid to the Trustee, for deposit into the Series Account of the Acquisition and Construction Fund, as promptly as practicable, the following amounts:

(i) Subject to the provisions of Section 9.22 hereof, payments made to the Issuer from the sale, lease or other disposition of the Project or any portion thereof; and

(ii) Subject to the provisions of Section 9.12 hereof, the balance of insurance proceeds with respect to the loss or destruction of the Project or any portion thereof; and

Amounts in the applicable Series Account of the Acquisition and Construction Fund shall be applied to pay the Cost of the Project or a portion thereof, as applicable, pertaining to the Series of Bonds in question; provided, however, that if any amounts remain in the Series Account of the Acquisition and Construction Fund after the Completion Date (as defined in paragraph (c) below) of the Project or portion thereof pertaining to the Series of Bonds in question, and if such amounts are not reserved for payment of any remaining part of the Cost of the Project, such amounts shall be transferred to the applicable Series Account of the Bond Redemption Fund for application to the redemption of Bonds of the Series to which such proceeds relate, as set forth in Section 6.06 hereof or as otherwise set forth in the applicable Supplemental Indenture.

24

49853853.3

**ARTICLE VI
SPECIAL ASSESSMENTS;
APPLICATION THEREOF TO FUNDS AND ACCOUNTS**

Section 6.01 Special Assessments: Lien of Indenture on Pledged Revenues. The Issuer hereby covenants that it shall levy Special Assessments, and, unless provided otherwise with respect to a Series of Bonds, evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer, pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, to the extent and in the amount necessary to pay the Debt Service Requirement on Bonds issued and Outstanding hereunder.

The Issuer shall within five (5) Business Days of the receipt thereof, pay to the Trustee for deposit in the Series Account of the Revenue Fund established under Section 6.03 hereof all Special Assessments received by the Issuer from the levy thereof on the District Lands subject to assessments for the payment of the related Series of Bonds; provided, however, that amounts received as prepayments of Special Assessments shall be deposited directly into the applicable Series Account within the Bond Redemption Fund established hereunder or in any account thereof established pursuant to the applicable Supplemental Indenture. The Issuer shall notify the Trustee at the time of deposit of any amounts received as prepayments of Special Assessments and shall identify the related Series of Bonds. If necessary, the Issuer shall direct the landowner making such prepayment to specify what Series of Bonds such prepayments relate.

There are hereby pledged for the payment of the principal or Redemption Price of and interest on all Bonds of each Series issued and Outstanding under the Indenture and all reimbursements due to any Credit Facility Issuer for any drawing with respect to such Series of Bonds on its Credit Facility, including, without limitation, interest thereon, as required under the terms of the applicable Credit Facility Agreement, the Pledged Revenues; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Pledged Revenues securing such Series of Bonds, the Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and any Bonds issued on a parity therewith and shall not secure any other Bonds or Series of Bonds. The Pledged Revenues shall immediately be subject to the lien and pledge of the Indenture without any physical delivery hereof or further act; provided, however, that the lien and pledge of the Indenture shall not apply to any moneys transferred by the Trustee to the Rebate Fund. The foregoing notwithstanding, to the extent provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, such Series of Bonds may be made payable from and secured by less than all of the Pledged Revenues, and any one or more of the provisions of this Master Indenture may be made inapplicable to such Series of Bonds, all as more specifically provided in the corresponding Supplemental Indenture; provided, however, that any such provisions shall apply only to the particular Series of Bonds authorized by such Supplemental Indenture and shall not affect in any manner whatsoever any Outstanding Series of Bonds.

Section 6.02 Funds and Accounts Relating to the Bonds. The Funds and Accounts specified in this Article VI shall be established under this Master Indenture and each

26

49853853.3

(b) Disbursements. Unless provided otherwise in a Supplemental Indenture, all payments from the Acquisition and Construction Fund shall be paid in accordance with the provisions of this subsection. Moneys in the appropriate Series Account of the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in this subsection (b). Before any such payment shall be made, the Issuer shall file with the Trustee a fully executed requisition, signed by a Responsible Officer and, except for payments of cost of issuance, a certificate of the Consulting Engineer signed by a Consulting Engineer in the form attached hereto as Exhibit A. Upon receipt of each such requisition and accompanying certificate, the Trustee shall promptly withdraw from the appropriate Series Account of the Acquisition and Construction Fund and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. All requisitions and certificates received by the Trustee pursuant to this Section 5.01 shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the Issuer, the Consulting Engineer, the Owner of any Bonds, and the agents and representatives thereof. The Trustee shall have no duty to verify that the disbursement of funds pursuant to a requisition is for a purpose for which payment may be made hereunder and the Trustee may conclusively rely that a properly signed requisition is, on its face, sufficient to disburse funds from the Acquisition and Construction Account.

(c) Completion of Project. On the date of completion of the Project or if sufficient moneys are retained in the appropriate Series Account of the Acquisition and Construction Fund, to complete the Cost of the Project, in either case, as evidenced by the delivery to the Trustee of a Certificate of the Consulting Engineer and adoption of a resolution by the Board accepting the Project as provided by Section 170.09, Florida Statutes, as amended (the "Completion Date"), the balance in the appropriate Series Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Project shall be transferred by the Trustee to, and deposited in, the applicable Series Account of the Bond Redemption Fund and applied as provided in Section 6.06 hereof and in the applicable Supplemental Indenture.

[END OF ARTICLE V]

25

49853853.3

Supplemental Indenture pursuant to which a Series of Bonds is issued, except as otherwise provided in a Supplemental Indenture, for the benefit of the specific Series of Bonds and any Series issued on a parity therewith and, unless expressly otherwise provided in said Supplemental Indenture, shall not apply to Bonds Outstanding hereunder issued under any other indenture supplemental hereto or if separately secured by separate Special Assessments. Unless provided otherwise by Supplemental Indenture, all moneys, including, without limitation, proceeds of a Series of Bonds, on deposit to the credit of the Funds and Accounts established hereunder and under a Supplemental Indenture (except for moneys transferred to the Rebate Fund) shall be pledged to the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series of Bonds issued hereunder and under such Supplemental Indenture, and any Series issued on a parity therewith.

Section 6.03 Revenue Fund. The Trustee is hereby authorized and directed to establish a Revenue Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder, into which the Trustee shall immediately deposit any and all Special Assessments received from the levy thereof on the District Lands or any portion thereof (other than Prepayments) and any amounts received as the result of any foreclosure, sale of tax certificates or other remedial action for nonpayment of Special Assessments for the payment of the related Series of Bonds and other payments required hereunder or under the applicable Supplemental Indenture (unless such Special Assessments and/or other payments are specifically designated by the Issuer pursuant to a Supplemental Indenture for deposit into the Rebate Fund or any other Fund or Account established hereunder or under a Supplemental Indenture) and each Series Account therein shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall transfer from amounts on deposit in the Series Account in the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority unless other times and/or other priorities are established in a Supplemental Indenture with respect to a Series of Bonds:

FIRST, upon receipt but no later than the Business Day preceding the first May 1 for which there is an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account of the Debt Service Fund to be applied to the payment of interest on the Bonds of a Series due on the next succeeding May 1, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the related Series of Bonds becoming due on the next succeeding May 1, less any amount on deposit in such Series Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day preceding the first November 1 for which there remains an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding November 1, and no later than the Business Day next preceding each November 1 thereafter while Bonds of such Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the Bonds of such Series becoming due on the next succeeding November 1,

27

49853853.3

less any amount on deposit in the applicable Series Interest Account not previously credited;

THIRD, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 or November 1, as designated in the applicable Supplemental Indenture thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Principal Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series maturing on the next succeeding principal payment date, less any amount on deposit in the applicable Series Principal Account not previously credited;

FOURTH, on parity with the payments provided in THIRD above, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 or November 1, as so designated in the applicable Supplemental Indenture thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series subject to mandatory sinking fund redemption on the next succeeding mandatory sinking fund redemption date, less any amount on deposit in the applicable Series Sinking Fund Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Account of the Debt Service Reserve Fund, if any, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement;

SIXTH, subject to the following paragraph, the balance of any moneys remaining in a Series Account of the Revenue Fund after making the foregoing deposits shall, subject to application as provided by one or more Supplemental Indentures, remain therein, unless pursuant to any Arbitrage Certificate it is necessary to make a deposit in the Rebate Fund, in which case, the Issuer shall direct the Trustee to make such deposit thereto.

Unless otherwise provided in the applicable Supplemental Indenture, the Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the direction of the Issuer, withdraw any moneys held for the credit of the Revenue Fund on November 2nd of such year which are not otherwise required to be deposited pursuant to this Section and deposit such moneys as directed to the credit of the applicable Series Account of the Bond Redemption Fund in accordance with the provisions hereof. Notwithstanding the foregoing, if pursuant to any Arbitrage Certificate it is necessary to make a deposit in the Rebate Fund, the Issuer shall direct the Trustee to make such deposit thereto. Prepayments pledged to a particular Series of Bonds shall be deposited directly into the applicable Series Account of the Bond Redemption Fund as provided herein.

Section 6.04 Debt Service Fund. The Trustee is hereby authorized and directed to establish a Debt Service Fund which shall consist of amounts deposited therein by the Trustee

28

49853853.3

Issuer may present to the Trustee Bonds of such Series purchased by the Issuer pursuant to subparagraph (a) above and furnished for such purposes; provided, however, that no Bonds of such Series so purchased shall be credited towards the Debt Service Requirements in respect of the mandatory redemption of Bonds of such Series for which notice of redemption has been given pursuant to Section 8.02 of this Master Indenture. Any Bond so purchased shall be presented to the Trustee for cancellation. In such event, the Debt Service Requirements with respect to the Bonds of a Series for the period in which the purchased Bonds are presented to the Trustee shall, for all purposes hereunder, be reduced by an amount equal to the aggregate principal amount of any such Bonds so presented.

Section 6.05 Debt Service Reserve Fund. The Trustee is hereby authorized and directed to establish a Debt Service Reserve Fund and, if applicable, pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder. The Debt Service Reserve Fund and each Series Account therein shall be held by the Trustee solely for the benefit of each related Series of Bonds or sub-Series, as determined by the applicable Supplemental Indenture and as may be applied pursuant to Sections 10.11 and 11.04 hereof; provided, however, that notwithstanding anything to the contrary contained in this Master Indenture, the Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Fund is not applicable and no account therein shall secure such Series of Bonds. The Debt Service Reserve Fund and each Series Account therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, on the date of issuance and delivery of a Series of Bonds an amount of Bond proceeds or equity equal to the Debt Service Reserve Requirement in respect of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds, shall be deposited in the related Series Account of the Debt Service Reserve Fund. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, and as long as there exists no default under the Indenture and the amount in the Series Account of the Debt Service Reserve Fund is not reduced below the then applicable Debt Service Reserve Requirement with respect to such Series of Bonds, earnings on investments in the Series Account of the Debt Service Reserve Fund shall, prior to the Completion Date of a Project, be transferred to the applicable Acquisition and Construction Account of the Acquisition and Construction Fund, and after the Completion Date, shall be transferred to the related Series Account of the Revenue Fund. Otherwise, earnings on investments in each Series Account of the Debt Service Reserve Fund shall be retained therein until applied as set forth herein. If made applicable in a Supplemental Indenture, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement as a result of an optional prepayment by the owner of a lot or parcel of land of Special Assessments against such lot or parcel or a mandatory true-up payment, which Special Assessments are pledged for the payment and security of such Series of Bonds, the excess amount shall, as directed by the terms of the applicable Supplemental Indenture, be transferred from the Series Account or Subaccount of the Debt Service Reserve Fund to the applicable Series Account of the Bond Redemption Fund established for such Series of Bonds and shall constitute a credit against such optional prepayment or true-up payment. If made applicable in the Supplemental Indenture with respect to a Series of Bonds, in the event that the amount in a Series Account of the Debt Service

30

49853853.3

and any other amounts the Issuer may pay to the Trustee for deposit therein with respect to the related Series of Bonds. The Debt Service Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall establish within the Debt Service Fund pursuant to a Supplemental Indenture, a Series Principal Account, a Series Interest Account and, if applicable, a Series Sinking Fund Account for each Series of Bonds and a Series Capitalized Interest Account, which accounts shall be separate and apart from all other Funds and Accounts established under the Indenture and from all other moneys of the Trustee.

The Trustee at all times shall make available to any Paying Agent the funds in the Series Principal Account and the Series Interest Account of the Debt Service Fund to pay the principal of the applicable Series of Bonds as they mature upon surrender thereof and the interest on the applicable Series of Bonds as it becomes payable, respectively. When a Series of Bonds is redeemed, the amount, if any, in the Debt Service Fund representing interest thereon shall be applied to the payment of accrued interest in connection with such redemption.

The Trustee shall apply moneys in the Series Sinking Fund Account in the Debt Service Fund for purchase or redemption of the applicable Series of Bonds in amounts and maturities set forth in the Supplemental Indenture. Whenever Bonds of a Series are to be purchased out of such Series Sinking Fund Account, if the Issuer shall notify the Trustee that the Issuer wishes to arrange for such purchase, the Trustee shall comply with the Issuer's arrangements provided they conform to the Indenture.

Except to the extent otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, purchases and redemptions out of the Series Sinking Fund Account shall be made as follows:

(a) The Trustee shall apply the amounts required to be transferred to the Series Sinking Fund Account (less any moneys applied to the purchase of Bonds of the applicable Series pursuant to the next sentence hereof) on the mandatory sinking fund redemption date in each of the years set forth in the Supplemental Indenture to the redemption of Bonds of the related Series in the amounts, manner and maturities and on the dates set forth in the Supplemental Indenture, at a Redemption Price of 100% of the principal amount thereof. At the written direction of the Issuer, the Trustee shall apply moneys from time to time available in the Series Sinking Fund Account to the purchase of Bonds of the applicable Series at prices not higher than the principal amount thereof, in lieu of redemption as aforesaid, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given. In the event of purchases at less than the principal amount thereof, the difference between the amount in the Series Sinking Fund Account representing the principal amount of the Bonds so purchased and the purchase price thereof (exclusive of accrued interest) shall be transferred to the related Series Interest Account of the Debt Service Fund.

(b) Accrued interest on purchased or redeemed Bonds of a Series shall be paid from the related Series Interest Account of the Debt Service Fund.

(c) In lieu of paying the Debt Service Requirements necessary to allow any mandatory redemption of Bonds of a Series from the related Series Sinking Fund Account, the

29

49853853.3

Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement for any other reason, the excess amount shall, as directed by the terms of the applicable Supplemental Indenture, be transferred from the Series Account of the Debt Service Reserve Fund to the applicable Series Account or Subaccount as provided in the Supplemental Indenture.

Whenever for any reason on an Interest Payment Date, principal payment date or mandatory redemption date with respect to a related Series of Bonds secured by a Series Account of the Debt Service Reserve Fund the amount in the related Series Interest Account, the related Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on such Series of Bonds therefrom on such payment dates, the Trustee shall, without further instructions but subject to contrary direction by the Majority Owners of the Bonds to which such Series Account of the Debt Service Reserve Fund relates, transfer the amount of any such deficiency from the related Series Account of the Debt Service Reserve Fund into the related Series Interest Account, the related Series Principal Account and the related Series Sinking Fund Account, as the case may be, with priority to the related Series Interest Account and then, proportionately according to the respective deficiencies therein, to the related Series Principal Account and the related Series Sinking Fund Account, to be applied to pay the Series of Bonds secured by the Series Account of the Debt Service Reserve Fund.

Notwithstanding the foregoing, in lieu of the required deposits into the related Series Account of the Debt Service Reserve Fund, the Issuer may cause to be deposited into the Series Account of the Debt Service Reserve Fund a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, either in lieu of any cash amount required to be deposited therein in connection with the issuance of any Series of Bonds or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Series Account of the Debt Service Reserve Fund, which Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date or principal payment date on which a deficiency exists which cannot be remedied by moneys in any other Fund or Account held pursuant to the Indenture and available for such purpose. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if any such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit is substituted for moneys on deposit in the Series Account of the Debt Service Reserve Fund, or if at any time there are excess moneys in the Series Account of the Debt Service Reserve Fund, the excess moneys in the Series Account of the Debt Service Reserve Fund shall be transferred to and deposited in the related Series Account or Subaccount of the Revenue Fund. If a disbursement is made from a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, the Issuer shall be obligated to either reinstate the maximum limits of such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit immediately following such disbursement or to deposit into the Series Account of the Debt Service Reserve Fund, as provided in the Indenture for restoration of withdrawals from the Series Account of the Debt Service Reserve Fund, funds in the amount of the disbursement made under such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

31

49853853.3

In the event that upon the occurrence of any deficiency in a Series Interest Account, a Series Principal Account or a Series Sinking Fund Account, if the Series Account of the Debt Service Reserve Fund is then funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, the Trustee shall, on an Interest Payment Date or principal payment date or mandatory redemption date to which such deficiency relates, draw upon the Debt Service Reserve Letter of Credit or cause to be paid under the Debt Service Reserve Insurance Policy an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, and any corresponding reimbursement or other agreement governing the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy; provided, however, that if at the time of such deficiency the Series Account of the Debt Service Reserve Fund is only partially funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, prior to drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, the Trustee shall first apply any cash and securities on deposit in the Series Account of the Debt Service Reserve Fund to remedy the deficiency in accordance with the second paragraph of this Section 6.05 and, if after such application a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as provided in this sentence. Amounts drawn on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, shall be applied as set forth in the second paragraph of this Section 6.05. Any amounts drawn under a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy.

Section 6.06 Bond Redemption Fund. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, the Trustee is hereby authorized and directed to establish a Bond Redemption Fund and pursuant to a Supplemental Indenture a Series Account within the Bond Redemption Fund for each Series of Bonds issued hereunder into which shall be deposited, moneys in the amounts and at the times provided in Sections 5.01, 6.01, 6.03, 6.05 and 9.12(c) of this Master Indenture. The Series Account within the Bond Redemption Fund shall constitute an irrevocable trust fund to be applied solely as set forth in the applicable Supplemental Indenture and shall be held by the Trustee separate and apart from all other Funds and Accounts held under such Indenture and from all other moneys of the Trustee. All earnings on investments held in the Series Account within the Bond Redemption Fund shall be retained therein and applied as set forth below.

Moneys in the Series Account within the Bond Redemption Fund (including all earnings on investments held in the Series Account within the Bond Redemption Fund) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, (except for amounts resulting from prepayments of Special Assessments, which shall be applied as provided in the next paragraph) make such deposits into the Rebate Fund created and established under this Master Indenture as the Issuer may direct in accordance with an arbitrage rebate agreement, such moneys thereupon to be used solely for the purposes specified in said arbitrage rebate agreement. Any moneys so

32

49853853.3

Trustee for the benefit of the Holders of, and Credit Facility Issuer with respect to, Bonds of that Series only.

Section 6.10 Unclaimed Moneys. In the event any Bond shall not be presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Trustee in default with respect to any covenant in this Master Indenture, any Supplemental Indenture or the Bonds contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, shall, if so directed by the Issuer, at the expense of the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

Section 6.11 Rebate Fund. The Trustee is hereby authorized and directed to establish a Rebate Fund. Unless provided otherwise in a Supplemental Indenture, the Trustee shall transfer monies from the applicable Series Account in the Revenue Fund and deposit the same to the Rebate Fund, and shall make payments therefrom at the times and in the amounts required to comply with the covenants in the applicable Arbitrage Certificate, as directed by the Issuer in writing. If so directed by the Issuer in writing, the Trustee shall create one or more Series Accounts within the Rebate Fund relating to one or more particular Series of Bonds.

[END OF ARTICLE VI]

34

49853853.3

transferred from the Series Account within the Bond Redemption Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the related Indenture;

SECOND, to be used to call for redemption pursuant to clause (b) of Section 8.01 hereof an amount of Bonds of the applicable Series equal to the amount of money transferred to the Series Account within the Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the direction of a Responsible Officer, to call for redemption on each Interest Payment Date or other date on which Bonds of the applicable Series are subject to optional redemption pursuant to Section 8.01(a) hereof such amount of Bonds of the applicable Series taking into account any redemption premium, as may be practicable; provided, however, that not less than Five Thousand Dollars (\$5,000) principal amount of Bonds of the applicable Series shall be called for redemption at one time.

Any such redemption shall be made in accordance with the provisions of Article VIII of this Master Indenture and the applicable provisions of the related Supplemental Indenture. The Issuer shall pay all expenses in connection with such redemption.

Section 6.07 Drawings on Credit Facility. With respect to Bonds in respect of which there has been issued a Credit Facility, the Trustee shall draw on the Credit Facility, in accordance with the provisions for drawing under such Credit Facility, and within the requisite time period, all as set forth in the Credit Facility Agreement or the Supplemental Indenture.

Section 6.08 Procedure When Funds Are Sufficient to Pay All Bonds of a Series. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if at any time the moneys held by the Trustee in the Funds (other than the moneys in the Rebate Fund) and Accounts hereunder and under a Supplemental Indenture and available therefor are sufficient to pay the principal or Redemption Price of, as the case may be, and interest on all Bonds of a Series then Outstanding under such Indenture to maturity or prior redemption, together with any amounts due the Issuer and the Trustee, Paying Agent, Registrar and Credit Facility Issuer, if any, the Trustee, at the direction of the Issuer, shall apply the amounts in the Series Funds and Series Accounts to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further Pledged Revenues with respect to such Series of Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

Section 6.09 Certain Moneys to Be Held for Series Bondowners Only. Each Series of Bonds issued pursuant to this Master Indenture and the related Supplemental Indenture shall be secured by Pledged Revenues, as set forth herein, and otherwise may be secured by such additional Funds and Accounts and other security (including, but not limited to, Credit Facilities) established by the pertinent Supplemental Indenture. Moneys and investments in the various Funds and Accounts created under a Supplemental Indenture expressly and solely for the benefit of the Series of Bonds issued under such Supplemental Indenture shall be held in trust by the

33

49853853.3

ARTICLE VII SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

Section 7.01 Deposits and Security Therefor. Unless otherwise as provided in the Supplemental Indenture with respect to a Series of Bonds, all moneys received by the Trustee under a Supplemental Indenture for deposit in any Fund or Account established under this Master Indenture or such Supplemental Indenture shall be considered trust funds, shall not be subject to lien or attachment, except for the lien created by this Master Indenture and the related Supplemental Indenture, and shall be deposited with the Trustee, until or unless invested or deposited as provided in Section 7.02 hereof. All deposits of moneys received by the Trustee under this Master Indenture or such Supplemental Indenture (whether original deposits under this Section 7.01 unless such deposits are of a type referenced in section (iii) of the definition of Investment Securities or deposits or redemptions in time accounts under Section 7.02) shall, to the extent not insured, and to the extent permitted by law, be fully secured as to both principal and interest earned, by Investment Securities of the types set forth in the definition of Investment Securities and the provisions thereof. If at any time the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC Savings Association Insurance Fund). All deposits in any other depository in excess of the amount covered by insurance (whether under this Section 7.01 or Section 7.02 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest earned, in the same manner as required herein for deposits with the Trustee. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

Section 7.02 Investment or Deposit of Funds. Except to the extent otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in the Series Accounts in the Debt Service Fund and any Series Account within the Bond Redemption Fund created under any Supplemental Indenture only in Government Obligations and securities described in subparagraphs (ii), (iv), (v), (vi), (vii) or (xi) of the definition of Investment Securities. Except to the extent otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account of the Debt Service Reserve Fund in Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth herein. All securities securing investments under this Section shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to Section 6.05 of this Master Indenture and unless

35

49853853.3

otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, any interest and other income so received shall be deposited in the related Series Account of the Revenue Fund. Upon request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, except as provided hereinafter. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

Absent specific instructions as aforesaid, or absent a standing written direction from the Issuer for the investment of such moneys, then the Trustee shall hold such moneys uninvested and shall not be responsible or liable for keeping the moneys invested. The Trustee shall not be liable or responsible for any loss or entitled to any gain resulting from any investment or sale upon the investment instructions of the Issuer or otherwise, including that set forth in the first sentence of this paragraph. The Trustee may conclusively rely upon the Issuer's written instructions as to both the suitability and legality of all investments directed hereunder or under any Supplemental Indenture. Ratings of investments shall be determined by the Issuer at the time of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Trustee may make any investments permitted by the provisions of this section through its own bond department or investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. Confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 7.03 Valuation of Funds. The Trustee shall value the assets in each of the Funds and Accounts established hereunder or under any Supplemental Indenture 45 days prior to each Interest Payment Date, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the Issuer a report of the status of each Fund and Account as of the valuation date. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof, subject to Section 7.02 hereof. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder or under any Supplemental Indenture, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the redemption price thereof, to the extent that any such obligation is then redeemable at the option of the holder.

[END OF ARTICLE VII]

36

49853853.3

thereof plus accrued interest to the redemption date, in the years and amounts set forth in a Supplemental Indenture.

In connection with such mandatory sinking fund redemption of Bonds, amounts shall be transferred from the applicable Series Account of the Revenue Fund to the Series Sinking Fund Account of the Debt Service Fund, all as more particularly described in Section 6.03 hereof.

The principal amounts of scheduled Sinking Fund Installments shall be reduced as specified by the Issuer or as provided in Section 8.04 hereof by any principal amounts of the Bonds redeemed pursuant to Section 8.01(a) and (b) hereof or purchased pursuant to Section 6.04 hereof.

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

Section 8.02 Notice of Redemption and of Purchase. Except where otherwise required by a Supplemental Indenture, when required to redeem or purchase Bonds of a Series under any provision of the related Indenture or directed to do so by the Issuer, the Trustee shall cause notice thereof, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with this Section 8.02. The Issuer shall, when it is directing the Trustee to mail such notice, provide written direction to the Trustee at least sixty (60) days (unless the Trustee agrees to a shorter period) prior to the date on which the Trustee is required to send notice hereunder. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;

38

49853853.3

ARTICLE VIII REDEMPTION AND PURCHASE OF BONDS

Section 8.01 Redemption Dates and Prices. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, the Bonds of a Series may be made subject to optional, mandatory and extraordinary redemption and purchase, either in whole or in part, by the Issuer, prior to maturity in the amounts, at the times and in the manner provided in this Article VIII and in the related Supplemental Indenture.

(a) Optional Redemption. Bonds of a Series may be subject to optional redemption at the direction of the Issuer, at the times and upon payment of the purchase price as provided in the related Supplemental Indenture.

(b) Extraordinary Mandatory Redemption in Whole or in Part. Except as otherwise provided in a Supplemental Indenture with respect to Bonds of the related Series, Bonds of a Series are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the related Series Account within the Bond Redemption Fund following the prepayment of Special Assessments on any portion of the District Lands; (ii) when sufficient moneys are on deposit in the related Series Funds and Accounts (other than moneys in the Rebate Fund and any other excluded Fund or Account as provided in a Supplemental Indenture with respect to a Series of Bonds) to pay and redeem all Outstanding Bonds of a Series and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the related Indenture; (iii) if made applicable in the Supplemental Indenture with respect to a Series of Bonds, from moneys in excess of the Debt Service Reserve Requirement for a Series of Bonds in the applicable Series Account of the Debt Service Reserve Fund transferred to the Series Account within the Bond Redemption Fund pursuant to Section 6.05 hereof; (iv) from excess moneys transferred from the Series Account of the Revenue Fund to the Series Account within the Bond Redemption Fund in accordance with Section 6.03 of this Master Indenture; (v) if the following is made applicable by the terms of a Supplemental Indenture, from moneys, if any, on deposit in the Series Account within the Bond Redemption Fund pursuant to Section 9.12(c) hereof following condemnation or the sale of any portion of the District Lands benefited by a Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to Section 9.12(c) to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or (vi) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with Section 5.01(c) hereof.

(c) Mandatory Sinking Fund Redemption. Bonds of a Series may be subject to mandatory sinking fund redemption at a Redemption Price of 100% of the principal amount

37

49853853.3

(d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;

(e) that on the redemption or purchase date the Redemption Price or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; and

(f) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee.

If at the time of mailing of notice of an optional redemption or purchase, the Issuer shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that the redemption is conditional and is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed randomly from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

The notices required to be given by this Section 8.02 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Bonds.

Section 8.03 Payment of Redemption Price. If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all Bonds called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Bonds of a Series so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the related Indenture and shall not be deemed to be Outstanding under the provisions of the related Indenture.

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or Paying Agent to or upon the order of the Owners of the Bonds called for redemption

39

49853853.3

upon surrender of such Bonds. The Redemption Price of the Bonds to be redeemed, the expenses of giving notice and any other expenses of redemption, shall be paid out of the Fund from which redemption is to be made or by the Issuer, or as specified in a Supplemental Indenture.

Section 8.04 Partial Redemption of Bonds. Except to the extent otherwise provided in a Supplemental Indenture, if less than all of a Series of Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of the Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(a), such redemption shall be effectuated by redeeming Bonds of such Series of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of Section 8.01 hereof. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(b), such redemption shall be effectuated by redeeming Bonds of such Series pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds of such Series to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds of such Series outstanding immediately prior to the redemption date.

[END OF ARTICLE VIII]

ARTICLE IX COVENANTS OF THE ISSUER

Section 9.01 Power to Issue Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Bonds, to adopt and execute this Master Indenture and to pledge the Pledged Revenues for the benefit of the Bonds of a Series and any Credit Facility Issuer, except to the extent otherwise provided in a Supplemental Indenture. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Bonds of a Series and any Credit Facility Issuer with respect to such Series. The Bonds and the provisions of this Master Indenture and any Supplemental Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by this Master Indenture and any Supplemental Indenture and all the rights of the Bondholders and any Credit Facility Issuer under this Master Indenture and any Supplemental Indenture against all claims and demands of all other Persons whomsoever.

Section 9.02 Payment of Principal and Interest on Bonds. The payment of the principal or Redemption Price of and interest on all of the Bonds of a Series issued under the related Indenture shall be secured forthwith equally and ratably by a first lien on and pledge of the Pledged Revenues, except to the extent otherwise provided in a Supplemental Indenture; and Pledged Revenues in an amount sufficient to pay the principal or Redemption Price of and interest on the Bonds of a Series authorized by the related Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Bonds of a Series authorized under the related Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the Pledged Revenues.

THE BONDS AUTHORIZED UNDER THIS MASTER INDENTURE AND THE RELATED SUPPLEMENTAL INDENTURE AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, INCLUDING, WITHOUT LIMITATION, THE PROJECT OR ANY PORTION THEREOF IN RESPECT OF WHICH ANY SUCH BONDS ARE BEING ISSUED, OR ANY PART THEREOF, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES AS SET FORTH IN THIS MASTER INDENTURE AND ANY SUPPLEMENTAL INDENTURE. NOTHING IN THE BONDS AUTHORIZED UNDER THIS MASTER INDENTURE AND ANY SUPPLEMENTAL INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

40

49853853.3

Section 9.03 Special Assessments; Re-Assessments

(a) The Issuer shall levy Special Assessments, and, unless the Issuer collects the Special Assessments directly under the conditions set forth herein, evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, and Section 9.04 hereof, to the extent and in an amount sufficient to pay Debt Service Requirements on all Outstanding Bonds.

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

Section 9.04 Method of Collection. Unless otherwise provided in the applicable Supplemental Indenture, Special Assessments shall be collected by the Issuer in accordance with the provisions of the Act and Chapter 197, Florida Statutes, or any successor statutes thereto, as applicable, in accordance with the terms of this Section. Except as stated in the next succeeding sentence, the Issuer shall use the uniform method for the levy, collection and enforcement of Special Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes thereto (the "Uniform Method"), and to do all things necessary to continue to use the Uniform Method or a comparable alternative method afforded by Section 197.3631, Florida Statutes. Notwithstanding the foregoing, the Issuer shall not use the Uniform Method to collect Special Assessments levied against District Lands should the District determine that another method of collection is in the best interest of the District. The Issuer shall enter into or maintain in effect one or more written agreements with the Property Appraiser and the Tax Collector, either individually or jointly (together, the "Property Appraiser and Tax Collector Agreement") in order to effectuate the provisions of this Section. The Issuer shall ensure that any such Property Appraiser and Tax Collector Agreement remains in effect for at least as long as the final maturity of Bonds Outstanding under this Indenture. To the extent that the Issuer is legally prevented from collecting Special Assessments pursuant to the Uniform Method, is not required to collect Special Assessments pursuant to the Uniform Method in accordance with the provisions of this Section 9.04 or the Board determines that using the Uniform Method is not in the best interest of the District, the Issuer shall then collect and enforce Special Assessments pursuant to any available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto.

Section 9.05 Delinquent Special Assessments. Subject to the provisions of Section 9.04 hereof, if the owner of any lot or parcel of land assessed for a particular Project shall be

42

49853853.3

41

49853853.3

delinquent in the payment of any Special Assessment, then such Special Assessment shall be enforced pursuant to the provisions of Chapter 197, Florida Statutes, or any successor statute thereto, including but not limited to the sale of tax certificates and tax deeds as regards such delinquent Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, and any provisions of the Act with respect to such sale are inapplicable by operation of law, then upon the delinquency of any Special Assessment the Issuer shall, to the extent permitted by law, utilize any other method of enforcement, including, without limitation, declaring the entire unpaid balance of such Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

Section 9.06 Sale of Tax Certificates and Issuance of Tax Deeds; Foreclosure of Special Assessment Liens. If the Special Assessments levied and collected under the Uniform Method described in Section 9.04 are delinquent, then the applicable procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes and related statutes. Alternatively, if the Uniform Method is not utilized, and if any property shall be offered for sale for the nonpayment of any Special Assessment, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Special Assessment (principal, interest, penalties and costs, plus attorneys fees, if any), the property may then be purchased by the Issuer, to the extent the Issuer has available funds, for an amount equal to the balance due on the Special Assessment (principal, interest, penalties and costs, plus attorneys fees, if any), and the Issuer shall thereupon receive in its corporate name or in a special purpose entity created by the District, the title to the property for the benefit of the Registered Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, shall have the power and shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the related Series Account of the Revenue Fund. Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as herein provided, the Issuer shall cause written notice thereof to be mailed to the Trustee of the Series of Bonds secured by such delinquent Special Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to such Trustee. The Issuer, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for sale of property acquired by it as trustee for the Registered Owners within thirty (30) days after the receipt of the request therefor signed by the Registered Owners of at least fifty percent (50%) of the aggregate principal amount of all Outstanding Bonds of the Series payable from Special Assessments assessed on such property. If directed by the Beneficial Owners of a majority of the Bonds Outstanding or if the Trustee or the Issuer shall so elect, the Issuer and the Trustee may place title of property received upon foreclosure or deed in lieu of foreclosure into a special purpose entity controlled by the Trustee or such other entity acceptable to the Beneficial Owners of a majority of the Bonds of a Series so effected by such foreclosure, for the benefit of the Registered Owners.

Section 9.07 Books and Records with Respect to Special Assessments. In addition to the books and records required to be kept by the Issuer pursuant to the provisions of Section 9.15 hereof, the Issuer shall keep books and records for the collection of the Special Assessments on

43

49853853.3

the District Lands, which such books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. The District Manager or the District Manager's designee, at the end of each Fiscal Year, shall prepare a written report setting forth the collections received, the number and amount of delinquencies, the proceedings taken to enforce collections and cure delinquencies and an estimate of time for the conclusion of such legal proceedings.

Section 9.08 Deposit of Special Assessments. The Issuer covenants to cause any Special Assessments collected or otherwise received by it to be deposited with the Trustee within five (5) Business Days after receipt thereof for deposit into the related Series Account of the Revenue Fund (except that amounts received as prepayments of Special Assessments shall be designated by the Issuer as such upon delivery to the Trustee and shall be deposited directly into the related Series Account within the Bond Redemption Fund).

Section 9.09 Construction to be on District Lands. Except for certain off-site improvements which are or may be outside the District Lands and are required in order for the District Lands to be developed, the Issuer covenants that no part of the Project will be constructed on, over or under lands other than (i) lands good and marketable title to which is owned by the Issuer or other appropriate entity in fee simple, (ii) lands on, over or under which the Issuer or other appropriate entity shall have acquired perpetual easements for the purposes of the Project, or (iii) lands, including public streets and highways, the right to the use and occupancy of which for such purposes shall be vested in the Issuer or other appropriate entity by law or by valid franchises, licenses, easements or rights of way or other legally effective permissions or approval.

Section 9.10 Operation, Use and Maintenance of Project. The Issuer shall establish and enforce reasonable rules and regulations governing the use of the Project owned by the Issuer, and the operation thereof, such rules and regulations to be adopted in accordance with the Act, and the Issuer shall operate, use and maintain the Project owned by the Issuer in accordance with the Act and all other applicable federal and State laws, rules and regulations; the Issuer shall maintain and operate the Project owned by the Issuer in an efficient and economical manner, shall at all times maintain the same in good repair and in sound operating condition and shall make all necessary repairs, renewals and replacements.

Section 9.11 Observance of and Compliance with Valid Requirements. The Issuer shall pay all municipal or governmental charges lawfully levied or assessed upon any Project or any part thereof or upon any revenues when the same shall become due, and the Issuer shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to each Project. The Issuer shall not, except as otherwise permitted in Section 9.22 of this Article, create or suffer to be created any lien or charge upon any Project or upon Pledged Revenues, except the lien and charge of the Bonds on the Pledged Revenues.

Section 9.12 Public Liability and Property Damage Insurance; Maintenance of Insurance; Use of Insurance and Condemnation Proceeds.

(a) Except as otherwise provided in subsection (d) of this Section, the Issuer will carry or cause to be carried, in respect of each Project, comprehensive general liability

(c) An opinion of the Consulting Engineer that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will be in compliance with its obligations hereunder. If the certificate described in clause (A) of this paragraph is not rendered because such proceeds or awards are insufficient for such purposes, the Issuer may deposit any other legally available funds in such separate fund in an amount required to enable the Consulting Engineer to render its certificate. If the insurance proceeds or condemnation awards deposited in such separate fund are more than sufficient to repair the damaged property or to replace the destroyed or taken property, the balance thereof remaining shall be deposited to the credit of the related Series Account in the Revenue Fund.

(d) The Issuer shall be entitled to provide all or a portion of the insurance coverage required by subsections (a) and (b) of this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this subsection (d) are satisfied. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a company or association in which the Issuer has a material interest or of which the Issuer has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the Issuer shall obtain a certificate of compliance executed by the District Manager to the effect that (A) the proposed Qualified Self Insurance plan will provide the coverage required by subsections (a) and (b) of this Section, and (B) the proposed Qualified Self Insurance plan provides for the creation of actuarially sound reserves.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of self insurance, and shall be reviewed annually by the District Manager or registered actuary who shall deliver to the Issuer a report on the adequacy of the reserves established thereunder in light of claims made. If the District Manager or registered actuary determines that such reserves are inadequate in light of the claims made, he shall make recommendations as to the amount of reserves that should be established and maintained, and the Issuer shall comply with such recommendations.

(e) Copies of all recommendations and approvals made by the Consulting Engineer under the provisions of this Section shall be filed with the District Manager.

Section 9.13 Collection of Insurance Proceeds. Copies of all insurance policies referred to in Section 9.12 of this Article shall be available at the offices of the Issuer at all reasonable times to the inspection of the Holders of the Bonds and their agents and representatives duly authorized in writing. The Issuer covenants that it will take such action as may be necessary to demand, collect and sue for any insurance money which may become due and payable under any policy of insurance required under this Master Indenture or any Supplemental Indenture, whether such policy is payable to the Issuer or to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receive any insurance money which may become due and payable under any policies payable to it.

Section 9.14 Use of Revenues for Authorized Purposes Only. None of the Pledged Revenues shall be used for any purpose other than as provided in this Master Indenture and the

insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth below.

(b) At all times, to the extent commercially available, the Issuer shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the District Manager determines will afford adequate protection against loss caused by damage to or destruction of any component of any Project owned by the Issuer. Limits for such coverage will be subject to the Consulting Engineer's recommendations. The Issuer shall also, at all times, maintain a practical comprehensive general liability insurance program with respect to any Project for such coverage, with such reasonable terms, conditions, provisions and costs as the District Manager determines will afford adequate protection against bodily injury and property damage.

All insurance policies of the Issuer relating to any Project shall be carried with companies authorized to do business in the State, with a Best rating of no less than "A" as to management and Class "V" as to financial strength; provided, however, that if, in the opinion of the District Manager, adequate insurance protection under reasonable terms, conditions, provisions and cost cannot be purchased from an insurance company with the above-designated ratings, then the District Manager, on behalf of the Issuer, may secure such insurance protection as the Issuer determines to be in its best interests and otherwise consistent with this Master Indenture and any Supplemental Indenture; provided further, however, that the Issuer may act as a self-insurer in accordance with the requirements of subsection (d) hereof. All policies providing the insurance coverages required by this Section shall designate the Issuer as the loss-payee and shall be made payable to the Issuer.

(c) All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of any Project or any part thereof are hereby pledged by the Issuer as security for the related Series of Bonds and shall be deposited at the option of the Issuer, but subject to the limitations hereinafter described, either (i) into the Acquisition and Construction Fund, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) if so provided in the applicable Supplemental Indenture into the related Series Account within the Bond Redemption Fund for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Article VIII hereof. The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the separate fund described above in clause (i) of this paragraph (and such proceeds and awards shall be deposited directly into the related Series Account within the Bond Redemption Fund pursuant to clause (ii) of this paragraph) unless there shall have been filed with the Issuer within a reasonable time after the damage, destruction or condemnation (A) a certificate from the Consulting Engineer that the proceeds of the insurance or condemnation awards deposited into such separate fund, together with other funds available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to its damage, destruction or condemnation (taking into consideration any changes, alterations and modifications that the Issuer may desire), (B) an opinion from the Consulting Engineer that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and

related Supplemental Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of this Master Indenture and the related Supplemental Indenture.

Section 9.15 Books and Records. The Issuer shall keep proper books of records and accounts in accordance with Generally Accepted Accounting Principles (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to any Project, and which, together with all other books and records of the Issuer, including, without limitation, insurance policies, relating to any Project, shall at all times be subject during regular business hours to the inspection of the Trustee.

Section 9.16 Observance of Accounting Standards. The Issuer covenants that all the accounts and records of the Issuer relating to the Project will be kept according to Generally Accepted Accounting Principles consistently applied and consistent with the provisions of this Master Indenture and any Supplemental Indenture.

Section 9.17 Employment of Certified Public Accountant. The Issuer shall employ or cause to be employed as required a Certified Public Accountant to perform accounting and auditing functions and duties required by the Act and this Master Indenture and any Supplemental Indenture.

Section 9.18 Establishment of Fiscal Year, Annual Budget. The Issuer has established a Fiscal Year beginning October 1 of each year and ending September 30 of the following year. The reports and budget of the Issuer shall relate to such Fiscal Year unless and until, in accordance with applicable law, a different Fiscal Year is established.

On or before the first day of each Fiscal Year the Issuer shall adopt a final Annual Budget with respect to the Project for such Fiscal Year for the payment of anticipated operating and maintenance expenses and shall supply a copy of such budget promptly upon the approval thereof to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose. The Issuer may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it shall be treated as the official Annual Budget under this Master Indenture and any Supplemental Indenture. Copies of such amended or supplemental Annual Budget shall be mailed by the Issuer to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose.

Section 9.19 Employment of Consulting Engineer; Consulting Engineer's Report. The Issuer shall, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by this Master Indenture and any Supplemental Indenture, employ one or more independent engineers or engineering firms or corporations having a statewide and favorable repute for skill and experience in such work.

Copies of such annual report shall be mailed by the Issuer to any Bondholders who shall have filed their names and addresses with the Secretary of the Board for such purpose.

Section 9.20 Audit Reports. The Issuer covenants that, within the time period mandated by applicable state law, it will cause an audit to be made by a Certified Public Accountant covering all receipts and moneys then on deposit with or in the name of the Trustee or the Issuer and any security held therefor and any investments thereof. Copies of such audit reports shall be filed with the District Manager and the Secretary of the Board, and mailed by said Secretary to the Consulting Engineer and to all Bondholders who shall have filed their names and addresses with him for such purpose.

Section 9.21 Reserved.

Section 9.22 Covenant Against Sale or Encumbrance; Exceptions. The Issuer covenants that, (a) except for those improvements comprising any Project that are to be conveyed by the Issuer to the City, the County, the State Department of Transportation or another governmental entity and (b) except as in this Section permitted, it will not sell, lease or otherwise dispose of or encumber any Project, or any part thereof. Subject to the provisions of Section 9.28 hereof, the Issuer may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of a Series of Bonds or from Pledged Revenues if the District Manager shall determine, with the approval of the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the related Project, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer shall be deposited to the credit of the related Series Account in the Revenue Fund.

Upon any sale of property relating to the Project, the aggregate of which in any thirty (30) day period exceeds Fifty Thousand Dollars (\$50,000) under the provisions of this Section, the Issuer shall provide written notice to the Trustee of the property so sold and the amount and disposition of the proceeds thereof.

Subject to obtaining an opinion of Bond Counsel that such action will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes, the Issuer may lease or grant easements, franchises or concessions for the use of any part of the Project not incompatible with the maintenance and operation thereof, if the Consulting Engineer shall approve such lease, easement, franchise or concession in writing, and the net proceeds of any such lease, easement, franchise or concession (after the making of provision for payment from said proceeds of all costs incurred in financing, constructing, operating, maintaining or repairing such leases, easements, franchises or concessions) shall be deposited as received to the credit of related Series Account in the Revenue Fund.

Section 9.23 No Loss of Lien on Pledged Revenue. The Issuer shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement.

48

49853853.3

(a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

Section 9.30 Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Master Indenture and any Supplemental Indenture, failure of the Issuer or the Developer (if obligated pursuant to the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter or the Holders of at least 25% aggregate principal amount in Outstanding Bonds of a Series and receipt of indemnity to its satisfaction, shall) or any Holder of the Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section 9.30. 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.

[END OF ARTICLE IX]

50

49853853.3

Section 9.24 Compliance With Other Contracts and Agreements. The Issuer shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the Issuer enters into in connection with the Project and the issuance of the Bonds.

Section 9.25 Issuance of Additional Obligations. Except as otherwise provided herein and in the applicable Supplemental Indenture the Issuer shall not issue any obligations other than the Bonds payable from Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from Pledged Revenues.

Section 9.26 Extension of Time for Payment of Interest Prohibited. The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Bonds and shall not directly or indirectly be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under this Master Indenture and any Supplemental Indenture except after the prior payment in full of the principal of all Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

Section 9.27 Further Assurances. The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Master Indenture and any Supplemental Indenture.

Section 9.28 Use of Bond Proceeds to Comply with Internal Revenue Code. The Issuer covenants to the Holders of the Bonds that it will not make or direct the making of any investment or other use of the proceeds of any Bonds issued hereunder, the interest on which is intended to be excluded from gross income for federal income tax purposes ("Tax-Exempt Bonds") which would cause such Bonds to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code sections and related regulations throughout the term of such Tax-Exempt Bonds necessary to maintain the exclusion of the interest on such Bonds from gross income for federal income tax purposes. The Issuer hereby further covenants and agrees to comply with the procedures and covenants contained in any Arbitrage Certificate executed in connection with the issuance of each Series of Tax-Exempt Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on each Series of Tax-Exempt Bonds.

Section 9.29 Corporate Existence and Maintenance of Properties. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the Issuer shall maintain its corporate existence as a local unit of special-purpose government under the Act and shall provide for or otherwise require all Projects, and all parts thereof owned by the Issuer to be

49

49853853.3

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default and Remedies. Except to the extent otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, events of default and remedies with respect to each Series of Bonds shall be as set forth in this Master Indenture.

Section 10.02 Events of Default Defined. Each of the following shall be an "Event of Default" under the Indenture, with respect to a Series of Bonds:

- (a) if payment of any installment of interest on any Bond of such Series is not made when it becomes due and payable; or
- (b) if payment of the principal or Redemption Price of any Bond of such Series is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or
- (c) if the Issuer, for any reason, fails in, or is rendered incapable of, fulfilling its obligations under the Indenture or under the Act, which may be determined solely by the Majority Owners of the applicable Bonds; or
- (d) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or
- (e) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Bond of such Series issued pursuant to the Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Owners of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or
- (f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture.

51

49853853.3

Section 10.03 No Acceleration; Redemption. No Series of Bonds issued under this Master Indenture shall be subject to acceleration unless the Special Assessments securing such Bonds have been accelerated. Upon an Event of Default, no optional redemption or extraordinary mandatory redemption of the Bonds pursuant to Article VIII hereof shall occur unless either all of the Bonds of the Series where an Event of Default has occurred will be redeemed or if 100% of the Holders of such Series of Bonds agree to such redemption, provided that this Section 10.03 does not preclude a distribution pursuant to Section 10.11 hereof.

Section 10.04 Legal Proceedings by Trustee. If any Event of Default with respect to a Series of Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Owners of such Series and receipt of indemnity to its satisfaction shall, in its own name:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series, including, without limitation, the right to require the Issuer to carry out any agreements with, or for the benefit of, the Bondholders of the Bonds of such Series and to perform its or their duties under the Act;
- (b) bring suit upon the Series of Bonds;
- (c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series;
- (d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series; and
- (e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series of Bonds.

Section 10.05 Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, then the Issuer, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

Section 10.06 Bondholders May Direct Proceedings. The Majority Owners of the Outstanding Bonds of a Series then subject to remedial proceedings under this Article X shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law and the provisions of the Indenture. The Trustee shall have no liability as a result of any actions taken upon any such direction of the Holders.

Section 10.07 Limitations on Actions by Bondholders. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Majority Owners of the applicable Series shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities (including attorneys' fees, costs and expenses), and (d) the Trustee shall have failed to comply with such request within a reasonable time.

52

49853853.3

owing on the Bonds of such Series and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or Redemption Price and interest ratably, without preference or priority of one Bond of such Series over another or of any installment of interest over any other installment of interest.

Any surplus remaining after the payments described above shall be paid to the Issuer or to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

For purposes of the application of moneys described above, to the extent payments of principal of and interest on a Series of Bonds shall have been made under a Credit Facility relating thereto, the Credit Facility Issuer shall be entitled to moneys in the related Series Accounts in the Debt Service Fund in accordance with the agreement pursuant to which such Credit Facility has been issued (but subject to subsection (a) hereof and Section 11.04 hereof) and the Certified Resolution of the Issuer authorizing the issuance of such Bonds to which such Credit Facility relates.

Section 10.12 Trustee and Bondholders Entitled to all Remedies under Act. It is the purpose of this Article to provide, subject to the provisions hereof, such remedies to the Trustee and Bondholders as may be lawfully granted under the provisions of the Act and other applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State.

Section 10.13 Trustee's Right to Receiver; Compliance with Act. During the continuance of an Event of Default, the Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation of such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 10.14 Credit Facility Issuer's Rights Upon Events of Default. Anything in the Indenture to the contrary notwithstanding, if any Event of Default, other than Events of Default described in Section 10.02(a) or (b) hereof, has occurred and is continuing while a Credit Facility securing all or a portion of such Bonds of a Series Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee by the Indenture. Said direction shall be controlling to the extent the direction of Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

54

49853853.3

Section 10.08 Trustee May Enforce Rights Without Possession of Bonds. All rights under the Indenture and a Series of Bonds may be enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the Bonds of such Series.

Section 10.09 Remedies Not Exclusive. Except as limited under Section 15.01 of this Master Indenture, no remedy contained in the Indenture with respect to a Series of Bonds is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 10.10 Delays and Omissions Not to Impair Rights. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

Section 10.11 Application of Moneys in Event of Default. Any moneys held by the Trustee or received by the Trustee or the Paying Agent, as the case may be, in connection with any proceedings brought under this Article X with respect to a Series of Bonds shall be applied in the following order of priority:

(a) to the payment of the fees and costs of the Trustee and Paying Agent incurred in connection with actions taken under this Article X with respect to such Series of Bonds, including counsel fees and any disbursements of the Trustee and the Paying Agent, and to the payment of any other unpaid fees and expenses owed to the Trustee.

(b) unless the principal of all of the Bonds of such Series shall have become or shall have been declared due and payable then:

FIRST: to payment of all installments of interest then due on the Bonds of such Series in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any preference or priority of one installment of interest over any other installment; and

SECOND: to payment to the persons entitled thereto of the unpaid principal or Redemption Price of any of the Bonds of such Series which shall have become due in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price coming due on such Bonds on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any preference or priority of one such Bond of a Series over another or of any installment of interest over another.

If the principal of all Bonds of a Series shall have become or shall have become due and payable, to the payment of principal or Redemption Price (as the case may be) and interest then

53

49853853.3

[END OF ARTICLE X]

ARTICLE XI
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

Section 11.01 Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article XI, to all of which the parties hereto and the Bondholders and any Credit Facility Issuer agree. The Trustee shall act as Trustee under this Master Indenture. Subject to the provisions of Section 11.03 hereof, the Trustee shall have only such duties as are expressly set forth herein, and no duties shall be implied on the part of the Trustee. Permissive rights of the Trustee hereunder do not create a duty on the part of the Trustee.

Section 11.02 No Responsibility for Recitals. The recitals, statements and representations in this Master Indenture or in the Bonds, save only the Trustee's Certificate of Authentication, if any, upon the Bonds, have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

Section 11.03 Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel or other experts concerning all questions hereunder and the advice of such Counsel or any opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon; the Trustee shall not be answerable for the default or misconduct of any attorney or other experts or agent selected and supervised by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Master Indenture and any Supplemental Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct or breach of its obligation hereunder. The Trustee shall not be accountable for the use or application of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it. The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes, fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances, sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable

56

49853853.3

efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 11.04 Compensation and Indemnity. The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall, to the extent permitted by law, indemnify and hold the Trustee harmless against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct or negligence. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys held by it or coming into its hands but exclusive of the Rebate Fund and moneys from a drawing on any Credit Facility, which right of payment shall be prior to the right of the holders of the Bonds. The Trustee shall promptly provide a statement of any moneys the Trustee has deducted in amounts owing to it. This Section 11.04 shall survive the termination of this Master Indenture and any Supplemental Indenture and, as to any Trustee, its removal or resignation as Trustee. No provision of this Master Indenture shall require the Trustee to expend or risk its own funds.

Section 11.05 No Duty to Renew Insurance. The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the Issuer to require or effect or renew insurance or to report or file claims of loss thereunder.

Section 11.06 Notice of Default; Right to Investigate. The Trustee shall give written notice by first-class mail to registered Holders of a Series of Bonds of all defaults known to the Trustee, unless such defaults have been remedied (the term "defaults" for purposes of this Section and Section 11.07 being defined to include the events specified as "Events of Default" in Article X hereof, but not including any notice or periods of grace provided for therein); provided that, except in the case of a default in payment of principal or interest or Redemption Price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment default under this Master Indenture and any Supplemental Indenture or a notification by a Credit Facility Issuer of a default under its Credit Facility, unless notified in writing of such default by the Majority Holders of the Outstanding Bonds of a Series. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Issuer, an investigation into the affairs of the Issuer.

Section 11.07 Obligation to Act on Defaults. The Trustee shall be under no obligation to take any action in respect of any default or otherwise, unless it is requested in writing to do so by the Holders of at least a majority of the aggregate principal amount of the Outstanding Bonds which are or would be, upon the taking of such action, subject to remedial proceedings under Article X of this Master Indenture if in its opinion such action may tend to involve expense or liability, and unless it is also furnished with indemnity satisfactory to it. The Trustee shall have no liability for actions taken at the direction of a majority in principal amount of the Outstanding Bonds subject to remedial action.

57

49853853.3

Section 11.08 Reliance by Trustee. The Trustee may act on any requisition, resolution, notice, telegram, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be a Responsible Officer) or to have been prepared and furnished pursuant to any of the provisions of this Master Indenture and any Supplemental Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

Section 11.09 Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture and any Supplemental Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under this Master Indenture and any Supplemental Indenture, it shall eliminate the conflict or resign as Trustee.

Section 11.10 Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of this Master Indenture and any Supplemental Indenture, and except as otherwise provided in Article XIII of this Master Indenture, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

Section 11.11 Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Master Indenture and all Supplemental Indentures by written resignation filed with the Secretary of the Issuer not less than sixty (60) days before the date when such resignation is to take effect. Notice of such resignation shall be sent by first-class mail to each Bondholder as its name and address appears on the Bond Register and to any Paying Agent, Registrar and Credit Facility Issuer, if any, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within ninety (90) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed. Notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Bonds.

Section 11.12 Removal of Trustee. The Trustee may be removed at any time by either (a) the Issuer, if no default exists under this Master Indenture or any Supplemental Indenture, or (b) an instrument or concurrent instruments in writing, executed by the Majority Owners of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by a Responsible Officer, shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Registrar and Credit Facility Issuer, if any.

58

49853853.3

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Master Indenture or any Supplemental Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Majority Owners of the Bonds then Outstanding.

Section 11.13 Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor and shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Majority Owners of all Bonds then Outstanding may appoint a successor Trustee.

Section 11.14 Qualification of Successor. A successor Trustee shall be a bank or trust company with trust powers, having a combined net capital and surplus of at least \$75,000,000.

Section 11.15 Instruments of Succession. Except as provided in Section 11.16 hereof, any successor Trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights to indemnity under Section 11.04 hereof.

Section 11.16 Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Trustee under this Master Indenture and all Supplemental Indentures, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as Trustee hereunder shall meet the requirements of Section 11.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article XI. The Trustee may not resign as the Paying Agent or the Registrar without resigning as Trustee.

Section 11.17 Extension of Rights and Duties of Trustee to Paying Agent and Registrar. The provisions of Sections 11.02, 11.03, 11.04, 11.08, 11.09, 11.10 and 11.16 hereof

59

49853853.3

are hereby made applicable to the Paying Agent and the Registrar, as appropriate, and any Person serving as Paying Agent and/or Registrar, hereby enters into and agrees to comply with the covenants and agreements of this Master Indenture and all Supplemental Indentures applicable to the Paying Agent and Registrar, respectively.

Section 11.18 Resignation of Paying Agent or Registrar. The Paying Agent or Registrar may resign and be discharged of the duties created by this Master Indenture and all Supplemental Indentures by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer, the Trustee, and any rating agency that shall then have in effect a rating on any of the Bonds, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Registrar. If the successor Paying Agent or Registrar shall not have been appointed within a period of ninety (90) days following the giving of notice, then the Paying Agent or Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent or Registrar as provided in Section 11.22 hereof.

Section 11.19 Removal of Paying Agent or Registrar. The Paying Agent or Registrar may be removed at any time prior to any Event of Default by the Issuer by filing with the Paying Agent or Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by the Issuer appointing a successor, or an instrument or instruments in writing designating, and accompanied by an instrument or appointment by the Issuer of, such successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

Section 11.20 Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Registrar, as the case may be, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, the Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

Section 11.21 Qualifications of Successor Paying Agent or Registrar. Every successor Paying Agent or Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (i) authorized by law to

60

49853853.3

ARTICLE XII

ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

Section 12.01 Acts of Bondholders; Evidence of Ownership of Bonds. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instrument may be provided by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered by the Issuer, Trustee, Paying Agent or Registrar in pursuance thereof.

[END OF ARTICLE XII]

62

49853853.3

perform all the duties imposed upon it by this Master Indenture and all Supplemental Indentures and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$75,000,000.

Section 11.22 Judicial Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the Successor Registrar or Paying Agent to the Issuer, the Trustee, the Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. In the absence of such an appointment, the Trustee shall become the Registrar or Paying Agent, or and shall so notify the Issuer, any rating agency that shall have issued a rating on the Bonds, and all Bondholders.

Section 11.23 Acceptance of Duties by Successor Paying Agent or Registrar. Any successor Paying Agent or Registrar shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Registrar herein. Upon request of such Paying Agent or Registrar, except as provided in Section 11.24 hereof, such predecessor Paying Agent or Registrar and the Issuer shall execute and deliver an instrument transferring to such successor Paying Agent or Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Registrar and such predecessor Paying Agent or Registrar shall pay over and deliver to the successor Paying Agent or Registrar all moneys and other assets at the time held by it hereunder.

Section 11.24 Successor by Merger or Consolidation. Any corporation into which any Paying Agent or Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent or Registrar hereunder shall be a party, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Paying Agent or Registrar under this Master Indenture and all Supplemental Indentures without the execution or filing of any paper or any further act on the part of the parties thereto, anything in this Master Indenture or any Supplemental Indenture to the contrary notwithstanding.

[END OF ARTICLE XIII]

61

49853853.3

ARTICLE XIII

AMENDMENTS AND SUPPLEMENTS

Section 13.01 Amendments and Supplements Without Bondholders' Consent. This Master Indenture and any Supplemental Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

(a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(b) for any purpose not inconsistent with the terms of the related Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of the related Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;

(c) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Project to the State, the County, or any department, agency or branch thereof, or any other unit of government of the State, provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders;

(d) to make such changes as may be deemed necessary or desirable as determined by the District in order to provide for the issuance of a Series of Bonds to refund a portion of a Series of Bonds or for the completion of a Project financed with such Series of Bonds, on a parity with the Outstanding Bonds of such Series;

(e) to make any change in connection with the issuance of a new Series of Bonds if such change affects only such Series of Bonds; and

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

Section 13.02 Amendments With Bondholders' Consent. Subject to the provisions of Section 13.01 hereof, this Master Indenture and any Supplemental Indenture may be amended from time to time by a Supplemental Indenture approved by the Majority Owners of the Bonds then Outstanding in the case of the Master Indenture, and of the Series of Bonds then Outstanding and secured by such Supplemental Indenture in the case of an amendment of a Supplemental Indenture including, but not limited to, any material amendment to the Special Assessments and related proceedings which secure a Series of Bonds; provided that with respect to (a) the interest payable upon any Bonds, (b) the dates of maturity or redemption provisions of any Bonds, (c) this Article XIII and (d) except as otherwise provided in this section, the security

63

49853853.3

provisions hereunder or under any Supplemental Indenture, which may only be amended by approval of the Owners of all Bonds then Outstanding to be so amended.

Section 13.03 Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join in the execution and delivery of any supplemental indenture or amendment permitted by this Article XIII and in so doing is entitled to require and to rely on a written opinion of Counsel, at the expense of the Issuer, that such supplemental indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done; and if Bonds are tax exempt, that such amendment doesn't cause interest to become taxable.

[END OF ARTICLE XIII]

49853853.3

on deposit with the Escrow Agent, will be sufficient without reinvestment to pay the remaining principal of, redemption premium, if any, and interest on such defeased Bonds and an opinion of Bond Counsel that (i) such defeasance will not adversely affect the tax-exemption of the interest on any Outstanding Bonds and (ii) such Bonds are no longer Outstanding.

Money so deposited with the Escrow Agent which remains unclaimed three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Escrow Agent in default with respect to any covenant in the Indenture or the Bonds of the Series contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, shall, if so directed by the Issuer, at the expense of the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

[END OF ARTICLE XIV]

49853853.3

**ARTICLE XIV
DEFEASANCE**

Section 14.01 Defeasance. When interest on, and principal or Redemption Price (as the case may be) of, the Bonds of a Series or any portion thereof to be defeased have been paid, or there shall have been deposited with the Trustee or such other escrow agent designated in a Certified Resolution of the Issuer (the "Escrow Agent") moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys, remaining uninvested, will provide sufficient moneys to fully pay (i) such Bonds of a Series or portion thereof to be defeased, and (ii) any other sums payable hereunder by the Issuer, the right, title and interest of the Trustee with respect to such Bonds of a Series or portion thereof to be defeased shall thereupon cease, the lien of the Indenture on the Pledged Revenues, and the Funds and Accounts established under the Indenture shall be defeased and discharged, and the Trustee, on demand of the Issuer, shall release the Indenture as to such Bonds of a Series or portion thereof to be so defeased and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such Person, body or authority as may be entitled to receive the same all balances remaining in any Series Funds and Accounts upon the defeasance in whole of all of the Bonds of a Series.

Section 14.02 Deposit of Funds for Payment of Bonds. If the Issuer deposits with the Escrow Agent moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to pay the principal or Redemption Price of any Bonds of a Series becoming due, either at maturity or by redemption or otherwise, together with all interest accruing thereon to the date of maturity or such prior redemption, and reimburses or causes to be reimbursed or pays or causes to be paid the other amounts required to be reimbursed or paid under Section 14.01 hereof, interest on such Bonds of a Series shall cease to accrue on such date of maturity or prior redemption and all liability of the Issuer with respect to such Bonds of a Series shall likewise cease, except as hereinafter provided; provided, however, that (a) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 8.02 hereof, or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice, and (b) in the event that any Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days following a deposit of moneys with the Escrow Agent, in accordance with this Section, the Issuer shall have given the Escrow Agent, in form satisfactory to the Escrow Agent, irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the Bond Register, a notice stating that a deposit in accordance with this Section has been made with the Escrow Agent and that the Bonds to which such notice relates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price (as the case may be) of, and interest on, said Bonds of a Series. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Escrow Agent shall hold such funds in trust for such Owners. At the time of the deposit referred to above, there shall be delivered to the Escrow Agent a verification from a firm of independent certified public accountants or other qualified independent consultant stating that the principal of and interest on the Defeasance Securities, together with the stated amount of any cash remaining

49853853.3

**ARTICLE XV
MISCELLANEOUS PROVISIONS**

Section 15.01 Limitations on Recourse. No personal recourse shall be had for any claim based on this Master Indenture or any Supplemental Indenture or the Bonds against any member of the Board of the Issuer, officer, employee or agent, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Bonds of each Series are payable solely from the Pledged Revenues, and any other moneys held by the Trustee under the Indenture for such purpose. There shall be no other recourse under the Bonds, the Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

Section 15.02 Payment Dates. In any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

Section 15.03 No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Bonds and the Credit Facility Issuers, if any.

Section 15.04 Illegal Provisions Disregarded. If any term of Master Indenture or any Supplemental Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

Section 15.05 Substitute Notice. If for any reason it shall be impossible to make duplication of any notice required hereby in a newspaper or newspapers, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

Section 15.06 Notices. Any notice, demand, direction, request or other instrument authorized or required by this Master Indenture or any Supplemental Indenture to be given to or filed with the Issuer or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Master Indenture or any Supplemental Indenture if and when personally delivered and receipted for, or if mailed by first class mail, addressed as follows:

49853853.3

(a) As to the Issuer -

Hills of Minneola Community Development District
c/o District Manager
2300 Glades Rd., Suite 410-W
Boca Raton, Florida 33431

(b) As to the Trustee -

U.S. Bank National Association
550 W. Cypress Creek Rd., Ste. #380
Ft. Lauderdale, Florida 33309

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under this Master Indenture or any Supplemental Indenture are to be sent.

All documents received by the Trustee under the provisions of this Master Indenture or any Supplemental Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Consultant, any Bondholder and the agents and representatives thereof as evidence in writing. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by the Issuer by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Issuer shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.07 Controlling Law. This Master Indenture and all Supplemental Indentures shall be governed by and construed in accordance with the laws of the State.

Section 15.08 Successors and Assigns. All the covenants, promises and agreements in this Master Indenture and all Supplemental Indentures contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 15.09 Headings for Convenience Only. The table of contents and descriptive headings in this Master Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, Hills of Minneola Community Development District has caused this Master Indenture to be executed by the Chairperson of its Board and its corporate seal to be hereunto affixed, attested by the Secretary or Assistant Secretary of its Board and U.S. Bank National Association has caused this Master Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

HILLS OF MINNEOLA COMMUNITY
DEVELOPMENT DISTRICT

Attest: _____
By: _____
Name: _____
Title: Chairperson, Board of Supervisors

By: _____
Name: Craig Weatherell
Title: Secretary, Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION, as
Trustee, Paying Agent and Registrar

By: _____
Title: Assistant Vice President

Section 15.10 Counterparts. This Master Indenture and any Supplemental Indentures may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 15.11 Appendices and Exhibits. Any and all appendices or exhibits referred to in and attached to this Master Indenture are hereby incorporated herein and made a part hereof for all purposes.

Section 15.12 Patriot Act Requirements of Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that 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 15.13 Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Hills of Minneola Community Development District has caused this Master Indenture to be executed by the Chairperson of its Board and its corporate seal to be hereunto affixed, attested by the Secretary or Assistant Secretary of its Board and U.S. Bank National Association has caused this Master Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

HILLS OF MINNEOLA COMMUNITY
DEVELOPMENT DISTRICT

Attest: _____
By: _____
Name: _____
Title: Chairperson, Board of Supervisors

By: _____
Name: _____
Title: Secretary, Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION, as
Trustee, Paying Agent and Registrar

By: _____
Title: Assistant Vice President

IN WITNESS WHEREOF, Hills of Minneola Community Development District has caused this Master Indenture to be executed by the Chairperson of its Board and its corporate seal to be hereunto affixed, attested by the Secretary or Assistant Secretary of its Board and U.S. Bank National Association has caused this Master Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

By: [Signature]
Name: [Signature]
Title: Chairperson, Board of Supervisors

Attest:

By: _____
Name: _____
Title: Secretary, Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION, as Trustee, Paying Agent and Registrar

By: _____
Title: Assistant Vice President

49853853.3

70

Copies of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested or other similar evidence of proof of payment is on file with the District.

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date: _____

The undersigned Consulting Engineer hereby certifies that this disbursement is for the Cost of the _____ Project and is consistent with the report of the Consulting Engineer, as such report shall have been amended or modified.

Consulting Engineer

49853853.3

A-2

EXHIBIT A

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

(Acquisition and Construction Fund Requisition)

The undersigned, a Responsible Officer of the Hills of Minneola 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 National Association, as trustee (the "Trustee"), dated as of July 1, 2020, as supplemented by that certain _____ Supplemental Trust Indenture 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):

The undersigned hereby certifies that:

- 1. obligations in the stated amount set forth above have been incurred by the District;
- 2. each disbursement set forth above is a proper charge against the Acquisition and Construction Fund;
- 3. each disbursement set forth above was incurred in connection with the Cost of the _____ Project;
- 4. each disbursement represents a Cost of the _____ Project which has not previously been paid; and
- 5. the costs set forth in the requisition are reasonable.

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 monies 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.

49853853.3

A-1

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

This Table of Contents is incorporated herein for ease of reference only and shall not be deemed a part of the Third Supplemental Trust Indenture.

ARTICLE I DEFINITIONS.....4
 Section 101. Definitions.....4

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2024 BONDS7
 Section 201. Authorization of Series 2024 Bonds; Book-Entry Only Form7
 Section 202. Terms of Series 2024 Bonds8
 Section 203. Dating; Interest Accrual9
 Section 204. Denominations9
 Section 205. Paying Agent.....9
 Section 206. Bond Registrar9
 Section 207. Conditions Precedent to Issuance of Series 2024 Bonds9
 Section 208. Continuing Disclosure10

ARTICLE III REDEMPTION AND PURCHASE OF SERIES 2024 BONDS10

**ARTICLE IV DEPOSIT OF SERIES 2024 BOND PROCEEDS AND APPLICATION THEREOF;
 ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF11**
 Section 401. Establishment of Accounts11
 Section 402. Use of 2024 Bond Proceeds11
 Section 403. 2024 Acquisition and Construction Account12
 Section 404. Costs of Issuance Account12
 Section 405. 2024 Reserve Account13
 Section 406. Application of Prepayment Principal; 2024 Prepayment Account14
 Section 407. Tax Covenants and Rebate Account14
 Section 408. Establishment of 2024 Revenue Account in Revenue Fund;
 Application of Series 2024 Accounts and Investment Earnings15

ARTICLE V CONCERNING THE TRUSTEE17
 Section 501. Acceptance by Trustee17
 Section 502. Limitation of Trustee’s Responsibility17
 Section 503. Trustee’s Duties17
 Section 504. Brokerage Confirmations17
 Section 505. Patriot Act Requirements of Trustee17

ARTICLE VI MISCELLANEOUS18
 Section 601. Confirmation of Master Indenture18
 Section 602. Additional Covenant Regarding 2024 Assessments18
 Section 603. Limitation on Additional Debt18
 Section 604. Additional Matters Relating to Delinquent Assessments19

THIRD SUPPLEMENTAL TRUST INDENTURE
BETWEEN
HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT
AND
U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
AS TRUSTEE

Dated as of May 1, 2024

Section 605. Additional Matters Relating to Series 2024 Assessments and
 Assessment Proceedings19
 Section 606. Additional Matters Relating to Events of Default20
 Section 607. Provisions relating to Bankruptcy or Insolvency of Landowner20
 Section 608. [Reserved]22
 Section 609. Third Party Beneficiaries22
 Section 610. [Reserved]22

- Exhibit “A”** The Series 2024 Bonds
- Exhibit “B”** Requisition for Series 2024 Bonds (Acquisition and Construction)
- Exhibit “C”** Description of North Parcel Assessment Area One Project

THIRD SUPPLEMENTAL TRUST INDENTURE

THIS **THIRD SUPPLEMENTAL TRUST INDENTURE** (the “Third Supplemental Indenture”) dated as of May 1, 2024, from **HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT** (the “District”) to **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 out within the State of Florida. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Master Indenture (hereinafter defined).

WHEREAS, the District has entered into a Master Trust Indenture dated as of July 1, 2021 (the “Master Indenture”), with the Trustee to secure the issuance of its Hills of Minneola Community Development District Special Assessment Revenue Bonds (the “Bonds”), issuable in one or more Series from time to time; and

WHEREAS, pursuant to Resolution 2019-24 adopted by the Board on September 9, 2019 (the “Bond Resolution”), the District has authorized the issuance of its not exceeding \$40,000,000 Hills of Minneola Community Development District Special Assessment Revenue Bonds, in one or more Series, and authorized the execution and delivery of the Master Indenture to secure the issuance of the Bonds; and

WHEREAS, \$40,000,000 of the Bonds were validated by the Circuit Court of the Fifth Judicial Circuit of the State of Florida in and for Lake County, Florida in a final judgment rendered on February 4, 2020 and the appeal period from such final judgment has expired with no appeal being taken; and

WHEREAS, pursuant to the Bond Resolution as supplemented by Resolution 2020-11 adopted by the Board of the Issuer on March 9, 2020, the Master Indenture and a First Supplemental Trust Indenture, dated as of July 1, 2020 (the “First Supplemental Indenture”), the Issuer issued its \$23,520,000 Hills of Minneola Community Development District Special Assessment Revenue Bonds, Series 2020 (South Parcel Assessment Area); and

WHEREAS, pursuant to the Bond Resolution as supplemented by Resolution 2021-06 adopted by the Board of the Issuer on June 28, 2021, the Master Indenture and a Second Supplemental Trust Indenture, dated as of August 1, 2021 (the “Second Supplemental Indenture”), the Issuer issued its \$5,890,000 Hills of Minneola Community Development District Special Assessment Revenue Bonds, Series 2021 (South Parcel Assessment Area Phase 2); and

WHEREAS, the Board has duly adopted Resolutions 2020-12, 2020-13 and 2024-[] pursuant to Sections 170.03, 170.07 and 170.08, Florida Statutes, defining assessable property to be benefited by the portion of the North Parcel Assessment Area One Project (hereinafter defined) to be financed with proceeds of the Series 2024 Bonds (hereinafter defined), defining the portion of the Cost of the North Parcel Assessment Area One Project with respect to which Series 2024 Assessments (hereinafter defined) will be imposed and the manner in which such Series 2024 Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll calling for a public hearing of the District at which owners of property to be subject to the Series 2024 Assessments may be heard as to the property

and advisability of undertaking the North Parcel Assessment Area One Project, as to the cost thereof, the manner of payment therefor, and the amount to be assessed against each property improved by the North Parcel Assessment Area One Project, and stating the intent of the District to issue the Series 2024 Bonds (as herein defined) secured by such Series 2024 Assessments to finance the costs of the acquisition and construction of the North Parcel Assessment Area One Project and the Board of the District has duly adopted a resolution, following a public hearing conducted in accordance with the Act, to fix and establish the Series 2024 Assessments and the benefited property (collectively the "Assessment Resolution"); and

WHEREAS, pursuant to the Bond Resolution, as supplemented by District Resolution 2024-[08] adopted by the Board on June 28, 2021 the District has authorized the issuance, sale and delivery of its \$ _____ Hills of Minneola Community Development District Special Assessment Revenue Bonds, Series 2024 (North Parcel Assessment Area One) (the "Series 2024 Bonds") as a Series of Bonds under the Master Indenture and authorized the execution and delivery of this Third Supplemental Indenture (collectively with the Master Indenture, the "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: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the North Parcel Assessment Area One Project, which North Parcel Assessment Area One Project is further described in **Exhibit C** hereto; (ii) pay certain costs associated with the issuance of the Series 2024 Bonds; (iii) to pay a portion of the interest accruing on the Series 2024 Bonds; and (iv) fund the 2024 Reserve Account as herein provided; and

WHEREAS, the execution and delivery of the Series 2024 Bonds and of this Third Supplemental Indenture have been duly authorized by the Board 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 Third Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2024 Trust Estate (as hereinafter defined) have been done;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS THIRD SUPPLEMENTAL TRUST 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 Third Supplemental Indenture and in the Series 2024 Bonds: (a) has executed and delivered this Third Supplemental Indenture and (b) does hereby, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in interest the trusts under the Master Indenture, and to them and their successors and assigns forever, all right,

**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 (i) expressly given a different meaning herein or (ii) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Acquisition Agreement" shall mean any document, including any and all amendments thereto, pursuant to which the Developer conveys to the District any portion of the North Parcel Assessment Area One Project.

"Amortization Installments" shall mean the moneys required to be deposited in the Sinking Fund Account within the Debt Service Fund for the purpose of redeeming and paying when due any Term Bonds.

"Assessment Interest" shall mean the interest on Series 2024 Assessments received by the District which is pledged to the Series 2024 Bonds, other than Delinquent Assessment Interest.

"Assessment Principal" shall mean the principal amount of Series 2024 Assessments received by the District which are pledged to the Series 2024 Bonds, other than Delinquent Assessment Principal and Prepayment Principal.

"Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2024 Assessments, including the Assessment Resolution and any supplemental proceedings undertaken by the District with respect to the Series 2024 Assessments.

"Beneficial Owner" shall mean the owners from time to time of the Series 2024 Bonds for federal income tax purposes.

"Bond Depository" shall mean the securities depository existing from time to time under Section 201 hereof.

"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.

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement dated the date of issuance and delivery of the Series 2024 Bonds, among the District and the Developer and joined in by the Trustee and Dissemination Agent (as defined therein), as originally executed and as it may be amended from time to time in accordance with the terms thereof.

title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions hereof pertaining to the application thereof or to the purposes and on the terms set forth in the Master Indenture and herein, all revenues derived by the District from the Series 2024 Assessments levied and imposed pursuant to the Assessment Proceedings as the same may be amended from time to time (the "2024 Pledged Revenues") and the Funds and Accounts (except for the 2024 Rebate Account and the 2024 Cost of Issuance Account) established hereby (the "2024 Pledged Funds" and collectively with the "2024 Pledged Revenues," the "2024 Trust Estate") which shall comprise the Trust Estate securing only the Series 2024 Bonds;

TO HAVE AND TO HOLD all the same by the Master Indenture granted, bargained, sold, conveyed, transferred, assigned and pledged, or agreed or intended so to be, to the Trustee and its successors in 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 and herein, upon the terms and trusts in the Master Indenture and herein 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 Third Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any 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 duly 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 secured and Outstanding under this Third 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 Third 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 Third 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 provision of the Master Indenture and this Third Supplemental Indenture, then upon such final payments, this Third 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 Third Supplemental Indenture shall remain in full force and effect;

THIS THIRD 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 in the Master Indenture (except as amended directly or by implication by this Third Supplemental Indenture), including this Third Supplemental Indenture, expressed, 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:

"Delinquent Assessment Interest" shall mean Assessment Interest deposited with the Trustee after the date on which such Assessment Interest has become due and payable in accordance with applicable law or proceedings of the District.

"Delinquent Assessment Principal" shall mean Assessment Principal deposited with the Trustee after the date on which such Assessment Principal has become due and payable in accordance with applicable law or proceedings of the District.

"Developer" shall mean Pulte Home Company, LLC, a Michigan limited liability company.

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

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

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Series 2024 Bonds then Outstanding.

"Nominee" shall mean the nominee of the Bond Depository, which may be the Bond Depository, as determined from time to time pursuant to this Supplemental Indenture.

"Operation and Maintenance Assessments" shall mean non-ad valorem special assessments levied by the District pursuant to the Act and other applicable law on assessable District lands for the operation and maintenance of the North Parcel Assessment Area One Project and/or the operations of the District.

"Participating Underwriter" shall have the meaning ascribed to it in the Continuing Disclosure Agreement.

"Prepayment Principal" shall mean the excess amount of Assessment Principal received by the District over the Assessment Principal then due, but shall not include Delinquent Assessment Principal. Prepayment Principal shall not include the proceeds of any refunding bonds.

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

"Reserve Account Release Conditions" with respect to the Series 2024 Bonds shall mean, collectively, (i) all of the Outstanding principal portion of the Series 2024 Assessments has been assigned to residential units that have been constructed and each have received certificates of occupancy, and (ii) there shall be no Events of Default under the Indenture with respect to the Series 2024 Bonds, each as certified by the District Manager. The Trustee may rely conclusively upon such certifications and shall have no duty to verify the same.

"Series 2024 Assessments" shall mean the Special Assessments levied against properties within the District specially benefited by the North Parcel Assessment Area One Project all as

described in the Assessment Proceedings. The Series 2024 Assessments shall not include "special assessments" levied and collected by the District under section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act.

"Substantially Absorbed" means the date at least 75% of the principal portion of the Series 2024 Assessments have been assigned to residential units that have received certificates of occupancy.

"Term Bonds" shall mean the Series 2024 Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments.

"2024 Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 401(a) of this Third Supplemental Indenture.

"2024 Costs of Issuance Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 401(a) of this Third Supplemental Indenture.

"2024 Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 401(b) of this Third Supplemental Indenture.

"2024 Optional Redemption Account" shall mean the Account so designated, established as a separate Account within the Bond Redemption Fund pursuant to Section 401(c) of this Third Supplemental Indenture.

"2024 Prepayment Account" shall mean the Account so designated, established as a separate Account within the Bond Redemption Fund pursuant to Section 401(c) of this Third Supplemental Indenture.

"2024 Rebate Account" shall mean the Account so designated, established pursuant to Section 4.07 of this Third Supplemental Indenture.

"2024 Reserve Account" shall mean the Account established as a separate Account within the Debt Service Reserve Fund pursuant to Section 401(d) of this Third Supplemental Indenture.

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 (iii) 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 may 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 effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions therein with respect to Record Dates, the words "Cede & Co." in this Third 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, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) 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 (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found 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 the Beneficial Owners shall designate, in accordance with the provisions hereof.

Section 202. Terms of Series 2024 Bonds. The Series 2024 Bonds shall be issued as _____ () Term Bonds as set forth below and shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

- \$ _____, _____ % Term Bond due May 1, 20 _____
- \$ _____, _____ % Term Bond due May 1, 20 _____
- \$ _____, _____ % Term Bond due May 1, 20 _____
- \$ _____, _____ % Term Bond due May 1, 20 _____

"2024 Reserve Account Requirement" shall (i) initially be an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement with respect to the Series 2024 Bonds Outstanding, as calculated from time to time; (ii) upon the occurrence of the Reserve Account Release Conditions, ten percent (10%) of the maximum annual Debt Service Requirement with respect to the Series 2024 Bonds Outstanding, as calculated from time to time. The 2024 Reserve Account Requirement for the Series 2024 Bonds shall be re-calculated from time to time upon the payment of principal of the Series 2024 Bonds pursuant to extraordinary mandatory redemption (but not upon optional redemption or mandatory redemption to satisfy Amortization Installments) and any resulting excess shall be transferred as provided in Section 405 hereof. Initially, the 2024 Reserve Account Requirement shall be equal to \$ _____.

"2024 Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 401(e) of this Third Supplemental Indenture.

"2024 Sinking Fund Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 401(b) of this Third Supplemental Indenture.

**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 the aggregate principal amount of \$ _____ for the purposes enumerated in the recitals hereto. The Series 2024 Bonds shall be substantially in the form set forth as **Exhibit B** to this Third Supplemental Indenture. Each Series 2024 Bond shall bear the designation "2024" and 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 of Series 2024 Bonds and shall be numbered consecutively from R-1 and up. Upon initial issuance, the ownership of 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 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 Beneficial Owner. 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 (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2024 Bonds, (ii) the delivery to

Section 203. Dating; Interest Accrual. Each Series 2024 Bond upon initial issuance shall be dated May [], 2024. 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.

Section 204. Denominations. The Series 2024 Bonds shall be issued in Authorized Denominations.

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 Section 3.01 of 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 Assessment Proceedings;
- (b) Executed originals of the Master Indenture and this Third Supplemental Indenture;
- (c) A Bond Counsel opinion addressed to the Trustee or with respect to which the Trustee has received a customary reliance letter substantially to the effect that: (i) the Indenture has been duly authorized and executed by the District and constitutes a valid and binding obligation of the District; (ii) the Series 2024 Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District, payable solely from the sources provided therefor in the Indenture; (iii) the interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes; and (iv) the Series 2024 Bonds and the interest paid thereon are exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes.

(d) An opinion of Counsel to the District addressed to the Trustee substantially to the effect that: (i) the District has been duly established and validly exists as a community development district under the Act, (ii) the District has good right and lawful authority under the Act to undertake the North Parcel Assessment Area One Project being financed with the proceeds of the Series 2024 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to undertake the North Parcel

Assessment Area One Project, (iii) all proceedings undertaken by the District with respect to the Series 2024 Assessments have been in accordance with Florida law, (iv) the District has taken all action necessary to levy and impose the Series 2024 Assessments, and (v) the Series 2024 Assessments are legal, valid and binding liens upon the property against which such Series 2024 Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(e) A certificate of a Responsible 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 Third Supplemental Indenture;

(f) A certificate or certificates of the District's engineer certifying as to the accuracy of the information set forth in the District engineer's report regarding the North Parcel Assessment Area One Project; and

(g) A certified copy of the final judgment of validation together with a certificate of no appeal.

Delivery to the Trustee of the net proceeds from the issuance of the Series 2024 Bonds shall constitute conclusive proof of the delivery of the items described above to the satisfaction of the District and the Participating Underwriter of the Series 2024 Bonds.

Section 208. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provisions of the Indenture, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may and, at the request of any Participating Underwriter (as defined in Rule 15c2-12 of the Securities and Exchange Commission) or the Holders of at least 25% aggregate principal amount of Outstanding Series 2024 Bonds, and receipt of indemnity satisfactory to the Trustee shall, or any such Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section.

ARTICLE III REDEMPTION AND PURCHASE OF SERIES 2024 BONDS

The Series 2024 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as **Exhibit A** to this Third Supplemental Indenture. Notice of redemption shall be given as provided in Section 8.02 of the Master Indenture.

10

Section 403. 2024 Acquisition and Construction Account.

(a) Amounts on deposit in the 2024 Acquisition and Construction Account shall be applied to pay the Costs of the North Parcel Assessment Area One Project upon presentation to the Trustee of a properly signed requisition in substantially the form of Exhibit B, and the Trustee shall pay such requisition and shall have no duty to confirm that the amount so requisitioned is for a Cost of the North Parcel Assessment Area One Project or is properly payable hereunder.

(b) Any balance remaining in the 2024 Acquisition and Construction Account after the Completion Date of the North Parcel Assessment Area One Project and after retaining the amount, if any, of all remaining unpaid Costs of the North Parcel Assessment Area One Project set forth in the Engineers' Certificate establishing such Completion Date, shall be deposited in the 2024 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2024 Bonds in the manner prescribed in the Series 2024 Bonds. At such time as there are no amounts on deposit in the 2024 Acquisition and Construction Account such account shall be closed.

(c) Notwithstanding the foregoing, the District shall not declare that the Completion Date has occurred until after the Reserve Account Release Conditions have been satisfied and certain moneys as provided for herein have been transferred from the 2024 Reserve Account to the 2024 Acquisition and Construction Account and such monies have been expended or the District Engineer has otherwise certified in writing to the District and the Trustee that such amount is in excess of what is needed to complete the North Parcel Assessment Area One Project.

(d) In accordance with the provisions of the Indenture, the Series 2024 Bonds are payable solely from the 2024 Trust Estate. The District acknowledges hereby that (i) the 2024 Trust Estate includes, without limitation, all amounts on deposit in the 2024 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence and continuance of an Event of Default with respect to the Series 2024 Bonds, the 2024 Trust Estate may not be used by the District (whether to pay costs of the North Parcel Assessment Area One Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the North Parcel Assessment Area One Project and payment is for such work and (iii) the 2024 Trust Estate may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the North Parcel Assessment Area One Project after the occurrence and continuance of an Event of Default unless authorized in writing by the Majority Owners.

Section 404. Costs of Issuance Account. There shall be deposited in the 2024 Costs of Issuance Account \$ _____ which shall, at the written direction of a Responsible Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2024 Bonds. Any amounts on deposit in the 2024 Costs of Issuance Account ninety (90) days after the date of initial delivery of the Series 2024 Bonds, for which the District has not provided a pending requisition,

12

ARTICLE IV DEPOSIT OF SERIES 2024 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Accounts.

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee the following accounts:

- (i) a 2024 Acquisition and Construction Account; and
- (ii) a 2024 Costs of Issuance Account;

(b) There are hereby established within the Debt Service Fund held by the Trustee a 2024 Sinking Fund Account, and a 2024 Interest Account;

(c) There is hereby established within the Bond Redemption Fund a 2024 Prepayment Account and a 2024 Optional Redemption Account;

(d) There is hereby established within the Debt Service Reserve Fund held by the Trustee a 2024 Reserve Account, which account 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; and

(e) There is hereby established within the Revenue Fund held by the Trustee a 2024 Revenue Account.

Section 402. Use of 2024 Bond Proceeds. Following the Trustee's receipt of the items set forth in Section 3.01 of the Master Indenture and Section 207 hereof, the net proceeds of sale of the Series 2024 Bonds, \$ _____ (face amount of Series 2024 Bonds less underwriter's discount of \$ _____ plus/less original issue discount/premium of \$ _____) shall be delivered to the Trustee by the District and applied as follows:

(a) \$ _____, representing the initial 2024 Reserve Account Requirement, shall be deposited to the 2024 Reserve Account;

(b) \$ _____, representing costs of issuance relating to the Series 2024 Bonds, shall be deposited to the credit of the 2024 Costs of Issuance Account;

(c) \$ _____, shall be deposited to the 2024 Interest Account; and

(d) \$ _____ of the proceeds of the Series 2024 Bonds remaining after the deposits above shall be deposited to the credit of the 2024 Acquisition and Construction Account of the Acquisition and Construction Fund.

11

shall be transferred over and deposited into the 2024 Acquisition and Construction Account and used for the purposes permitted therefor and the Cost of Issuance Account shall be closed.

Section 405. 2024 Reserve Account. Amounts on deposit in the 2024 Reserve Account except as provided elsewhere in the Master Indenture or in this Third Supplemental Indenture shall be used only for the purpose of making payments into the 2024 Interest Account and the 2024 Sinking Fund Account to pay the Series 2024 Bonds, without distinction as to Series 2024 Bonds and without privilege or priority of one Series 2024 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

Notwithstanding any of the foregoing, amounts on deposit in the 2024 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Owners of the Series 2024 Bonds to the 2024 Prepayment Account if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2024 Assessments and applied to redeem a portion of the Series 2024 Bonds is less than the principal amount of Series 2024 Bonds indebtedness attributable to such lands.

Upon satisfaction of Reserve Account Release Conditions the Trustee shall release and transfer any excess from the 2024 Reserve Account to the 2024 Acquisition and Construction Account. For the purpose of calculating the 2024 Reserve Account Requirement, maximum annual debt service shall be calculated as of the date of the original issuance and delivery of the Series 2024 Bonds and recalculated in connection with each extraordinary mandatory redemption of the Series 2024 Bonds from Prepayment Principal as set forth herein (but not upon the optional or mandatory sinking fund redemption thereof). The District Manager shall deliver a written certification to the District and the Trustee stating that the Reserve Account Release Conditions have been satisfied and setting forth the amount of the new 2024 Reserve Account Requirement (upon which certificate the Trustee may conclusively rely).

The Trustee shall release any excess due to such extraordinary mandatory redemption from the 2024 Reserve Account and transfer such excess to the 2024 Prepayment Account. Upon final maturity or redemption of all Series 2024 Bonds, amounts on deposit in the 2024 Reserve Account shall be used to pay the principal of and interest on the Series 2024 Bonds.

The Trustee, on each March 15, June 15, September 15 and December 15 (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2024 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2024 Reserve Account, from the first legally available sources of the District. Any surplus in the 2024 Reserve Account (other than any surplus resulting from investment earnings which shall be applied as provided below) shall be deposited to the 2024 Prepayment Account.

All earnings on investments in the 2024 Reserve Account shall be deposited to the 2024 Revenue Account provided no deficiency exists in the 2024 Reserve Account except that prior to the Completion Date of the North Parcel Assessment Area One Project earnings shall be deposited to the 2024 Acquisition and Construction Account if a deficiency does not exist in the

13

2024 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2024 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and Investment Securities.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2024 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2024 Bonds, together with accrued interest on such Series 2024 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2024 Prepayment Account the amount on deposit in the 2024 Reserve Account to pay and redeem all of the Outstanding 2024 Bonds on the earliest such date.

Section 406. Application of Prepayment Principal; 2024 Prepayment Account. All Prepayment Principal shall upon receipt by the Trustee be deposited to the 2024 Prepayment Account. At the time the District deposits Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Prepayment Principal. Amounts on deposit in the 2024 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2024 Bonds in the manner prescribed in the Series 2024 Bonds.

The Trustee is not responsible to verify if any payment is Prepayment Principal and may conclusively rely as accurate upon the classification of the District as Prepayment Principal and in the absence of such notification will conclude that such payment is not Prepayment Principal.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the Arbitrage Certificate (including deposits to and payments from the 2024 Rebate Account hereby established) included as part of the closing transcript for the Series 2024 Bonds, as amended and supplemented from time to time in accordance with its terms. Amounts in the 2024 Rebate Account hereby established shall be directed by the District for investment only in Government Obligations. To the extent any amounts in the 2024 Rebate Account are not needed to comply with the Arbitrage Certificate, such amounts shall be transferred as directed by the District to any other fund or account created hereunder.

Notwithstanding anything to the contrary contained in the Master Indenture, the District covenants with the holders of the Series 2024 Bonds that it shall comply with the requirements of Code necessary to maintain the exclusion of interest on the Series 2024 Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such Series 2024 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such 2024 Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation. The District further covenants that neither the District nor any other person under its control or direction will make any investment or other use of the proceeds of the Series 2024 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the 2024 Bonds to be "private activity bonds" as that term is defined in Section 141 of the Code (or any successor provision thereto), or "arbitrage bonds" as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the Series 2024 Bonds. Notwithstanding the foregoing, nothing

14

greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District from the 2024 Revenue Account to pay amounts due on the next Interest Payment Date from the 2024 Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2024 Bonds on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2024 Bonds. All interest due in regard to such prepayments shall be paid from the 2024 Interest Account or, if insufficient amounts are on deposit in the 2024 Interest Account to pay such interest, then from the 2024 Revenue Account.

(d) Anything herein or in the Master Indenture to the contrary, on each 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 transfer from amounts on deposit in the 2024 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the 2024 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2024 Bonds then Outstanding on such May 1 or November 1, less any other amount already on deposit in the 2024 Interest Account not previously credited;

SECOND, beginning on May 1, 2025, and no later than the Business Day next preceding each May 1 thereafter while Series 2024 Bonds remain Outstanding, to the 2024 Sinking Fund Account, an amount equal to the Amortization Installment on the Series 2024 Bonds due on such May 1 or the principal maturing on such May 1, less any amount on deposit in the 2024 Sinking Fund Account not previously credited;

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

FOURTH, the balance shall be retained in the 2024 Revenue Account.

Anything herein to the contrary notwithstanding, it shall not constitute an Event of Default hereunder if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor; provided, however, that nothing in this paragraph is meant to change what are otherwise Events of Default as provided for in Article X of the Master Trust Indenture and Section 606 herein.

(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 2024 Revenue Account to the 2024 Rebate Account established for the Series 2024 Bonds in the Rebate Fund 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. To the extent insufficient moneys are on deposit in the 2024 Revenue Account to make the transfer provided for in the immediately

16

herein shall require the District to impose additional assessments, taxes, or other similar amounts, the imposition of which would require an action of the governing body of the District.

Section 408. Establishment of 2024 Revenue Account in Revenue Fund; Application of Series 2024 Accounts and Investment Earnings.

(a) Except as otherwise provided herein, amounts on deposit in the 2024 Revenue Account shall be applied in accordance with Section 6.03 of the Master Indenture. Except as otherwise provided herein, the Series 2024 Assessments will be collected as provided in Section 9.04 of the Master Indenture. Following an Event of Default, the Majority Owners may direct the District as to the collection method for the Series 2024 Assessments provided such method complies with Florida law. The District covenants to assess, levy, and enforce the payment of the Series 2024 Assessments at times and in amounts as shall be necessary in order to pay, when due, Debt Service Requirements on the Series 2024 Bonds and to pay or cause to be paid the proceeds of such Series 2024 Assessments as received to the Trustee for deposit to the 2024 Revenue Account.

(b) Upon deposit of the revenues from the Series 2024 Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such Series 2024 Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

- (i) Assessment Interest which shall be deposited into the 2024 Interest Account;
- (ii) Assessment Principal, which shall be deposited into the 2024 Sinking Fund Account;
- (iii) Prepayment Principal which shall be deposited into the 2024 Prepayment Account;
- (iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal from the 2024 Reserve Account to pay the principal of Series 2024 Bonds, to the extent that less than the 2024 Reserve Account Requirement is on deposit in the 2024 Reserve Account, and, the balance, if any, shall be deposited into the 2024 Sinking Fund Account;
- (v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal from the 2024 Reserve Account to pay the interest of Series 2024 Bonds to the extent that less than the 2024 Reserve Account Requirement is on deposit in a 2024 Reserve Account, and, the balance, if any, shall be deposited into the 2024 Interest Account;
- (vi) The balance shall be deposited in the 2024 Revenue Account.

(c) On each March 15, June 15, September 15 and December 15 (or if such Day is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2024 Prepayment Account and, if the balance therein is

15

preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in all of the Funds and Accounts held as security for the Series 2024 Bonds shall be invested only in Investment Securities, and further, earnings on investments in the 2024 Acquisition and Construction Account and the 2024 Cost of Issuance Account shall be retained as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the 2024 Revenue Account, 2024 Sinking Fund Account, the 2024 Interest Account and the 2024 Prepayment Account and the 2024 Optional Redemption Account in the Bond Redemption Fund shall be deposited, as realized, to the credit of the 2024 Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2024 Reserve Account shall be disposed of as provided in Section 405 hereof.

ARTICLE V CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Third Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture as modified by this Third Supplemental Indenture.

Section 502. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this Third 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 XI thereof, all of which shall apply to the actions of the Trustee under this Third Supplemental Indenture.

Section 504. Brokerage Confirmations. 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 Issuer 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 and under the Master Indenture with respect to the 2024 Bonds Outstanding.

Section 505. Patriot Act Requirements of Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identified each person who opens an account. For a non-individual person such as business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses,

17

identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

ARTICLE VI MISCELLANEOUS

Section 601. Confirmation of Master Indenture. As supplemented by this Third Supplemental Indenture, the Master Indenture is in all respect ratified and confirmed, and this Third 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 Third Supplemental Indenture and to the Series 2024 Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this Third Supplemental Indenture the terms and provisions hereof shall control.

Section 602. Additional Covenant Regarding 2024 Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Third Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the 2024 Assessments, including the assessment methodology, prepared by Wrathell, Hunt and Associates, LLC (the "Report"), and to levy the 2024 Assessments and any required true up payments as set forth in the Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2024 Bonds, when due. The District also agrees that it shall not amend the Report in any material manner without the written consent of the Majority Owners.

The District shall directly collect the Series 2024 Assessments in lieu of the Uniform Method with respect to any assessable lands until such time as such lots are platted, unless the District Manager is directed otherwise by Majority Owners.

Section 603. Limitation on Additional Debt. Other than Bonds issued to refund a portion of Outstanding Series 2024 Bonds, the issuance of which as determined by the District results in 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 2024 Trust Estate. In addition, the District covenants not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the Series 2024 Assessments for any capital project unless (i) the Series 2024 Assessments have been Substantially Absorbed; or (ii) the District has received the written approval of the Majority Owners to such debt issuance. The District may impose Special Assessments on property subject to the Series 2024 Assessments which as determined by the District, are necessary for health, safety, and welfare reasons or to remediate a natural disaster and issue debt secured by such Special Assessments. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the Series 2024 Assessments without limitation except as limited by the documents pursuant to which such Bonds or debt are issued. The Trustee and the District may rely on a certificate from the District Manager regarding such status of the residential units and the Series 2024 Assessments and in the absence of receipt of such certificate, may assume Substantial Absorption has not occurred.

18

as delinquent direct billed Operation and Maintenance Assessments, all in a manner consistent with the Master Indenture and this Third Supplemental Indenture. All Series 2024 Assessments that are billed and collected directly by the District shall be due and payable no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

Section 606. Additional Matters Relating to Events of Default.

In addition to the events set forth in Section 10.02 of the Master Indenture, each of the following events shall be an Event of Default with respect to the Series 2024 Bonds, notwithstanding anything to the contrary in the Master Indenture:

(a) Any portion of the Series 2024 Assessments pledged to the Series 2024 Bonds shall have become delinquent and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds from the 2024 Reserve Account to pay the Debt Service Requirements on the Series 2024 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2024 Reserve Account to pay the Debt Service Requirements on the Series 2024 Bonds) (the foregoing being referred to as a "2024 Reserve Account Event") unless within sixty (60) days from the 2024 Reserve Account Event either (i) the District has paid to the Trustee the amounts, if any, withdrawn from the 2024 Reserve Account or (ii) the Delinquent Assessment Principal and Delinquent Assessment Interest giving rise to the 2024 Reserve Account Event are no longer delinquent; and

(b) More than fifteen percent (15%) of the Operation and Maintenance Assessments that are directly billed by the District and levied by the District on tax parcels subject to the Series 2024 Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due. The District shall give written notice to the Trustee of the occurrence of such event not later than 10 days after the end of the sixty day period referred to in the preceding sentence. The Trustee shall not be deemed to have knowledge of the occurrence of such an Event of Default absent notice thereof from the District.

Section 607. Provisions relating to Bankruptcy or Insolvency of Landowner.

(a) The provisions of this Section 607 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the Series 2024 Assessments pledged to the Series 2024 Bonds 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 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:

(i) the District hereby agrees that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2024

20

Section 604. Additional Matters Relating to Delinquent Assessments.

(a) Notwithstanding anything herein or in the Master 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 District, after receiving the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2024 Outstanding, specifying whether the District is to take title to the property in its corporate name or in the name of a special purpose entity, may purchase the property for an amount approved by the Majority Owners (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. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2024 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Series 2024 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the direction of the Majority Owners of the Series 2024 Outstanding. The District may 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, provided such action does not adversely impact the tax-exempt status of the interest on the Series 2024 Bonds.

(b) Notwithstanding anything to the contrary herein or in the Master Indenture, the District acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Series 2024 Assessments that are billed directly by the District, that the entire Series 2024 Assessments levied on the property for which such installment of Series 2024 Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2024 Bonds Outstanding, the District shall promptly, but in any event within ninety (90) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent Series 2024 Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

Section 605. Additional Matters Relating to Series 2024 Assessments and Assessment Proceedings. The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2024 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Series 2024 Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, and the provisions for the foreclosure of liens of delinquent Series 2024 Assessments that are directly billed and collected by the District, as well

19

Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2024 Assessments relating to the Series 2024 Bonds Outstanding, the Outstanding Series 2024 Bonds or any rights of the Trustee under the Indenture (provided, however, the Majority Owners shall be deemed to have consented, on behalf of the Owners of all of the Series 2024 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Majority Owners within sixty (60) days following receipt by the Majority Owners of the 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 Series 2024 Assessments relating to the Series 2024 Bonds Outstanding, the Series 2024 Bonds 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 seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, the Majority Owners shall be deemed to have consented, on behalf of all of the Owners of the Series 2024 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Majority Owners within sixty (60) following receipt by the Majority Owners of the 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 Series 2024 Assessments relating to the Series 2024 Bonds 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 the Series 2024 Bonds 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

(v) The District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceedings or take any other action in such Proceedings, which is adverse to Trustee's

21

enforcement or the District's claim and rights with respect to the Series 2024 Assessments relating to the Series 2024 Bonds 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 (i) to file a proof of claim with respect to the Series 2024 Assessments pledged to the Series 2024 Bonds Outstanding, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

(c) Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this Section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2024 Assessments relating to the Series 2024 Bonds 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) or (b)(v) above.

Section 608. [Reserved]

Section 609. Third Party Beneficiaries. This Third Supplemental Indenture shall inure solely to the benefit of the District, the Trustee and the Holders from time to time of the Series 2024 Bonds, and shall create no rights in any other person or entity.

Section 610. [Reserved]

IN WITNESS WHEREOF, HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT has caused these presents to be signed in its name and on its behalf by its Chairperson, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized signatory.

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

[SEAL]

By: _____
Chairperson, Board of Supervisors

ATTEST:

By: _____
Secretary

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

By: _____
Vice President

EXHIBIT A

No. 2024R-__ \$ _____

United States of America
State of Florida
HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2024
(NORTH PARCEL ASSESSMENT AREA ONE)

Interest Rate	Maturity Date	Dated Date	CUSIP
___%	May 1, ___	May __, 2024	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ MILLION _____ HUNDRED _____ THOUSAND AND NO/100 DOLLARS

THE HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 2024 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 2024 BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 2024 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 2024 BOND, MAY BE TREATED AS THE OWNER OF IT FOR ALL PURPOSES.

UNLESS THIS SERIES 2024 BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, WITH RESPECT TO ANY SERIES 2024 BOND REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created 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 Series 2024 Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter)

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 (as hereinafter defined), be paid to the Registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) and/or (b) of Section 10.02 of the Master Indenture, the payment of interest and principal or Redemption Price 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 Series 2024 Bond. Any payment of principal, or Redemption Price or interest shall be made only in accordance with standard DTC practices. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30 day months.

This Bond is one of a duly authorized issue of bonds of the District designated "Special Assessment Revenue Bonds, Series 2024 (North Parcel Assessment Area One)" (the "Series 2024 Bonds") issuable under and governed by the terms of a Master Trust Indenture, dated as of July 1, 2020 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association as trustee (the "Trustee"), as supplemented by a Third Supplemental Trust Indenture, dated as of May 1, 2024 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the "Indenture"). The Series 2024 Bonds are issued in an aggregate principal amount of \$ _____ for the purposes of (i) financing the Cost of acquiring, constructing and equipping certain assessable improvements (the "North Parcel Assessment Area One Project"); (ii) paying certain costs associated with the issuance of the Series 2024 Bonds; (iii) paying a portion of the interest to accrue on the Series 2024 Bonds; and (iv) making a deposit into the 2024 Reserve Account for the benefit of all of the Series 2024 Bonds.

NEITHER THIS SERIES 2024 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 SERIES 2024 BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON 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 2024 PLEDGED REVENUES AND THE 2024 PLEDGED FUNDS PLEDGED TO THE SERIES 2024 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

This Series 2024 Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated 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, the collection, receipt and disposition of revenues and the funds charged with and pledged to the payment of the principal, 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 the 2024 Pledged Revenues (as defined in the Indenture), 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 Registered Owners and Beneficial Owners of the Series 2024 Bonds, and, by the acceptance of this Series 2024 Bond, the Registered Owner and Beneficial Owners hereof assent to all of the provisions of the Indenture. Terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture. The Series 2024 Bonds are equally and ratably secured by the 2024 Trust Estate, without preference or priority of one Series 2024 Bond over another.

The Series 2024 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). This Series 2024 Bond is transferable by the Registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee as Bond Registrar (the "Bond Registrar"), upon surrender of this Series 2024 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 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 Series 2024 Bond or Series 2024 Bonds, in the same aggregate principal amount and of the same maturity as the Series 2024 Bond or Series 2024 Bonds transferred, will be issued to the transferee. At the designated corporate trust office of the Bond Registrar in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Series 2024 Bonds may be exchanged for an equal aggregate principal amount of Series 2024 Bonds of the same maturity, in Authorized Denominations and bearing interest at the same rate or rates.

The District has established a book-entry system of registration for the Series 2024 Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this Series 2024 Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Owner of this Series 2024 Bond shall be deemed to have agreed to such arrangement.

A-3

<u>Year</u>	<u>Amortization Installment</u>
*	
*Maturity	

The Series 2024 Bonds maturing May 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u>
*	
*Maturity	

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.

Upon redemption or purchase of the Series 2024 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service on the Series 2024 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2024 Bonds.

Extraordinary Mandatory Redemption

The Series 2024 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2024 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Series 2024 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Quarterly Redemption Date, if and to the extent that any one or more of the following shall have occurred:

Optional Redemption

The Series 2024 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after May 1, 2031 at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2024 Bonds maturing May 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u>
*	
*Maturity	

The Series 2024 Bonds maturing May 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u>
*	
*Maturity	

The Series 2024 Bonds maturing May 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

A-4

(i) On or after Completion Date of the North Parcel Assessment Area One Project by application of moneys transferred from the 2024 Acquisition and Construction Account to the 2024 Prepayment Account in accordance with the terms of the Indenture; or

(ii) Amounts are deposited into the 2024 Prepayment Account from the prepayment of Series 2024 Assessments and from amounts deposited into the 2024 Prepayment Account from any other sources; or

(iii) When the amount on deposit in the 2024 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2024 Bonds then Outstanding as provided in the Supplemental Indenture.

If less than all of the Series 2024 Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2024 Bonds or portions of such Series 2024 Bonds of that maturity to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

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 sixty (60) days prior to the redemption date 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.

The Owner of this Series 2024 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Series 2024 Bond which remain unclaimed for three (3) years after the date when such Series 2024 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 three (3) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Series 2024 Bond became due and payable, shall be paid

A-5

A-6

to the District, and thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Indenture) 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 such Series 2024 Bonds as to the 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 Series 2024 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 Series 2024 Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Series 2024 Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Series 2024 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.

A-7

IN WITNESS WHEREOF, Hills of Minneola Community Development District has caused this Series 2024 Bond to bear the signature the Chairperson of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of its Secretary.

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

[SEAL]

By: _____
Chairperson, Board of Supervisors

ATTEST:

By: _____
Secretary

A-4

CERTIFICATE OF AUTHENTICATION

This Series 2024 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 and Registrar

By: _____
Vice President

Date of Authentication: _____

A-5

CERTIFICATE OF VALIDATION

This Series 2024 Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court in and for Lake County, Florida, rendered on February 4, 2020.

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

By: _____
Chairperson, Board of Supervisors

A-11

[FORM OF ABBREVIATIONS FOR SERIES 2024 BONDS]

The following abbreviations, when used in the inscription on the face of the within Series 2024 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 tenant by the entireties
- JT TEN as joint tenants with the right of survivorship and not as tenants in common
- UNIFORM TRANS MIN ACT - _____ Custodian _____ under Uniform Transfers to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Series 2024 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Series 2024 Bond on the books of the District, with full power of substitution in the premises.

Date: _____

Social Security Number of Employer _____

Identification Number of Transferee: _____

Signature guaranteed: _____

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Series 2024 Bond in every particular without alteration or any change whatever.

NOTICE: Signatures (s) must be guaranteed by guarantor institution participating in the Securities Transfer Agents Medallion Program or such other guaranteed program acceptable to the Trustee.

A-12

- 3. each disbursement set forth above was incurred in connection with the Cost of the North Parcel Assessment Area One Project;
- 4. each disbursement represents a Cost of the North Parcel Assessment Area One Project which has not previously been paid; and
- 5. the costs set forth in the requisition are reasonable.

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.

Copies of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested or other similar evidence of proof of payment is on file with the District.

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

By: _____ Responsible Officer

Date: _____

The undersigned District Engineer hereby certifies that; (i) this disbursement is for the Cost of the North Parcel Assessment Area One Project and is consistent with the report of the District Engineer, as such report has been amended or modified; (ii) that the portion of the North Parcel Assessment Area One Project improvements being acquired from the proceeds of the 2024 Bonds have been completed in accordance with the plans and specifications therefor; (iii) the North Parcel Assessment Area One Project improvements subject to this disbursement are constructed in a sound workmanlike manner and in accordance with industry standards; (iv) the purchase price being paid by the District for the North Parcel Assessment Area One Project improvements being acquired pursuant to this disbursement is no more than the lesser of the fair market value of such improvements and the actual Cost of construction of such improvements; and (v) the plans and specifications for the North Parcel Assessment Area One Project improvements subject to this disbursement have been approved by all Regulatory Bodies required to approve them.

District Engineer

B-2

EXHIBIT B

FORM OF REQUISITION 2024 ACQUISITION AND CONSTRUCTION ACCOUNT

Hills of Minneola Community Development District
Lake County, Florida

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

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(NORTH PARCEL ASSESSMENT AREA ONE)

The undersigned, a Responsible Officer of the Hills of Minneola Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), dated as of July 1, 2020, as supplemented by that certain Third Supplemental Trust Indenture dated as of May 1, 2024 (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):
- (E) Account from which disbursement to be made: 2024 Acquisition and Construction Account.

The undersigned hereby certifies that:

- 1. obligations in the stated amount set forth above have been incurred by the District;
- 2. each disbursement set forth above is a proper charge against the Account referenced in "E" above;

B-1

EXHIBIT C

DESCRIPTION OF NORTH PARCEL ASSESSMENT AREA ONE PROJECT

ASSESSABLE IMPROVEMENTS AS DESCRIBED IN
THE FIRST SUPPLEMENTAL ENGINEER'S REPORT
PREPARED BY POULOS & BENNETT, LLC
DATED APRIL 22, 2024, AND AS REVISED FROM TIME TO TIME.

B-30

C-1

APPENDIX C

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

Upon delivery of the Series 2024 Bonds in definitive form, Akerman LLP, Bond Counsel, proposes to render its opinion with respect to the 2024 Bonds in substantially the following form:

Akerman LLP
50 North Laura Street
Suite 3100
Jacksonville, FL 32202-3646

(Closing Date)

Board of Supervisors
Hills of Minneola Community Development District

RE: Hills of Minneola Community Development District Special Assessment Revenue Bonds, Series 2024 (North Parcel Assessment Area One) (the “Series 2024 Bonds”)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Hills of Minneola Community Development District (the “District”) of the Series 2024 Bonds pursuant to the Constitution and laws of the State of Florida, including particularly the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the “Act”), Ordinance No. 2019-05 of the City of Minneola, Florida, Resolutions 2019-24 and 2024-08 adopted by the Board of Supervisors of the District (the “Board”) on September 9, 2019 and April 22, 2024, respectively (collectively, the “Resolution”), and a Master Trust Indenture dated as of July 1, 2020 (the “Master Indenture”), as supplemented by a Third Supplemental Trust Indenture dated as of May 1, 2024 (the “Supplemental Indenture,” and together with the Master Indenture, the “Indenture”), both between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). Any capitalized undefined term used herein shall have the same meaning as such term has under the Indenture.

Reference is made to the opinion of even date herewith of Straley Robin Vericker P.A., Counsel to the Issuer, on which we have solely relied, as to the due creation and valid existence of the Issuer, the due authorization, execution and delivery of the Indenture by the Issuer and the due adoption of the Resolution and other resolutions of the Issuer.

We have also relied upon all findings in the final judgment rendered by the Circuit Court in and for Lake County, Florida which final judgment among other matters validated the Series 2024 Bonds. Reference is also made to the opinion of even date herewith of counsel to the Trustee, on which we have relied, as to the due authorization and execution of the Indenture by the Trustee and of the enforceability of the Indenture against the Trustee.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Indenture and in the certified proceedings and other certifications of officials furnished to us, without undertaking to verify the same by independent investigation. In addition to the foregoing, we have examined and relied upon such other agreements, certificates, documents and opinions submitted to us, including certifications and representations of public officials and other officers and representatives of the various parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions expressed below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, certificates, documents, representations and opinions submitted to us 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 the signatures on all documents and instruments, the authenticity of documents submitted as originals, the conformity to originals of documents submitted as copies and the legal capacity of all natural persons.

The scope of our engagement in relation to the issuance of the Series 2024 Bonds has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein.

This opinion should not be construed as offering material or an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2024 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2024 Bonds. In addition, we have not been engaged to and, therefore, do not express any opinion as to compliance by the District with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2024 Bonds.

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 Florida. 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 of the Series 2024 Bonds or any other person shall ever have the right, directly or indirectly, to require or compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay the principal of or interest and premium, if any, on the Series 2024 Bonds or to pay any other amounts required to be paid pursuant to the Indenture or the Series 2024 Bonds.

The opinions set forth below 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.

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

1. The District has been duly created and validly exists as a community development district under the Act.
2. The Indenture has been duly authorized and executed by the District and constitutes a valid and binding obligation of the District. The Indenture creates the valid pledge which it purports to create of the 2024 Trust Estate for the Series 2024 Bonds in the manner and to the extent provided therein.
3. The Series 2024 Bonds have been duly authorized, executed and delivered by the District and are valid, binding, and enforceable special obligations of the District, payable solely from the sources provided therefore in the Indenture.
4. The interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the immediately preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code"), that must be met or satisfied subsequent to the date hereof in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure of the District to comply with such requirements may cause the inclusion of interest on the Series 2024 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 Bonds. Other provisions of the Code may give rise to adverse federal income tax consequences to particular holders of the Series 2024 Bonds. The scope of this opinion is limited to the matters addressed above and we express no opinion regarding other federal tax consequences arising with respect to the Series 2024 Bonds.

In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Series 2024 Bonds in order that interest on the Series 2024 Bonds not be included in gross income for federal income tax purposes.

5. Pursuant to the Act, the Series 2024 Bonds and the interest paid thereon are exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes.

It is to be understood that the rights of the owners of the Series 2024 Bonds and the enforceability of the Series 2024 Bonds and the Indenture may be subject to (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other similar statutes, rules, regulations, or other laws affecting the enforcement of creditor's rights and remedies generally and (b) the unavailability of, or limitation on the availability of, a particular right or remedy (whether in a proceeding in equity or at law).

Our opinions expressed herein are predicated upon present law, (and interpretations thereof) facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws (and interpretations thereof), facts or circumstances change after the date hereof.

Very truly yours,

AKERMAN LLP

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of May [], 2024 is executed and delivered by the Hills of Minneola Community Development District (the "Issuer" or the "District"), Pulte Home Company, LLC, a Michigan limited liability company (the "Developer"), and Wrathell, Hunt & Associates, LLC, a Florida limited liability company, as dissemination agent (the "Dissemination Agent") in connection with the Issuer's Special Assessment Revenue Bonds, Series 2024 (North Parcel Assessment Area One) (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of July 1, 2020 (the "Master Indenture") and a Third Supplemental Trust Indenture dated as of May 1, 2024 (the "Third 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 Developer 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 Developer 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.

"Assessment Area" shall mean that portion of the District lands subject to the Assessments.

"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 for the purposes of this Disclosure Agreement, the Developer for so long as such Developer or its affiliates, successors or assigns (excluding residential homebuyers who are end users) are the owners of District Lands responsible for payment of at least 20% of the Assessments.

"Participating Underwriter" shall mean FMSbonds, Inc.

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

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

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

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

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

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

3. **Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than March 31st following the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 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 file its Audited Financial Statements for the Fiscal Year ended September 30, 2023 on or before June 30, 2024. The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15th) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xvii) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

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

(d) The Dissemination Agent shall:

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

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

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

4. **Content of Annual Reports.**

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

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

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

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

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

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

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

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

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

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

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

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

5. **Quarterly Reports.**

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

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

(i) The number of lots planned.

Lot Ownership Information

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

Lot Status Information

- (v) The number of lots developed.
- (vi) The number of lots platted.

Home Sales Status Information

- (vii) The number of homes sold (but not closed) with homebuyers, during quarter.
- (viii) The number of homes sold (and closed) with homebuyers, during quarter.
- (ix) The total number of homes sold and closed with homebuyers (cumulative).

Material Changes/Transfers

- (x) Material changes to any of the following: (1) builder contracts, if applicable, (2) the number of lots planned to be developed, (3) permits/approvals, and (4) existing mortgage debt of the Obligated Person or the incurrence of new mortgage debt by the Obligated Person since the date hereof.
- (xi) Any sale, assignment or transfer of ownership of lands by the Obligated Person to a third party which will in turn become an Obligated Person hereunder.

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

6. **Reporting of Listed Events.**

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

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Series 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);

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

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

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

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

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

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

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

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Events described in Section 6(a)(xvii) and (xviii), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice by the Issuer to the Dissemination Agent shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Dissemination Agent to disseminate the information (provided that such date is in compliance within the filing dates provided within this Section 6(b)).

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

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

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

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

9. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of 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 Developer and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, each Obligated Person and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

13. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Trustee, the 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 Lake 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 Lake County, Florida.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and each of which shall be considered an original and all of which shall constitute but one and the same instrument. A scanned copy of the signatures delivered in a PDF format may be relied upon as if the original had been received.

17. **Trustee Cooperation.** The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports readily available to and in the possession of the Trustee that the Dissemination Agent requests in writing.

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Developer or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**HILLS OF MINNEOLA COMMUNITY
DEVELOPMENT DISTRICT, AS ISSUER AND
OBLIGATED PERSON**

[SEAL]

By: _____
Richard Jerman, Chairperson
Board of Supervisors

ATTEST:

By: _____
_____, Secretary

**PULTE HOME COMPANY, LLC, A
MICHIGAN 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][QUARTERLY REPORT]**

Name of Issuer: Hills of Minneola Community Development District

Name of Bond Issue: \$[_____] original aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (North Parcel Assessment Area One)

Obligated Person(s): Hills of Minneola Community Development District;
_____.

Original Date of Issuance: May [__], 2024

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated May [__], 2024, by and between the Issuer, the Developer and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent

By: _____
Name: _____
Title: _____

cc: Issuer
Trustee

SCHEDULE A

FORM OF DISTRICT'S ANNUAL REPORT (Due 3/31)

1. Fund Balances

Combined Trust Estate Assets	<u>Quarter Ended – 12/31</u>
Acquisition and Construction Fund	
Revenue Fund	
Reserve Fund	
Prepayment Fund	
Other	
Total Bonds Outstanding	
TOTAL	

2. Assessment Certification and Collection Information

1. For the Current District Fiscal Year – Manner in which Assessments are collected (On Roll vs. Off Roll)

	<u>\$ Certified</u>
On Roll	\$ _____
Off Roll	\$ _____
TOTAL	\$ _____

2. Attach to Report the following:
- A. On Roll – Copy of certified assessment roll for the District's current Fiscal Year
 - B. Off Roll – List of folios for all off roll Assessments, together with annual Assessment assigned to each folio

3. For the immediately ended Bond Year, provide the levy and collection information

<u>Total Levy</u>	<u>\$ Levied</u>	<u>\$ Collected</u>
On Roll	\$ _____	\$ _____
Off Roll	\$ _____	\$ _____
TOTAL		

4. If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amount of the Assessments due in any year, a list of delinquent property owners
5. If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year
6. The amount of principal and interest to be paid on the Bonds in the current Fiscal Year

APPENDIX E

ASSESSMENT METHODOLOGY

[THIS PAGE INTENTIONALLY LEFT BLANK]

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

Revised Master Special Assessment
Methodology Report
(North Parcel Assessment Area One)

April 22, 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

Table of Contents

1.0	Introduction	
1.1	Purpose	1
1.2	Scope of the Report	1
1.3	Special Benefits and General Benefits	1
1.4	Organization of the Report	2
2.0	Development Program	
2.1	Overview	2
2.2	The Development Program	3
3.0	The Capital Improvement Plan	
3.1	Overview	3
3.2	Capital Improvement Plan and North Parcel Assessment Area Project	4
4.0	Financing Program	
4.1	Overview	4
4.2	Types of Bonds Proposed	5
5.0	Assessment Methodology	
5.1	Overview	6
5.2	Benefit Allocation	6
5.3	Assigning Debt	9
5.4	Lienability Test: Special and Peculiar Benefit to the Property	10
5.5	Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay	11
5.6	True-Up Mechanism	11
5.7	Final Assessment Roll	13
6.0	Additional Stipulations	
6.1	Overview	13
7.0	Appendix	
	Table 1	15
	Table 2	15
	Table 3	16
	Table 4	16
	Table 5	17

1.0 Introduction

1.1 Purpose

This Revised Master Special Assessment Methodology Report for North Parcel Assessment Area One (the “Report”) was developed to revise the Master Special Assessment Methodology Report (the “Original Report”) dated March 17, 2020 and to provide a revised master financing plan and a revised master special assessment methodology for the 346 residential units that are projected to be developed (the “North Parcel Assessment Area One”) within the North Parcel Assessment Area portion of the Hills of Minneola Community Development District (the “District”). The District is located in the City of Minneola, Lake County, Florida and is comprised on two separate component parts each known as the North Parcel Assessment Area and the South Parcel Assessment Area.

This Report was developed in relation to funding by the District of the costs of public infrastructure improvements (the “Capital Improvement Plan”) contemplated to be provided by the District for the North Parcel Assessment Area One.

1.2 Scope of the Report

This Report presents the projections for financing the District's Capital Improvement Plan described in the Hills of Minneola Community Development District First Supplemental Engineer's Report prepared by Poulos & Bennett, LLC (the “District Engineer”) and dated April 22, 2024. This 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 the Capital Improvement Plan for the North Parcel Assessment Area One.

1.3 Special Benefits and General Benefits

Improvements undertaken and funded by the District as part of the Capital Improvement Plan 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 Capital Improvement Plan enables properties within its boundaries to be developed.

There is no doubt that the general public and property owners of property outside the District will benefit from the provision of the Capital Improvement Plan. However, these benefits are only incidental since the Capital Improvement Plan is designed solely to provide special benefits peculiar to property within the District. Properties outside the District are not directly served by the Capital Improvement Plan and do not depend upon the Capital Improvement Plan 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 Capital Improvement Plan will provide public infrastructure 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 Capital Improvement Plan. Even though the exact value of the benefits provided by the Capital Improvement Plan is hard to estimate at this point, it is nevertheless 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 financing program for the North Parcel Assessment Area One.

Section Five discusses the special assessment methodology for the District and the North Parcel Assessment Area One.

2.0 Development Program

2.1 Overview

The District will serve a portion of the Hills of Minneola development (the "Development" or "Hills of Minneola"), a master planned, mixed-use development located in City of Minneola, Lake County, Florida.

The land within the District consists of approximately 877.15 +/- acres, is generally located south of Sugar Loaf Mountain Road and east of the Florida's Turnpike and is divided into two geographically separate and noncontiguous project areas referred to herein as the North Parcel Assessment Area containing approximately 339.74 +/- acres and the south part referred to herein as the South Parcel Assessment Area containing approximately 537.41 +/- acres.

2.2 The Development Program

The development of land within the District has been conducted by JEN Florida 30, LLC and/or its assigns or affiliates (the "Developer"). Based upon the information provided by the Developer, the most current development plan envisions a total of 2,600 residential units (with 846 residential units developed within the North Parcel Assessment Area and 1,754 residential units developed within the South Parcel Assessment Area) and multiple recreational amenities, although land use types and unit numbers may change throughout the development period.

The development of the South Parcel Assessment Area commenced in 2020, comprised of a total of 1,416 residential units representing the first stage of development within the South Parcel Assessment Area. The development continued in 2021 with additional 338 residential units, representing the second stage of development within the South Parcel Assessment Area.

The development of the North Parcel Assessment Area is anticipated to be conducted by PulteGroup, Inc. ("Pulte" and, together with the Developer, the "Landowners") Based upon the information provided by the Landowners, the current North Parcel Assessment Area development plan envisions a total of 846 residential units to be developed in multiple phases. The development within North Parcel Assessment Area One comprises 346 residential units. The remaining development, referred to as North Parcel Assessment Area Two, is projected to comprise 500 residential units and is also referred to herein as the Future Phases, although land use types, unit numbers, and phasing of development may change throughout the development period. Table 1 in the *Appendix* illustrates the development plan for the North Parcel Assessment Area One.

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 Capital Improvement Plan and North Parcel Assessment Area One Project

The Capital Improvement Plan needed to serve the Development is projected to consist of improvements which will separately serve the North Parcel Assessment Area and the South Parcel Assessment Area such that each area can function independently of the other.

The Capital Improvement Plan for the North Parcel Assessment Area One Project is designed to serve and will benefit, upon platting, the 346 residential dwelling units that are projected to be developed within the North Parcel Assessment Area One area. According to the First Supplemental Engineer's Report, the CIP is comprised of sanitary sewer systems, potable water systems, reclaimed water systems, entry landscape/hardscape (outside of gates), SECO undergrounding of electrical, CR 561 (non-impact fee creditable portion), north Hancock road (non-impact fee creditable portion), along with contingency and professional costs which cumulatively are estimated by the District Engineer at \$13,565,290.62.

Within the North Parcel Assessment Area One, the infrastructure improvements described in the First Supplemental Engineer's Report will serve and provide benefit to all land uses and all phases of development within the North Parcel Assessment Area One. The improvements that are part of the CIP within each parcel assessment area will comprise an interrelated system of improvements within that parcel's assessment area, which means all of improvements within that parcel's assessment area will serve that entire parcel's assessment area and improvements will be interrelated such that they will reinforce one another. Table 2 in the *Appendix* illustrates the specific components of the North Parcel Assessment Area One Project and their costs.

4.0 Financing Program

4.1 Overview

As noted above, the District has already embarked on two programs of capital improvements which facilitate the development of the first

1,416 units and the additional 338 units within the South Parcel Assessment Area. The District has funded a portion of the capital improvements needed to serve the first 1,416 units with proceeds of bonds issued in 2020 (the "Series 2020 Bonds"), which were issued in the initial principal amount of \$23,520,000 and funded construction/acquisition costs in the amount of \$21,036,557.97, and funded a portion of the capital improvements needed to serve the additional 338 units with proceeds of bonds issued in 2021 (the "Series 2021 Bonds") in the principal amount of \$5,890,000 and funded infrastructure construction/acquisition costs in the amount of \$5,434,843.96.

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 for the North Parcel Assessment Area One as described in Section 3.2 in one financing transaction, the District would have to issue approximately \$16,780,000 in par amount of Special Assessment Revenue Bonds (the "Bonds").

Please note that the purpose of this Report is to allocate the benefit of the CIP for the North Parcel Assessment Area One to the various land uses in the District and based on such benefit allocation to apportion the maximum debt necessary to fund the costs of the CIP for the North Parcel Assessment Area One. 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 North Parcel Assessment Area One provides for the issuance of the Bonds in the approximate principal amount of \$16,780,000 to finance approximately \$13,565,290.62 in Capital Improvement Plan costs for the North Parcel Assessment Area One. The Bonds as projected under this financing plan would be structured to be amortized in 30 annual installments following a 12-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 either on May 1 or on November 1.

In order to finance the improvement and other costs, the District would need to borrow more funds and incur indebtedness in the total amount of approximately \$16,780,000. The difference between the project costs and financing costs is comprised of a debt service reserves, capitalized interest, underwriter's discount and costs of

issuance. Preliminary sources and uses of funding for the Bonds are presented in Table 3 in the Appendix.

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 a portion of the balance of the funds necessary to construct/acquire the infrastructure improvements which are part of the North Parcel Assessment Area One Project outlined in *Section 3.2* and described in more detail by the District Engineer in the First Supplemental Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to the assessable properties planned for the 346 platted within the boundaries of the North Parcel Assessment Area One and general benefits accruing to areas outside the North Parcel Assessment Area One and outside of the District but being only incidental in nature. The debt incurred in financing the public infrastructure will be paid off by assessing properties that derive special and peculiar benefits from the Capital Improvement Plan for the North Parcel Assessment Area One. All properties that receive special benefits from the Capital Improvement Plan for the North Parcel Assessment Area One will be assessed for their fair share of the debt issued in order to finance all or a portion of the Capital Improvement Plan for the North Parcel Assessment Area One.

5.2 Benefit Allocation

The most current development plan envisions the development of a total of 346 residential units developed within the North Parcel Assessment Area One, although land use types and unit numbers may change throughout the development period.

According to the District Engineer, the infrastructure improvements that are part of the Capital Improvement Plan will separately serve the North Parcel Assessment Area and the South Parcel Assessment Area such that each area can function independently of

the other. Within the North Parcel Assessment Area One, the infrastructure improvements described in the Engineer's Report will serve and provide benefit to all land uses in the North Parcel Assessment Area.

Even though the installation of the improvements that comprise the Capital Improvement Program is projected to occur as two (2) or more separate projects, the North Parcel Assessment Area One Project and the Future Project, coinciding with the development of North Parcel Assessment Area One and future assessment areas respectively, by allowing for the land in the North Parcel Assessment Area to be developable the infrastructure improvements that comprise the Capital Improvement Program will serve and provide benefit to all land uses in the North Parcel Assessment Area and will comprise an interrelated system of improvements, which means all of improvements will serve the entire North Parcel Assessment Area and improvements will be interrelated such that they will reinforce one another and their combined benefit will be greater than the sum of their individual benefits. All of the unit types within the North Parcel Assessment Area, both those in the North Parcel Assessment Area One and those in the future assessment areas, will benefit from each infrastructure improvement category, as the improvements provide basic infrastructure to all land within the North Parcel Assessment Area and benefit all land within North Parcel Assessment Area 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 North Parcel Assessment Area, as without such improvements, the development of the properties within the North Parcel Assessment Area would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the North Parcel Assessment Area, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the 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 that parcel.

Following the methodology developed in the Master Report, the benefit associated with the North Parcel Assessment Area One Project is proposed to be allocated to the different product types

within the North Parcel Assessment Area One 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 product types contemplated to be developed within the North Parcel Assessment Area One based on the densities of development and the intensities of use of infrastructure, total ERU counts for each product type, and the share of the benefit received by each product type.

The rationale behind different ERU weights is supported by the fact that generally and on average smaller units or units with a lower intensity of use will use and benefit from the District's improvements less than larger units or units with a higher intensity of use, as for instance, generally and on average smaller units or units with lower intensity of use 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 or units with a higher intensity of use is likely to appreciate by more in terms of dollars than that of the smaller units or units with a lower intensity of use as a result of the implementation of the Capital Improvement Plan. 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 from the District's improvements.

Table 5 in the *Appendix* presents the apportionment of the assessment associated with funding a part of the portion of the North Parcel Assessment Area One Project (the "Bond Assessments") in accordance with the ERU benefit allocation method presented in Table 4. Table 5 also presents the annual levels of the projected annual debt service assessments per unit.

Amenities - It is our understanding that all amenities planned for the North Parcel Assessment Area One will be "common elements" owned and managed by the HOA. No Bond Assessments will be allocated herein to any platted amenities or other platted common areas planned for the development that meet the definition of "common element" in section 193.0235, Florida Statutes. Should the District discover that a privately-owned amenity has been developed within the North Parcel Assessment Area One which does not meet the definition of a "common element" in section 193.0235, Florida Statutes, further assessment proceedings will be necessary to reallocate assessments to such parcel.

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 Bond Assessments for such tax parcel shall become due and payable immediately prior to such transfer by way of a mandatory true-up payment without any further action of the District.

5.3 Assigning Debt

The land in the North Parcel Assessment Area One is only partially platted for its intended final use. Out of the projected 346 residential units, the 198 residential in Phase 1 and Phase 2 have already been platted and assigned individual parcel numbers by the Lake County Property Appraiser's Office. The remaining 148 residential units in Phase 3 which account for approximately 65.251 +/- acres within the North Parcel Assessment Area One remain unplatted.

Accordingly, the Bond Assessments will be allocated to each platted parcel which has been assigned individual parcel numbers by the Lake County Property Appraiser's Office on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 5 in the *Appendix*. Consequently, the 198 residential units which have been platted will cumulatively be allocated a sum of \$9,333,990.12 in Bond Assessments. For the remaining 148 residential units that either have been platted but not yet assigned individual parcel numbers by the Lake County Property Appraiser's Office or remain unplatted, the precise location of the various product types by lot or parcel is unknown and consequently the Bond Assessments will initially be levied on the remaining developable and unplatted land and platted land which has not yet been assigned individual parcel numbers by the Lake County Property Appraiser's Office on an equal pro-rata gross acre basis and thus the total bonded debt in the amount of \$7,446,009.88 (\$16,780,000.00 minus the \$9,333,990.12 allocated to the platted lots which have been assigned individual parcel numbers by the Lake County Property Appraiser's Office) will be preliminarily levied on approximately 65.251 +/- gross acres (remaining unplatted parcel as described in Exhibit "B" attached hereto) at a rate of \$114,113.35 per acre.

When the balance of the land is platted and assigned individual parcel numbers by the Lake County Property Appraiser's Office, 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 Assessment from unplatted gross acres to platted parcels will reduce the amount of the Bond Assessments levied on unplatted gross acres within the District.

Further, to the extent that any parcel of 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.

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 the residential units within the North Parcel Assessment Area One. The District's improvements benefit assessable properties within the North Parcel Assessment Area One and accrue to all such assessable properties on an ERU basis.

Improvements undertaken by the District and funded with proceeds of the Bonds can be shown to be creating special and peculiar benefits to the property within the North Parcel Assessment Area One. The special and peculiar benefits resulting from each improvement include, but are not limited to:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums;
- d. increased marketability and value of the property.

The improvements which are part of the Capital Improvement Plan make the land in the North Parcel Assessment Area One developable and saleable and when implemented jointly, 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 assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across the units of assessable property within the North Parcel Assessment Area One according to reasonable estimates of the special and peculiar benefits derived from the Capital Improvement Plan for the North Parcel Assessment Area One by different product types.

Accordingly, no acre or parcel of property within the North Parcel Assessment Area One will be liened for the payment of any non-ad valorem special assessment 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 lots in a manner sufficient to include all of the planned ERUs for the Development Plan, as set forth in Table 1 in the Appendix. At such time as lands are to be platted (or re-platted) or site plans are to be approved (or re-approved), the plat or site plan (either, herein, "Proposed Plat") shall be presented to the District for a "true-up" review as follows:

a. If a Proposed Plat results in the same amount of ERUs (and thus Bond Assessments) able to be imposed on the "Remaining Unplatted Lands" (i.e., those remaining unplatted lands after the Proposed Plat 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 being platted 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 Plat results in a greater amount of ERUs (and thus Bond Assessments) able to be imposed on the Remaining Unplatted Lands 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 Plat results in a lower amount of ERUs (and thus Bond Assessments) able to be imposed on the Remaining Unplatted Lands as compared to what was originally contemplated under the Development Plan, then the District shall require the landowner(s) of the lands encompassed by the Proposed Plat to pay a "True-Up Payment" equal to the difference between: (i) the Bond Assessments originally contemplated to be imposed on the lands subject to the Proposed Plat, and (ii) the Bond Assessments able to be imposed on the lands subject to the Proposed Plat, after the Proposed Plat (plus applicable interest, collection costs, penalties, etc.).

With respect to the foregoing true-up analysis, the District's 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 Unplatted Lands, taking into account a Proposed Plat, by reviewing: a) the original, overall development plan showing the number and type of units reasonably planned for the Development, b) the proposed 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 Unplatted Lands, 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 Plat, 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 Plat property until paid. A True-Up Payment shall include accrued interest on the applicable bond series to the interest payment date that occurs at least 45 days after the True-Up Payment (or the second succeeding interest payment date if such True-Up Payment is made within forty-five (45) calendar days

before an interest payment date (or such other time as set forth in the supplemental indentures for the applicable bond series)).

All 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 plat 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 plat. This true-up process applies for both plats and/or re-plats.

Such review shall be limited solely to the function and the enforcement of the District's Bond Assessment liens and/or true-up agreements. Nothing herein shall in any way operate to or be construed as providing any other plat approval or disapproval powers to the District. For further detail on the true-up process, please refer to the true-up agreement(s) and applicable assessment resolution(s).

5.7 Final Assessment Roll

The Bond Assessments of \$16,780,000 are proposed to be levied over the area described in Exhibit "A" and Exhibit "B". 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 special assessments related to the District's CIP. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this 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

Hills of Minneola

Community Development District

Development Plan

North Parcel Assessment Area One

Product Type	Total Number of Units
SF 40'	73
SF 50'	163
SF 65'	110
Total	346

Table 2

Hills of Minneola

Community Development District

Capital Improvement Plan

Improvement	North Parcel Project Costs
Sanitary Sewer Systems	\$2,679,435.64
Potable Water Systems	\$2,216,710.67
Reclaimed Water Systems	\$1,159,882.12
Entry Landscape/Hardscape (outside of gates)	\$3,052,570.00
SECO Undergrounding of Electrical	\$355,927.03
CR 561 (non-impact fee creditable portion)	\$105,383.24
North Hancock Road (non-impact fee creditable portion)	\$1,090,183.68
Professional Fees	\$1,671,990.00
Contingency	\$1,233,208.24
Total	\$13,565,290.62

Table 3

Hills of Minneola

Community Development District

Sources and Uses of Funds

Sources

Bond Proceeds:	
Par Amount	\$16,780,000.00
Total Sources	\$16,780,000.00

Uses

Project Fund Deposits:	
Project Fund	\$13,565,290.62
Other Fund Deposits:	
Debt Service Reserve Fund	\$1,420,783.34
Capitalized Interest Fund	\$1,258,500.00
	<u>\$2,679,283.34</u>

Delivery Date Expenses:	
Costs of Issuance and Underwriter's Discount	\$535,426.04

Total Uses	\$16,780,000.00
-------------------	------------------------

Financial Assumptions

Coupon Rate: 7.50%
 CAPI Length: 12 Months
 Bond Duration: 30 Years
 Cost Of Issuance and Underwriter's Discount: \$535,426.04

Table 4

Hills of Minneola

Community Development District

Benefit Allocation

Product Type	Total Number of Units	ERU Factor per Unit	Total ERU	Capital Improvement Program Cost Allocation
SF 40'	73	0.80	58.40	\$2,174,020.23
SF 50'	163	1.00	163.00	\$6,067,898.93
SF 65'	110	1.30	143.00	\$5,323,371.46
Total	346		364.40	\$13,565,290.62

Table 5

Hills of Minneola

Community Development District

Bond Assessment Apportionment

Product Type	Capital Improvement		Bond Assessments			Annual Bond
	Total Number of Units	Program Cost Allocation	Total Bond Assessments Apportionment	Apportionment per Unit	Annual Bond Assessments Debt Service per Unit*	Assessments Debt Service per Unit**
SF 40'	73	\$2,174,020.23	\$2,689,220.64	\$36,838.64	\$3,119.17	\$3,353.95
SF 50'	163	\$6,067,898.93	\$7,505,872.67	\$46,048.30	\$3,898.97	\$4,192.44
SF 65'	110	\$5,323,371.46	\$6,584,906.70	\$59,862.79	\$5,068.66	\$5,450.17
Total	346	\$13,565,290.62	\$16,780,000.00			

* Principal and interest only - excludes costs of collection and early payment discount allowance

** Included costs of collection and early payment discount allowance

"EXHIBIT A"

Parcel ID	Lot Number	Unit Type	Bond Assessments
			Apportionment per Unit
292126001000000100	1	SF 40'	\$36,838.64
292126001000000200	2	SF 40'	\$36,838.64
292126001000000300	3	SF 50'	\$46,048.30
292126001000000400	4	SF 65'	\$59,862.79
292126001000000500	5	SF 40'	\$36,838.64
292126001000000600	6	SF 40'	\$36,838.64
292126001000000700	7	SF 50'	\$46,048.30
292126001000000800	8	SF 50'	\$46,048.30
292126001000000900	9	SF 65'	\$59,862.79
292126001000001000	10	SF 65'	\$59,862.79
292126001000001100	11	SF 40'	\$36,838.64
292126001000001200	12	SF 40'	\$36,838.64
292126001000001300	13	SF 50'	\$46,048.30
292126001000001400	14	SF 50'	\$46,048.30
292126001000001500	15	SF 50'	\$46,048.30
292126001000001600	16	SF 50'	\$46,048.30
292126001000001700	17	SF 50'	\$46,048.30
292126001000001800	18	SF 40'	\$36,838.64
292126001000001900	19	SF 40'	\$36,838.64
292126001000002000	20	SF 50'	\$46,048.30
292126001000002100	21	SF 50'	\$46,048.30
292126001000002200	22	SF 65'	\$59,862.79
292126001000002300	23	SF 65'	\$59,862.79
292126002000002400	24	SF 50'	\$46,048.30
292126002000002500	25	SF 50'	\$46,048.30
292126002000002600	26	SF 50'	\$46,048.30
292126002000002700	27	SF 50'	\$46,048.30
292126002000002800	28	SF 50'	\$46,048.30
292126002000002900	29	SF 50'	\$46,048.30
292126002000003000	30	SF 50'	\$46,048.30
292126002000003100	31	SF 50'	\$46,048.30
292126002000003200	32	SF 50'	\$46,048.30
292126002000003300	33	SF 50'	\$46,048.30
292126002000003400	34	SF 50'	\$46,048.30
292126002000003500	35	SF 50'	\$46,048.30
292126002000003600	36	SF 50'	\$46,048.30
292126002000003700	37	SF 50'	\$46,048.30
292126002000003800	38	SF 50'	\$46,048.30
292126002000003900	39	SF 50'	\$46,048.30
292126002000004000	40	SF 50'	\$46,048.30
292126002000004100	41	SF 50'	\$46,048.30
292126002000004200	42	SF 50'	\$46,048.30
292126002000004300	43	SF 50'	\$46,048.30
292126002000004400	44	SF 50'	\$46,048.30

"EXHIBIT A"

Parcel ID	Lot Number	Unit Type	Bond Assessments
			Apportionment per Unit
292126002000004500	45	SF 50'	\$46,048.30
292126002000004600	46	SF 50'	\$46,048.30
292126002000004700	47	SF 50'	\$46,048.30
292126002000004800	48	SF 50'	\$46,048.30
292126002000004900	49	SF 50'	\$46,048.30
292126002000005000	50	SF 50'	\$46,048.30
292126002000005100	51	SF 50'	\$46,048.30
292126002000005200	52	SF 50'	\$46,048.30
292126002000005300	53	SF 50'	\$46,048.30
292126002000005400	54	SF 50'	\$46,048.30
292126002000005500	55	SF 50'	\$46,048.30
292126002000005600	56	SF 50'	\$46,048.30
292126002000005700	57	SF 50'	\$46,048.30
292126002000005800	58	SF 50'	\$46,048.30
292126002000005900	59	SF 50'	\$46,048.30
292126002000006000	60	SF 50'	\$46,048.30
292126002000006100	61	SF 50'	\$46,048.30
292126002000006200	62	SF 50'	\$46,048.30
292126002000006300	63	SF 50'	\$46,048.30
292126002000006400	64	SF 50'	\$46,048.30
292126002000006500	65	SF 50'	\$46,048.30
292126002000006600	66	SF 50'	\$46,048.30
292126002000006700	67	SF 50'	\$46,048.30
292126002000006800	68	SF 50'	\$46,048.30
292126002000006900	69	SF 50'	\$46,048.30
292126002000007000	70	SF 50'	\$46,048.30
292126002000007100	71	SF 50'	\$46,048.30
292126002000007200	72	SF 50'	\$46,048.30
292126002000007300	73	SF 50'	\$46,048.30
292126002000007400	74	SF 50'	\$46,048.30
292126002000007500	75	SF 50'	\$46,048.30
292126002000007600	76	SF 50'	\$46,048.30
292126002000007700	77	SF 50'	\$46,048.30
292126002000007800	78	SF 50'	\$46,048.30
292126002000007900	79	SF 40'	\$36,838.64
292126002000008000	80	SF 40'	\$36,838.64
292126002000008100	81	SF 40'	\$36,838.64
292126002000008200	82	SF 40'	\$36,838.64
292126002000008300	83	SF 40'	\$36,838.64
292126002000008400	84	SF 40'	\$36,838.64
292126002000008500	85	SF 40'	\$36,838.64
292126002000008600	86	SF 40'	\$36,838.64
292126002000008700	87	SF 40'	\$36,838.64
292126002000008800	88	SF 40'	\$36,838.64

"EXHIBIT A"

Parcel ID	Lot Number	Unit Type	Bond Assessments
			Apportionment per Unit
292126002000008900	89	SF 40'	\$36,838.64
292126002000009000	90	SF 40'	\$36,838.64
292126002000009100	91	SF 40'	\$36,838.64
292126002000009200	92	SF 40'	\$36,838.64
292126002000009300	93	SF 40'	\$36,838.64
292126002000009400	94	SF 40'	\$36,838.64
292126002000009500	95	SF 40'	\$36,838.64
292126002000009600	96	SF 40'	\$36,838.64
292126002000009700	97	SF 40'	\$36,838.64
292126002000009800	98	SF 40'	\$36,838.64
292126002000009900	99	SF 40'	\$36,838.64
292126002000010000	100	SF 40'	\$36,838.64
292126002000010100	101	SF 40'	\$36,838.64
292126002000010200	102	SF 40'	\$36,838.64
292126002000010300	103	SF 40'	\$36,838.64
292126002000010400	104	SF 40'	\$36,838.64
292126002000010500	105	SF 40'	\$36,838.64
292126002000010600	106	SF 40'	\$36,838.64
292126002000010700	107	SF 40'	\$36,838.64
292126002000010800	108	SF 40'	\$36,838.64
292126002000010900	109	SF 40'	\$36,838.64
292126002000011000	110	SF 40'	\$36,838.64
292126002000011100	111	SF 40'	\$36,838.64
292126002000011200	112	SF 40'	\$36,838.64
292126002000011300	113	SF 40'	\$36,838.64
292126002000011400	114	SF 40'	\$36,838.64
292126002000011500	115	SF 40'	\$36,838.64
292126002000011600	116	SF 40'	\$36,838.64
292126002000011700	117	SF 40'	\$36,838.64
292126002000011800	118	SF 40'	\$36,838.64
292126002000011900	119	SF 40'	\$36,838.64
292126002000012000	120	SF 40'	\$36,838.64
292126002000012100	121	SF 40'	\$36,838.64
292126002000012200	122	SF 40'	\$36,838.64
292126002000012300	123	SF 40'	\$36,838.64
292126002000012400	124	SF 40'	\$36,838.64
292126002000012500	125	SF 40'	\$36,838.64
292126002000012600	126	SF 40'	\$36,838.64
292126001000012700	127	SF 50'	\$46,048.30
292126001000012800	128	SF 50'	\$46,048.30
292126001000012900	129	SF 50'	\$46,048.30
292126001000013000	130	SF 50'	\$46,048.30
292126001000013100	131	SF 50'	\$46,048.30
292126001000013200	132	SF 50'	\$46,048.30

"EXHIBIT A"

Parcel ID	Lot Number	Unit Type	Bond Assessments
			Apportionment per Unit
292126001000013300	133	SF 50'	\$46,048.30
292126001000013400	134	SF 50'	\$46,048.30
292126001000013500	135	SF 50'	\$46,048.30
292126001000013600	136	SF 50'	\$46,048.30
292126001000013700	137	SF 50'	\$46,048.30
292126001000013800	138	SF 50'	\$46,048.30
292126001000013900	139	SF 50'	\$46,048.30
292126001000014000	140	SF 50'	\$46,048.30
292126001000014100	141	SF 50'	\$46,048.30
292126001000014200	142	SF 50'	\$46,048.30
292126001000014300	143	SF 50'	\$46,048.30
292126001000014400	144	SF 50'	\$46,048.30
292126001000014500	145	SF 50'	\$46,048.30
292126001000014600	146	SF 50'	\$46,048.30
292126001000014700	147	SF 50'	\$46,048.30
292126001000014800	148	SF 50'	\$46,048.30
292126001000014900	149	SF 50'	\$46,048.30
292126001000015000	150	SF 50'	\$46,048.30
292126001000015100	151	SF 65'	\$59,862.79
292126001000015200	152	SF 65'	\$59,862.79
292126001000015300	153	SF 65'	\$59,862.79
292126001000015400	154	SF 65'	\$59,862.79
292126001000015500	155	SF 65'	\$59,862.79
292126001000015600	156	SF 65'	\$59,862.79
292126001000015700	157	SF 65'	\$59,862.79
292126001000015800	158	SF 65'	\$59,862.79
292126001000015900	159	SF 65'	\$59,862.79
292126001000016000	160	SF 65'	\$59,862.79
292126001000016100	161	SF 65'	\$59,862.79
292126001000016200	162	SF 65'	\$59,862.79
292126001000016300	163	SF 65'	\$59,862.79
292126001000016400	164	SF 65'	\$59,862.79
292126001000016500	165	SF 65'	\$59,862.79
292126001000016600	166	SF 65'	\$59,862.79
292126001000016700	167	SF 65'	\$59,862.79
292126001000016800	168	SF 65'	\$59,862.79
292126001000016900	169	SF 65'	\$59,862.79
292126001000017000	170	SF 65'	\$59,862.79
292126001000017100	171	SF 65'	\$59,862.79
292126001000017200	172	SF 65'	\$59,862.79
292126001000017300	173	SF 65'	\$59,862.79
292126001000017400	174	SF 65'	\$59,862.79
292126001000017500	175	SF 65'	\$59,862.79
292126001000017600	176	SF 65'	\$59,862.79

"EXHIBIT A"

Parcel ID	Lot Number	Unit Type	Bond Assessments
			Apportionment per Unit
292126001000017700	177	SF 65'	\$59,862.79
292126001000017800	178	SF 65'	\$59,862.79
292126001000017900	179	SF 65'	\$59,862.79
292126001000018000	180	SF 65'	\$59,862.79
292126001000018100	181	SF 65'	\$59,862.79
292126001000018200	182	SF 65'	\$59,862.79
292126001000018300	183	SF 65'	\$59,862.79
292126001000018400	184	SF 65'	\$59,862.79
292126001000018500	185	SF 65'	\$59,862.79
292126001000018600	186	SF 65'	\$59,862.79
292126001000018700	187	SF 65'	\$59,862.79
292126001000018800	188	SF 65'	\$59,862.79
292126001000018900	189	SF 65'	\$59,862.79
292126001000019000	190	SF 65'	\$59,862.79
292126001000019100	191	SF 65'	\$59,862.79
292126001000019200	192	SF 65'	\$59,862.79
292126001000019300	193	SF 65'	\$59,862.79
292126001000019400	194	SF 65'	\$59,862.79
292126001000019500	195	SF 65'	\$59,862.79
292126001000019600	196	SF 65'	\$59,862.79
292126001000019700	197	SF 65'	\$59,862.79
292126001000019800	198	SF 65'	\$59,862.79
Total			\$9,333,990.12

Exhibit "B"

The Bond Assessments in the estimated amount of \$7,446,009.88 are proposed to be levied over the area as described below:

Pulte Del Webb Minneola
Phase 3 Final Plat

DESCRIPTION:

That part of Tract FD-3, DEL WEBB MINNEOLA PHASE 1, according to the plat thereof, as recorded in Plat Book 80, Pages 1 through 10, of the Public Records of Lake County, Florida, described as follows:

BEGIN at the Northeast corner of Tract SW-11, according to said plat of DEL WEBB MINNEOLA PHASE 1; thence N00°56'17"E along the Easterly line of said Tract FD-3 and the East line of the Southeast 1/4 of Section 29, Township 21 South, Range 26 East, Lake County, Florida, for a distance of 358.43 feet to the Northeast corner of the Southeast 1/4 of said Section 29; thence N01°03'08"E along said Easterly line of Tract FD-3 and the East line of the Northeast 1/4 of said Section 29, for a distance of 901.37 feet; thence departing said Easterly line of Tract FD-3 and the East line of the Northeast 1/4 of Section 29, run N88°59'55"W, 105.32 feet; thence S28°54'56"W, 94.40 feet; thence S45°26'42"W, 94.40 feet; thence S61°57'33"W, 94.40 feet; thence S78°31'31"W, 82.27 feet; thence S84°21'42"W, 50.07 feet; thence N76°39'26"W, 82.52 feet; thence N74°38'26"W, 192.47 feet; thence S85°34'22"W, 55.20 feet; thence S67°08'20"W, 94.46 feet to a non-tangent curve concave Westerly having a radius of 750.00 feet and a chord bearing of S00°11'57"W; thence Southerly along the arc of said curve through a central angle of 21°59'40" for a distance of 287.91 feet to the point of tangency; thence S11°11'46"W, 260.23 feet to the point of curvature of a curve concave Easterly having a radius of 450.00 feet and a chord bearing of S01°11'12"E; thence Southerly along the arc of said curve through a central angle of 24°45'56" for a distance of 194.51 feet to a non-tangent line; thence S76°25'50"W, 57.00 feet to a non-tangent curve concave Easterly having a radius of 507.00 feet and a chord bearing of N06°19'04"W; thence Northerly along the arc of said curve through a central angle of 14°30'12" for a distance of 128.34 feet to a non-tangent line; thence N89°04'30"W, 28.38 feet; thence N78°45'56"W, 138.03 feet; thence N68°54'50"W, 204.28 feet; thence N80°03'00"W, 57.94 feet; thence S79°07'09"W, 59.98 feet; thence S49°03'31"W, 72.24 feet; thence S54°37'55"W, 62.70 feet; thence S84°09'32"W, 134.86 feet; thence N57°39'16"W, 135.34 feet; thence N19°15'13"W, 131.16 feet; thence N01°08'03"E, 291.43 feet; thence N88°51'57"W, 421.79 feet; thence S39°32'19"W, 64.39 feet; thence S68°37'07"W, 32.32 feet; thence S85°20'06"W, 83.10 feet; thence N70°32'56"W, 83.09 feet; thence N88°51'57"W, 178.42 feet to the West line of aforesaid Tract FD-3 and the West line of the East 1/2 of said Section 29; thence S01°08'03"W along said West lines, 913.07 feet; thence departing said West lines, run S88°51'57"E, 187.80 feet; thence N87°40'09"E, 76.78 feet; thence S89°07'40"E, 54.09 feet; thence S88°51'57"E, 80.00 feet; thence S86°01'44"E, 79.09 feet; thence S58°34'44"E, 100.76 feet; thence S30°13'22"E, 101.08 feet; thence S02°04'22"E, 80.64 feet; thence S01°08'03"W, 100.04 feet; thence S89°37'13"E, 99.92 feet; thence S68°18'11"E, 90.98 feet; thence S45°27'00"E, 90.98 feet; thence S22°31'26"E, 67.57 feet; thence S11°27'25"E, 222.43 feet to the Northerly line of DEL WEBB MINNEOLA PHASE 2, as recorded in Plat Book 81, Pages 76 through 84, of the Public Records of Lake County, Florida; thence run the following courses and distances along said Northerly line and the Easterly line of said plat of DEL WEBB MINNEOLA PHASE 2: N58°54'12"E, 187.18 feet; S53°35'31"E, 12.72 feet; S74°45'39"E, 87.84

feet; N84°07'57"E, 87.86 feet; N62°43'15"E, 469.35 feet; N27°16'45"W, 132.55 feet to a non-tangent curve concave Westerly having a radius of 200.00 feet and a chord bearing of N09°49'29"E; thence Northerly along the arc of said curve through a central angle of 74°12'29" for a distance of 259.03 feet to the point of tangency; N27°16'45"W, 120.42 feet to the point of curvature of a curve concave Easterly having a radius of 125.00 feet and a chord bearing of N21°11'51"E; thence Northerly along the arc of said curve through a central angle of 96°57'12" for a distance of 211.52 feet to the point of tangency; N69°40'27"E, 47.00 feet to the point of curvature of a curve concave Southerly having a radius of 25.00 feet and a chord bearing of S68°01'20"E; thence Easterly along the arc of said curve through a central angle of 84°36'26" for a distance of 36.92 feet to the point of reverse curvature of a curve concave Northeasterly having a radius of 507.00 feet and a chord bearing of S27°26'18"E; thence Southeasterly along the arc of said curve through a central angle of 03°26'21" for a distance of 30.43 feet to the point of tangency; S29°09'28"E, 184.66 feet to the point of curvature of a curve concave Westerly having a radius of 293.00 feet and a chord bearing of S01°17'22"E; thence Southerly along the arc of said curve through a central angle of 55°44'13" for a distance of 285.03 feet to the point of tangency; S26°34'45"W, 396.27 feet to the point of curvature of a curve concave Easterly having a radius of 807.00 feet and a chord bearing of S00°35'45"E; thence Southerly along the arc of said curve through a central angle of 54°20'59" for a distance of 765.50 feet to the point of tangency; S27°46'14"E, 144.19 feet to the Easterly line of aforesaid Tract FD-3; thence departing said Easterly line of DEL WEBB MINNEOLA PHASE 2, run the following courses and distances along said Easterly line of Tract FD-3: N62°06'32"E, 57.00 feet; N27°46'14"W, 144.07 feet to the point of curvature of a curve concave Easterly having a radius of 750.00 feet and a chord bearing of N00°35'45"W; thence Northerly along the arc of said curve through a central angle of 54°20'59" for a distance of 711.43 feet to the point of tangency; N26°34'45"E, 396.27 feet to the point of curvature of a curve concave Westerly having a radius of 350.00 feet and a chord bearing of N07°55'46"E; thence Northerly along the arc of said curve through a central angle of 37°17'56" for a distance of 227.85 feet to a non-tangent line; N78°43'39"E, 93.81 feet; S29°09'28"E, 58.72 feet; S63°57'23"E, 65.04 feet; S71°31'07"E, 83.94 feet; S89°17'01"E, 84.31 feet; N67°54'36"E, 98.97 feet; N57°31'17"E, 65.11 feet; N60°50'32"E, 117.73 feet; S89°03'43"E, 100.00 feet to the POINT OF BEGINNING.

Containing 65.251 acres more or less and being subject to any rights-of-way, restrictions and easements of record.

[THIS PAGE INTENTIONALLY LEFT BLANK]

HILLS OF MINNEOLA COMMUNITY DEVELOPMENT DISTRICT

Third Supplemental
Special Assessment
Methodology Report
(North Parcel Assessment Area One Project)

April 22, 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

Table of Contents

1.0	Introduction	
1.1	Purpose	1
1.2	Scope of the Report	1
1.3	Special Benefits and General Benefits	2
1.4	Organization of the Report	2
2.0	Development Program	
2.1	Overview	3
2.2	The Development Program	3
3.0	The Capital Improvement Plan	
3.1	Overview	4
3.2	Capital Improvement Plan and North Parcel Assessment Area Project	4
4.0	Financing Program	
4.1	Overview	5
4.2	Types of Bonds Proposed	5
5.0	Assessment Methodology	
5.1	Overview	6
5.2	Benefit Allocation	6
5.3	Assigning Debt	9
5.4	Lienability Test: Special and Peculiar Benefit to the Property	10
5.5	Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay	10
5.6	True-Up Mechanism	11
5.7	Final Assessment Roll	13
6.0	Additional Stipulations	
6.1	Overview	13
7.0	Appendix	
	Table 1	14
	Table 2	14
	Table 3	15
	Table 4	15
	Table 5	16
	Table 6	16

1.0 Introduction

1.1 Purpose

This Third Supplemental Special Assessment Methodology Report (the “Third Supplemental Report”) was developed to supplement the Master Special Assessment Methodology Report (the “Master Report”) dated March 17, 2020, the Final First Supplemental Special Assessment Methodology Report (the “First Supplemental Report”) dated July 15, 2020 and the Final Second Supplemental Special Assessment Methodology Report (the “Second Supplemental Report”) dated August 4, 2021 and to provide a supplemental financing plan and a supplemental special assessment methodology for the 346 residential units that are projected to be developed in 2024 (the “North Parcel Assessment Area One”) of development within the North Parcel Assessment Area portion of the Hills of Minneola Community Development District (the “District”). The District is located in the City of Minneola, Lake County, Florida and is comprised on two separate component parts each known as the North Parcel Assessment Area and the South Parcel Assessment Area.

This Third Supplemental Report was developed in relation to funding by the District of a portion of the costs of public infrastructure improvements (the “Capital Improvement Plan”) contemplated to be provided by the District for the North Parcel Assessment Area One (the “Series 2024 Project”).

1.2 Scope of the Report

This Third Supplemental Report presents the projections for financing a portion of the District’s Capital Improvement Plan described in the Hills of Minneola Community Development District First Supplemental Engineer’s Report prepared by Poulos & Bennett, LLC (the “District Engineer”) and dated April 22, 2024. This Third 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 the portion of the Capital Improvement Plan related to the Series 2024 Project.

1.3 Special Benefits and General Benefits

Improvements undertaken and funded in part by the District as part of the Series 2024 Project create special and peculiar benefits, different in kind and degree than general benefits, for properties within the District as well as general benefits to the areas outside of the District and to the public at large. However, as discussed within this Supplemental Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within the District. The District's Series 2024 Project enables properties within the boundaries of the District to be developed.

There is no doubt that the general public, property owners, and property outside of the District will benefit from the provision of the Series 2024 Project. However, these benefits are only incidental since the Series 2024 Project is designed solely to provide special benefits peculiar to property within the District. Properties outside of the Series 2024 Project Area are not directly served by the Series 2024 Project and do not depend upon the Series 2024 Project to obtain or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which properties located within the District receive compared to those lying outside of the boundaries of the District.

The Series 2024 Project will provide part of the infrastructure and improvements which are all necessary in order to make the lands within the District developable and saleable. Even though the exact value of the benefits provided by the Series 2024 Project is hard to estimate at this point, it is without doubt greater than the costs associated with providing 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 and its portion funded with proceeds of bonds issued in 2024, the Series 2024 Project, as determined by the District Engineer.

Section Four discusses the supplemental financing program for the North Parcel Assessment Area One.

Section Five discusses the special assessment methodology for the District and the North Parcel Assessment Area One.

2.0 Development Program

2.1 Overview

The District will serve a portion of the Hills of Minneola development (the "Development" or "Hills of Minneola"), a master planned, mixed-use development located in City of Minneola, Lake County, Florida. The land within the District consists of approximately 877.15 +/- acres, is generally located south of Sugar Loaf Mountain Road and east of the Florida's Turnpike and is divided into two geographically separate and noncontiguous project areas referred to herein as the North Parcel Assessment Area containing approximately 339.74 +/- acres and the south part referred to herein as the South Parcel Assessment Area containing approximately 537.41 +/- acres.

2.2 The Development Program

The development of land within the District has been conducted by JEN Florida 30, LLC and/or its assigns or affiliates (the "Developer"). Based upon the information provided by the Developer, the most current development plan envisions a total of 2,600 residential units (with 846 residential units developed within the North Parcel Assessment Area and 1,754 residential units developed within the South Parcel Assessment Area) and multiple recreational amenities, although land use types and unit numbers may change throughout the development period.

The development of the South Parcel Assessment Area commenced in 2020, comprised of a total of 1,416 residential units representing the first stage of development within the South Parcel Assessment Area. The development continued in 2021 with additional 338 residential units, representing the second stage of development within the South Parcel Assessment Area.

The development of the North Parcel Assessment Area is anticipated to be conducted by PulteGroup, Inc. ("Pulte" and, together with the Developer, the "Landowners") Based upon the information provided by the Landowners, the current North Parcel Assessment Area development plan envisions a total of 846 residential units to be developed in multiple phases. The development within North Parcel Assessment Area One, which commenced in 2024, comprises 346 residential units. The remaining development, referred to as North Parcel Assessment Area Two, is projected to comprise 500 residential units and is also referred to herein as the Future Phases,

although land use types, unit numbers, and phasing of development may change throughout the development period. Table 1 in the *Appendix* illustrates the development plan for the North Parcel Assessment Area One.

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 and North Parcel Assessment Area One Project

The CIP needed to serve the Development is projected to consist of improvements which will separately serve the North Parcel Assessment Area and the South Parcel Assessment Area such that each area can function independently of the other.

The CIP for the North Parcel Assessment Area One Project is designed to serve and will benefit, upon platting, the 346 residential dwelling units that are projected to be developed within the Series 2024 Project. According to the First Supplemental Engineer's Report, the CIP is comprised of sanitary sewer systems, potable water systems, reclaimed water systems, entry landscape/hardscape (outside of gates), SECO undergrounding of electrical, CR 561 (non-impact fee creditable portion), north Hancock road (non-impact fee creditable portion), along with contingency and professional costs which cumulatively are estimated by the District Engineer at \$13,565,290.62.

Within the North Parcel Assessment Area One, the infrastructure improvements described in the First Supplemental Engineer's Report will serve and provide benefit to all land uses and all phases of development within the North Parcel Assessment Area One. The improvements that are part of the CIP within each parcel assessment area will comprise an interrelated system of improvements within that parcel's assessment area, which means all of improvements within that parcel's assessment area will serve that entire parcel's assessment area and improvements will be interrelated such that they will reinforce one another. Table 2 in the *Appendix* illustrates

the specific components of the North Parcel Assessment Area One Project and their costs.

4.0 Financing Program

4.1 Overview

As noted above, the District has already embarked on two programs of capital improvements which facilitate the development of the first 1,416 units and the additional 338 units within the South Parcel Assessment Area. The District has funded a portion of the capital improvements needed to serve the first 1,416 units with proceeds of bonds issued in 2020 (the "Series 2020 Bonds"), which were issued in the initial principal amount of \$23,520,000 and funded construction/acquisition costs in the amount of \$21,036,557.97, and funded a portion of the capital improvements needed to serve the additional 338 units with proceeds of bonds issued in 2021 (the "Series 2021 Bonds") in the principal amount of \$5,890,000 and funded infrastructure construction/acquisition costs in the amount of \$5,434,843.96.

The District intends to issue Capital Improvement Revenue Bonds, Series 2024 (North Parcel Assessment Area One) in the principal amount of \$7,470,000 (the "Series 2024 Bonds") to fund a portion of the Series 2024 Project in the amount of \$6,856,475. It is anticipated that any costs of the Capital Improvement Program which serve and benefit the development of land in the Series 2024 Project Area which are not funded by the Series 2024 Bonds will be funded from a future series of bonds or otherwise contributed to the District at no cost under an Acquisition Agreement that will be entered into by the Landowners and the District.

4.2 Types of Bonds Proposed

The third supplemental financing plan for the District provides for the issuance of the Series 2024 Bonds in the principal amount of \$7,470,000 to finance approximately \$6,856,475 in costs of the Series 2024 Project. The Series 2024 Bonds are structured to be repaid in 30 annual installments. Interest payments on the Series 2024 Bonds will be made every May 1 and November 1, and principal payments on the Bonds will be made every May 1.

In order to finance the improvement and other costs, the District needs to borrow more funds and incur indebtedness in the estimated total amount of \$7,470,000. The difference between the project

costs and financing costs is comprised of a debt service reserves, underwriter's discount and costs of issuance. Final sources and uses of funding for the Series 2024 Bonds are presented in Table 3 in the *Appendix*.

5.0 Assessment Methodology

5.1 Overview

The issuance of the Series 2024 Bonds provides the District with a portion of the balance of the funds necessary to construct/acquire the infrastructure improvements which are part of the Series 2024 Project outlined in *Section 3.2* and described in more detail by the District Engineer in the First Supplemental Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to the assessable properties planned for the 346 platted within the boundaries of the North Parcel Assessment Area One and general benefits accruing to areas outside the North Parcel Assessment Area One and outside of the District but being only incidental in nature. The debt incurred in financing the public infrastructure will be paid off by assessing properties that derive special and peculiar benefits from the Series 2024 Project. All properties that receive special benefits from the Series 2024 Project will be assessed for their fair share of the debt issued in order to finance all or a portion of the Series 2024 Project.

5.2 Benefit Allocation

The most current development plan envisions the development of a total of 346 residential units developed within the North Parcel Assessment Area One, although land use types and unit numbers may change throughout the development period.

According to the District Engineer, the infrastructure improvements that are part of the CIP will separately serve the North Parcel Assessment Area and the South Parcel Assessment Area such that each area can function independently of the other. Within the North Parcel Assessment Area One, the infrastructure improvements described in the Engineer's Report will serve and provide benefit to all land uses in the North Parcel Assessment Area.

Even though the installation of the improvements that comprise the Capital Improvement Program is projected to occur as two (2) or more separate projects, the Series 2024 Project and the Future Project, coinciding with the development of North Parcel Assessment

Area One and future assessment areas respectively, by allowing for the land in the North Parcel Assessment Area to be developable the infrastructure improvements that comprise the Capital Improvement Program will serve and provide benefit to all land uses in the North Parcel Assessment Area and will comprise an interrelated system of improvements, which means all of improvements will serve the entire North Parcel Assessment Area and improvements will be interrelated such that they will reinforce one another and their combined benefit will be greater than the sum of their individual benefits. All of the unit types within the North Parcel Assessment Area, both those in the North Parcel Assessment Area One and those in the future assessment areas, will benefit from each infrastructure improvement category, as the improvements provide basic infrastructure to all land within the North Parcel Assessment Area and benefit all land within North Parcel Assessment Area 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 North Parcel Assessment Area, as without such improvements, the development of the properties within the North Parcel Assessment Area would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the North Parcel Assessment Area, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the 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 that parcel.

Following the methodology developed in the Master Report, the benefit associated with the North Parcel Assessment Area One Project is proposed to be allocated to the different product types within the North Parcel Assessment Area One 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 product types contemplated to be developed within the North Parcel Assessment Area One based on the densities of development and the intensities of use of infrastructure, total ERU counts for each product type, and the share of the benefit received by each product type.

The rationale behind different ERU weights is supported by the fact that generally and on average smaller units or units with a lower intensity of use will use and benefit from the District's improvements less than larger units or units with a higher intensity of use, as for instance, generally and on average smaller units or units with lower intensity of use 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 or units with a higher intensity of use is likely to appreciate by more in terms of dollars than that of the smaller units or units with a lower intensity of use as a result of the implementation of the Capital Improvement Plan. 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 from the District's improvements.

Table 5 in the *Appendix* presents the apportionment of the assessment associated with funding a part of the portion of the North Parcel Assessment Area One Project commenced in 2024 (the "Series 2024 Bond Assessments") in accordance with the ERU benefit allocation method presented in Table 4. Table 6 also presents the annual levels of the projected annual debt service assessments per unit.

Amenities - It is our understanding that all amenities planned for the North Parcel Assessment Area One will be "common elements" owned and managed by the HOA. No Series 2024 Bond Assessments will be allocated herein to any platted amenities or other platted common areas planned for the development that meet the definition of "common element" in section 193.0235, Florida Statutes. Should the District discover that a privately-owned amenity has been developed within the North Parcel Assessment Area One which does not meet the definition of a "common element" in section 193.0235, Florida Statutes, further assessment proceedings will be necessary to reallocate assessments to such parcel.

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 or similar exempt entity (without consent of such governmental unit or similarly exempt entity to the imposition of Series 2024 Bond Assessments thereon), 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 in the North Parcel Assessment Area One is only partially platted for its intended final use. Out of the projected 346 residential units, the 198 residential in Phase 1 and Phase 2 have already been platted and assigned individual parcel numbers by the Lake County Property Appraiser's Office. The remaining 148 residential units in Phase 3 which account for approximately 65.251 +/- acres within the North Parcel Assessment Area One remain unplatted.

Accordingly, the Series 2024 Assessments will be allocated to each platted parcel which has been assigned individual parcel numbers by the Lake County Property Appraiser's Office on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 5 in the *Appendix*. Consequently, the 198 residential units which have been platted will cumulatively be allocated a sum of \$4,189,280.64 in the Series 2024 Assessments. For the remaining 148 residential units that either have been platted but not yet assigned individual parcel numbers by the Lake County Property Appraiser's Office or remain unplatted, the precise location of the various product types by lot or parcel is unknown and consequently the Series 2024 Assessments will initially be levied on the remaining developable and unplatted land and platted land which has not yet been assigned individual parcel numbers by the Lake County Property Appraiser's Office on an equal pro-rata gross acre basis and thus the total bonded debt in the amount of \$3,280,719.36 (\$7,470,000 minus the \$4,189,280.64 allocated to the platted lots which have been assigned individual parcel numbers by the Lake County Property Appraiser's Office) will be preliminarily levied on approximately 65.251 +/- gross acres (remaining unplatted parcel as described in Exhibit "B" attached hereto) at a rate of \$50,278.45 per acre.

When the balance of the land is platted and assigned individual parcel numbers by the Lake County Property Appraiser's Office, the Series 2024 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 the Series 2024 Assessment from unplatted gross acres to platted parcels will reduce the amount of the Series 2024 Assessments levied on unplatted gross acres within the District.

Further, to the extent that any parcel of land which has not been platted is sold to another developer or builder, the Series 2024 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 the Series 2024 Assessments transferred at sale.

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 the residential units within the North Parcel Assessment Area One. The District's improvements benefit assessable properties within the North Parcel Assessment Area One and accrue to all such assessable properties on an ERU basis.

Improvements undertaken by the District and funded with proceeds of the Bonds can be shown to be creating special and peculiar benefits to the property within the North Parcel Assessment Area One. The special and peculiar benefits resulting from each improvement include, but are not limited to:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums;
- d. increased marketability and value of the property.

The improvements which are part of the Series 2024 Project make the land in the North Parcel Assessment Area One developable and saleable and when implemented jointly, 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 assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across the units of assessable property within the North Parcel Assessment Area One according to reasonable estimates of the special and peculiar

benefits derived from the Series 2024 Project by different product types.

Accordingly, no acre or parcel of property within the North Parcel Assessment Area One will be liened for the payment of any non-ad valorem special assessment 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 lots in a manner sufficient to include all of the planned ERUs for the Development Plan, as set forth in Table 1 in the Appendix. At such time as lands are to be platted (or re-platted) or site plans are to be approved (or re-approved), the plat or site plan (either, herein, "Proposed Plat") shall be presented to the District for a "true-up" review as follows:

- a. If a Proposed Plat results in the same amount of ERUs (and thus Bond Assessments) able to be imposed on the "Remaining Unplatted Lands" (i.e., those remaining unplatted lands after the Proposed Plat 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 being platted 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 Plat results in a greater amount of ERUs (and thus Bond Assessments) able to be imposed on the Remaining Unplatted Lands 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 Plat results in a lower amount of ERUs (and thus Bond Assessments) able to be imposed on the Remaining Unplatted Lands as compared to what was originally contemplated under the Development Plan, then the District shall require the landowner(s) of the lands encompassed by the Proposed Plat to pay a "True-Up Payment" equal to the difference between: (i) the Bond Assessments originally contemplated to be imposed on the lands subject to the Proposed Plat, and (ii) the Bond Assessments able to be imposed on the lands subject to the Proposed Plat, after the

Proposed Plat (plus applicable interest, collection costs, penalties, etc.).

With respect to the foregoing true-up analysis, the District's 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 Unplatted Lands, taking into account a Proposed Plat, by reviewing: a) the original, overall development plan showing the number and type of units reasonably planned for the Development, b) the proposed 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 Unplatted Lands, 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 Plat, 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 Plat property until paid. A True-Up Payment shall include accrued interest on the applicable bond series to the interest payment date that occurs at least 45 days after the True-Up Payment (or the second succeeding interest payment date if such True-Up Payment is made within forty-five (45) calendar days before an interest payment date (or such other time as set forth in the supplemental indentures for the applicable bond series)).

All 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 plat 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 plat. This true-up process applies for both plats and/or re-plats.

Such review shall be limited solely to the function and the enforcement of the District's Bond Assessment liens and/or true-up agreements. Nothing herein shall in any way operate to or be construed as providing any other plat approval or disapproval powers to the District. For further detail on the true-up process, please refer to the true-up agreement(s) and applicable assessment resolution(s).

5.7 Final Assessment Roll

The Series 2024 Bond Assessments of \$7,470,000 are proposed to be levied over the area described in Exhibit "A" and Exhibit "B". 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 special assessments related to the District's CIP. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this 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

Hills of Minneola

Community Development District

Development Plan

North Parcel Assessment Area One

Product Type	Total Number of Units
SF 40'	73
SF 50'	163
SF 65'	110
Total	346

Table 2

Hills of Minneola

Community Development District

Capital Improvement Plan

Improvement	North Parcel Project Costs
Sanitary Sewer Systems	\$2,679,435.64
Potable Water Systems	\$2,216,710.67
Reclaimed Water Systems	\$1,159,882.12
Entry Landscape/Hardscape (outside of gates)	\$3,052,570.00
SECO Undergrounding of Electrical	\$355,927.03
CR 561 (non-impact fee creditable portion)	\$105,383.24
North Hancock Road (non-impact fee creditable portion)	\$1,090,183.68
Professional Fees	\$1,671,990.00
Contingency	\$1,233,208.24
Total	\$13,565,290.62

Table 3

Hills of Minneola

Community Development District

Sources and Uses of Funds - Series 2024 Bonds

Sources

Bond Proceeds:	
Par Amount	\$7,470,000.00
Total Sources	\$7,470,000.00

Uses

Project Fund Deposits:	
Project Fund	\$6,856,475.00
Other Fund Deposits:	
Debt Service Reserve Fund	\$264,125.00
Delivery Date Expenses:	
Costs of Issuance and Underwriter's Discount	\$349,400.00
Total Uses	\$7,470,000.00

Financial Assumptions

Coupon Rate: 5.75%
 CAPI Length: 0 Months
 Bond Duration: 30 Years
 Underwriter's Discount Rate: 2%
 Cost of Issuance: \$200,000
 Debt Service Reserve Fund: 50% of Max Annual Debt Service

Table 4

Hills of Minneola

Community Development District

Benefit Allocation

Product Type	Total Number of		ERU Factor per Unit	Total ERU
	Units			
SF 40'	73		0.80	58.40
SF 50'	163		1.00	163.00
SF 65'	110		1.30	143.00
Total	346			364.40

Table 5

Hills of Minneola

Community Development District

Cost Allocation

Product Type	Infrastructure Allocation Based on ERU Method	Infrastructure Financed with Series 2024 Bonds	Infrastructure Contributed by the Developer
SF 40'	2,174,020.23	1,184,388.72	989,631.51
SF 50'	6,067,898.93	3,173,512.80	2,894,386.13
SF 65'	5,323,371.46	2,498,573.47	2,824,797.98
Total	13,565,290.62	6,856,475.00	6,708,815.62

Table 6

Hills of Minneola

Community Development District

Series 2024 Bond Assessment Apportionment

Product Type	Total Number of Units	Capital	Total Series 2024 Bond	Series 2024 Bond	Annual Series 2024 Bond	Annual Series 2024 Bond
		Improvement Program Cost Allocation	Assessments Apportionment	Assessments Apportionment per Unit	Assessments Debt Service per Unit*	Assessments Debt Service per Unit**
SF 40'	73	\$1,184,388.72	\$1,290,369.14	\$17,676.29	\$1,250.00	\$1,344.09
SF 50'	163	\$3,173,512.80	\$3,457,482.25	\$21,211.55	\$1,500.00	\$1,612.90
SF 65'	110	\$2,498,573.47	\$2,722,148.60	\$24,746.81	\$1,750.00	\$1,881.72
Total	346	\$6,856,475.00	\$7,470,000.00			

* Principal and interest only - excludes costs of collection and early payment discount allowance

** Included costs of collection and early payment discount allowance

"EXHIBIT A"

Parcel ID	Lot Number	Unit Type	Series 2024 Bond Assessments
			Apportionment per Unit
292126001000000100	1	SF 40'	\$17,676.29
292126001000000200	2	SF 40'	\$17,676.29
292126001000000300	3	SF 50'	\$21,211.55
292126001000000400	4	SF 60'	\$24,746.81
292126001000000500	5	SF 40'	\$17,676.29
292126001000000600	6	SF 40'	\$17,676.29
292126001000000700	7	SF 50'	\$21,211.55
292126001000000800	8	SF 50'	\$21,211.55
292126001000000900	9	SF 60'	\$24,746.81
292126001000001000	10	SF 60'	\$24,746.81
292126001000001100	11	SF 40'	\$17,676.29
292126001000001200	12	SF 40'	\$17,676.29
292126001000001300	13	SF 50'	\$21,211.55
292126001000001400	14	SF 50'	\$21,211.55
292126001000001500	15	SF 50'	\$21,211.55
292126001000001600	16	SF 50'	\$21,211.55
292126001000001700	17	SF 50'	\$21,211.55
292126001000001800	18	SF 40'	\$17,676.29
292126001000001900	19	SF 40'	\$17,676.29
292126001000002000	20	SF 50'	\$21,211.55
292126001000002100	21	SF 50'	\$21,211.55
292126001000002200	22	SF 60'	\$24,746.81
292126001000002300	23	SF 60'	\$24,746.81
292126002000002400	24	SF 50'	\$21,211.55
292126002000002500	25	SF 50'	\$21,211.55
292126002000002600	26	SF 50'	\$21,211.55
292126002000002700	27	SF 50'	\$21,211.55
292126002000002800	28	SF 50'	\$21,211.55
292126002000002900	29	SF 50'	\$21,211.55
292126002000003000	30	SF 50'	\$21,211.55
292126002000003100	31	SF 50'	\$21,211.55
292126002000003200	32	SF 50'	\$21,211.55
292126002000003300	33	SF 50'	\$21,211.55
292126002000003400	34	SF 50'	\$21,211.55
292126002000003500	35	SF 50'	\$21,211.55
292126002000003600	36	SF 50'	\$21,211.55
292126002000003700	37	SF 50'	\$21,211.55
292126002000003800	38	SF 50'	\$21,211.55
292126002000003900	39	SF 50'	\$21,211.55
292126002000004000	40	SF 50'	\$21,211.55
292126002000004100	41	SF 50'	\$21,211.55
292126002000004200	42	SF 50'	\$21,211.55
292126002000004300	43	SF 50'	\$21,211.55
292126002000004400	44	SF 50'	\$21,211.55
292126002000004500	45	SF 50'	\$21,211.55
292126002000004600	46	SF 50'	\$21,211.55
292126002000004700	47	SF 50'	\$21,211.55
292126002000004800	48	SF 50'	\$21,211.55
292126002000004900	49	SF 50'	\$21,211.55
292126002000005000	50	SF 50'	\$21,211.55
292126002000005100	51	SF 50'	\$21,211.55

"EXHIBIT A"

Parcel ID	Lot Number	Unit Type	Series 2024 Bond Assessments
			Apportionment per Unit
292126002000005200	52	SF 50'	\$21,211.55
292126002000005300	53	SF 50'	\$21,211.55
292126002000005400	54	SF 50'	\$21,211.55
292126002000005500	55	SF 50'	\$21,211.55
292126002000005600	56	SF 50'	\$21,211.55
292126002000005700	57	SF 50'	\$21,211.55
292126002000005800	58	SF 50'	\$21,211.55
292126002000005900	59	SF 50'	\$21,211.55
292126002000006000	60	SF 50'	\$21,211.55
292126002000006100	61	SF 50'	\$21,211.55
292126002000006200	62	SF 50'	\$21,211.55
292126002000006300	63	SF 50'	\$21,211.55
292126002000006400	64	SF 50'	\$21,211.55
292126002000006500	65	SF 50'	\$21,211.55
292126002000006600	66	SF 50'	\$21,211.55
292126002000006700	67	SF 50'	\$21,211.55
292126002000006800	68	SF 50'	\$21,211.55
292126002000006900	69	SF 50'	\$21,211.55
292126002000007000	70	SF 50'	\$21,211.55
292126002000007100	71	SF 50'	\$21,211.55
292126002000007200	72	SF 50'	\$21,211.55
292126002000007300	73	SF 50'	\$21,211.55
292126002000007400	74	SF 50'	\$21,211.55
292126002000007500	75	SF 50'	\$21,211.55
292126002000007600	76	SF 50'	\$21,211.55
292126002000007700	77	SF 50'	\$21,211.55
292126002000007800	78	SF 50'	\$21,211.55
292126002000007900	79	SF 40'	\$17,676.29
292126002000008000	80	SF 40'	\$17,676.29
292126002000008100	81	SF 40'	\$17,676.29
292126002000008200	82	SF 40'	\$17,676.29
292126002000008300	83	SF 40'	\$17,676.29
292126002000008400	84	SF 40'	\$17,676.29
292126002000008500	85	SF 40'	\$17,676.29
292126002000008600	86	SF 40'	\$17,676.29
292126002000008700	87	SF 40'	\$17,676.29
292126002000008800	88	SF 40'	\$17,676.29
292126002000008900	89	SF 40'	\$17,676.29
292126002000009000	90	SF 40'	\$17,676.29
292126002000009100	91	SF 40'	\$17,676.29
292126002000009200	92	SF 40'	\$17,676.29
292126002000009300	93	SF 40'	\$17,676.29
292126002000009400	94	SF 40'	\$17,676.29
292126002000009500	95	SF 40'	\$17,676.29
292126002000009600	96	SF 40'	\$17,676.29
292126002000009700	97	SF 40'	\$17,676.29
292126002000009800	98	SF 40'	\$17,676.29
292126002000009900	99	SF 40'	\$17,676.29
292126002000010000	100	SF 40'	\$17,676.29
292126002000010100	101	SF 40'	\$17,676.29
292126002000010200	102	SF 40'	\$17,676.29

"EXHIBIT A"

Parcel ID	Lot Number	Unit Type	Series 2024 Bond Assessments
			Apportionment per Unit
292126002000010300	103	SF 40'	\$17,676.29
292126002000010400	104	SF 40'	\$17,676.29
292126002000010500	105	SF 40'	\$17,676.29
292126002000010600	106	SF 40'	\$17,676.29
292126002000010700	107	SF 40'	\$17,676.29
292126002000010800	108	SF 40'	\$17,676.29
292126002000010900	109	SF 40'	\$17,676.29
292126002000011000	110	SF 40'	\$17,676.29
292126002000011100	111	SF 40'	\$17,676.29
292126002000011200	112	SF 40'	\$17,676.29
292126002000011300	113	SF 40'	\$17,676.29
292126002000011400	114	SF 40'	\$17,676.29
292126002000011500	115	SF 40'	\$17,676.29
292126002000011600	116	SF 40'	\$17,676.29
292126002000011700	117	SF 40'	\$17,676.29
292126002000011800	118	SF 40'	\$17,676.29
292126002000011900	119	SF 40'	\$17,676.29
292126002000012000	120	SF 40'	\$17,676.29
292126002000012100	121	SF 40'	\$17,676.29
292126002000012200	122	SF 40'	\$17,676.29
292126002000012300	123	SF 40'	\$17,676.29
292126002000012400	124	SF 40'	\$17,676.29
292126002000012500	125	SF 40'	\$17,676.29
292126002000012600	126	SF 40'	\$17,676.29
292126001000012700	127	SF 50'	\$21,211.55
292126001000012800	128	SF 50'	\$21,211.55
292126001000012900	129	SF 50'	\$21,211.55
292126001000013000	130	SF 50'	\$21,211.55
292126001000013100	131	SF 50'	\$21,211.55
292126001000013200	132	SF 50'	\$21,211.55
292126001000013300	133	SF 50'	\$21,211.55
292126001000013400	134	SF 50'	\$21,211.55
292126001000013500	135	SF 50'	\$21,211.55
292126001000013600	136	SF 50'	\$21,211.55
292126001000013700	137	SF 50'	\$21,211.55
292126001000013800	138	SF 50'	\$21,211.55
292126001000013900	139	SF 50'	\$21,211.55
292126001000014000	140	SF 50'	\$21,211.55
292126001000014100	141	SF 50'	\$21,211.55
292126001000014200	142	SF 50'	\$21,211.55
292126001000014300	143	SF 50'	\$21,211.55
292126001000014400	144	SF 50'	\$21,211.55
292126001000014500	145	SF 50'	\$21,211.55
292126001000014600	146	SF 50'	\$21,211.55
292126001000014700	147	SF 50'	\$21,211.55
292126001000014800	148	SF 50'	\$21,211.55
292126001000014900	149	SF 50'	\$21,211.55
292126001000015000	150	SF 50'	\$21,211.55
292126001000015100	151	SF 60'	\$24,746.81
292126001000015200	152	SF 60'	\$24,746.81
292126001000015300	153	SF 60'	\$24,746.81

"EXHIBIT A"

Parcel ID	Lot Number	Unit Type	Series 2024 Bond Assessments
			Apportionment per Unit
292126001000015400	154	SF 60'	\$24,746.81
292126001000015500	155	SF 60'	\$24,746.81
292126001000015600	156	SF 60'	\$24,746.81
292126001000015700	157	SF 60'	\$24,746.81
292126001000015800	158	SF 60'	\$24,746.81
292126001000015900	159	SF 60'	\$24,746.81
292126001000016000	160	SF 60'	\$24,746.81
292126001000016100	161	SF 60'	\$24,746.81
292126001000016200	162	SF 60'	\$24,746.81
292126001000016300	163	SF 60'	\$24,746.81
292126001000016400	164	SF 60'	\$24,746.81
292126001000016500	165	SF 60'	\$24,746.81
292126001000016600	166	SF 60'	\$24,746.81
292126001000016700	167	SF 60'	\$24,746.81
292126001000016800	168	SF 60'	\$24,746.81
292126001000016900	169	SF 60'	\$24,746.81
292126001000017000	170	SF 60'	\$24,746.81
292126001000017100	171	SF 60'	\$24,746.81
292126001000017200	172	SF 60'	\$24,746.81
292126001000017300	173	SF 60'	\$24,746.81
292126001000017400	174	SF 60'	\$24,746.81
292126001000017500	175	SF 60'	\$24,746.81
292126001000017600	176	SF 60'	\$24,746.81
292126001000017700	177	SF 60'	\$24,746.81
292126001000017800	178	SF 60'	\$24,746.81
292126001000017900	179	SF 60'	\$24,746.81
292126001000018000	180	SF 60'	\$24,746.81
292126001000018100	181	SF 60'	\$24,746.81
292126001000018200	182	SF 60'	\$24,746.81
292126001000018300	183	SF 60'	\$24,746.81
292126001000018400	184	SF 60'	\$24,746.81
292126001000018500	185	SF 60'	\$24,746.81
292126001000018600	186	SF 60'	\$24,746.81
292126001000018700	187	SF 60'	\$24,746.81
292126001000018800	188	SF 60'	\$24,746.81
292126001000018900	189	SF 60'	\$24,746.81
292126001000019000	190	SF 60'	\$24,746.81
292126001000019100	191	SF 60'	\$24,746.81
292126001000019200	192	SF 60'	\$24,746.81
292126001000019300	193	SF 60'	\$24,746.81
292126001000019400	194	SF 60'	\$24,746.81
292126001000019500	195	SF 60'	\$24,746.81
292126001000019600	196	SF 60'	\$24,746.81
292126001000019700	197	SF 60'	\$24,746.81
292126001000019800	198	SF 60'	\$24,746.81
Total			\$4,189,280.64

Exhibit "B"

The Series 2024 Assessments in the estimated amount of \$3,280,719.36 are proposed to be levied over the area as described below:

Pulte Del Webb Minneola
Phase 3 Final Plat

DESCRIPTION:

That part of Tract FD-3, DEL WEBB MINNEOLA PHASE 1, according to the plat thereof, as recorded in Plat Book 80, Pages 1 through 10, of the Public Records of Lake County, Florida, described as follows:

BEGIN at the Northeast corner of Tract SW-11, according to said plat of DEL WEBB MINNEOLA PHASE 1; thence N00°56'17"E along the Easterly line of said Tract FD-3 and the East line of the Southeast 1/4 of Section 29, Township 21 South, Range 26 East, Lake County, Florida, for a distance of 358.43 feet to the Northeast corner of the Southeast 1/4 of said Section 29; thence N01°03'08"E along said Easterly line of Tract FD-3 and the East line of the Northeast 1/4 of said Section 29, for a distance of 901.37 feet; thence departing said Easterly line of Tract FD-3 and the East line of the Northeast 1/4 of Section 29, run N88°59'55"W, 105.32 feet; thence S28°54'56"W, 94.40 feet; thence S45°26'42"W, 94.40 feet; thence S61°57'33"W, 94.40 feet; thence S78°31'31"W, 82.27 feet; thence S84°21'42"W, 50.07 feet; thence N76°39'26"W, 82.52 feet; thence N74°38'26"W, 192.47 feet; thence S85°34'22"W, 55.20 feet; thence S67°08'20"W, 94.46 feet to a non-tangent curve concave Westerly having a radius of 750.00 feet and a chord bearing of S00°11'57"W; thence Southerly along the arc of said curve through a central angle of 21°59'40" for a distance of 287.91 feet to the point of tangency; thence S11°11'46"W, 260.23 feet to the point of curvature of a curve concave Easterly having a radius of 450.00 feet and a chord bearing of S01°11'12"E; thence Southerly along the arc of said curve through a central angle of 24°45'56" for a distance of 194.51 feet to a non-tangent line; thence S76°25'50"W, 57.00 feet to a non-tangent curve concave Easterly having a radius of 507.00 feet and a chord bearing of N06°19'04"W; thence Northerly along the arc of said curve through a central angle of 14°30'12" for a distance of 128.34 feet to a non-tangent line; thence N89°04'30"W, 28.38 feet; thence N78°45'56"W, 138.03 feet; thence N68°54'50"W, 204.28 feet; thence N80°03'00"W, 57.94 feet; thence S79°07'09"W, 59.98 feet; thence S49°03'31"W, 72.24 feet; thence S54°37'55"W, 62.70 feet; thence S84°09'32"W, 134.86 feet; thence N57°39'16"W, 135.34 feet; thence N19°15'13"W, 131.16 feet; thence N01°08'03"E, 291.43 feet; thence N88°51'57"W, 421.79 feet; thence S39°32'19"W, 64.39 feet; thence S68°37'07"W, 32.32 feet; thence S85°20'06"W, 83.10 feet; thence N70°32'56"W, 83.09 feet; thence N88°51'57"W, 178.42 feet to the West line of aforesaid Tract FD-3 and the West line of the East 1/2 of said Section 29; thence S01°08'03"W along said West lines, 913.07 feet; thence departing said West lines, run S88°51'57"E, 187.80 feet; thence N87°40'09"E, 76.78 feet; thence S89°07'40"E, 54.09 feet; thence S88°51'57"E, 80.00 feet; thence S86°01'44"E, 79.09 feet; thence S58°34'44"E, 100.76 feet; thence S30°13'22"E, 101.08 feet; thence S02°04'22"E, 80.64 feet; thence S01°08'03"W, 100.04 feet; thence S89°37'13"E, 99.92 feet; thence S68°18'11"E, 90.98 feet; thence S45°27'00"E, 90.98 feet; thence S22°31'26"E, 67.57 feet; thence S11°27'25"E, 222.43 feet to the Northerly line of DEL WEBB MINNEOLA PHASE 2, as recorded in Plat Book 81, Pages 76 through 84, of the Public Records of Lake County, Florida; thence run the following courses and distances along said Northerly line and the Easterly line of said plat of DEL WEBB MINNEOLA PHASE 2: N58°54'12"E, 187.18 feet; S53°35'31"E, 12.72 feet; S74°45'39"E, 87.84

feet; N84°07'57"E, 87.86 feet; N62°43'15"E, 469.35 feet; N27°16'45"W, 132.55 feet to a non-tangent curve concave Westerly having a radius of 200.00 feet and a chord bearing of N09°49'29"E; thence Northerly along the arc of said curve through a central angle of 74°12'29" for a distance of 259.03 feet to the point of tangency; N27°16'45"W, 120.42 feet to the point of curvature of a curve concave Easterly having a radius of 125.00 feet and a chord bearing of N21°11'51"E; thence Northerly along the arc of said curve through a central angle of 96°57'12" for a distance of 211.52 feet to the point of tangency; N69°40'27"E, 47.00 feet to the point of curvature of a curve concave Southerly having a radius of 25.00 feet and a chord bearing of S68°01'20"E; thence Easterly along the arc of said curve through a central angle of 84°36'26" for a distance of 36.92 feet to the point of reverse curvature of a curve concave Northeasterly having a radius of 507.00 feet and a chord bearing of S27°26'18"E; thence Southeasterly along the arc of said curve through a central angle of 03°26'21" for a distance of 30.43 feet to the point of tangency; S29°09'28"E, 184.66 feet to the point of curvature of a curve concave Westerly having a radius of 293.00 feet and a chord bearing of S01°17'22"E; thence Southerly along the arc of said curve through a central angle of 55°44'13" for a distance of 285.03 feet to the point of tangency; S26°34'45"W, 396.27 feet to the point of curvature of a curve concave Easterly having a radius of 807.00 feet and a chord bearing of S00°35'45"E; thence Southerly along the arc of said curve through a central angle of 54°20'59" for a distance of 765.50 feet to the point of tangency; S27°46'14"E, 144.19 feet to the Easterly line of aforesaid Tract FD-3; thence departing said Easterly line of DEL WEBB MINNEOLA PHASE 2, run the following courses and distances along said Easterly line of Tract FD-3: N62°06'32"E, 57.00 feet; N27°46'14"W, 144.07 feet to the point of curvature of a curve concave Easterly having a radius of 750.00 feet and a chord bearing of N00°35'45"W; thence Northerly along the arc of said curve through a central angle of 54°20'59" for a distance of 711.43 feet to the point of tangency; N26°34'45"E, 396.27 feet to the point of curvature of a curve concave Westerly having a radius of 350.00 feet and a chord bearing of N07°55'46"E; thence Northerly along the arc of said curve through a central angle of 37°17'56" for a distance of 227.85 feet to a non-tangent line; N78°43'39"E, 93.81 feet; S29°09'28"E, 58.72 feet; S63°57'23"E, 65.04 feet; S71°31'07"E, 83.94 feet; S89°17'01"E, 84.31 feet; N67°54'36"E, 98.97 feet; N57°31'17"E, 65.11 feet; N60°50'32"E, 117.73 feet; S89°03'43"E, 100.00 feet to the POINT OF BEGINNING.

Containing 65.251 acres more or less and being subject to any rights-of-way, restrictions and easements of record.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX F
DISTRICT'S FINANCIAL STATEMENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

Financial Report

Year Ended September 30, 2022

Hills of Minneola Community Development District

	<u>Page</u>
I. Financial Section:	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet - Governmental Funds	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	12
Notes to Financial Statements	13
II. Compliance Section:	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22
Management Letter	23
Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes	25



934 North Magnolia Avenue, Suite 100
Orlando, Florida 32803
407-843-5406
www.mcdermittdavis.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Hills of Minneola Community Development District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, and each major fund of *Hills of Minneola Community Development District*, (the "District") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, the respective financial position of the governmental activities, and each major fund of the District as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 13, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McDiarmid Davis

Orlando, Florida
June 13, 2023

Our discussion and analysis of *Hills of Minneola Community Development District*, Lake County, Florida's (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2022. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- The liabilities of the District exceeded its assets at September 30, 2022 by \$198,211, an increase in net position of \$429,559 in comparison with the prior year.
- At September 30, 2022, the District's governmental funds reported fund balances of \$4,095,119, a decrease of \$8,119,749 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to *Hills of Minneola Community Development District's* financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include general government, and maintenance and operations related functions.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: Governmental Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Statement of Net Position - The District's net position was \$(198,211) at September 30, 2022. The analysis that follows focuses on the net position of the District's governmental activities.

	<u>2022</u>	<u>2021</u>
Assets, excluding capital assets	\$ 5,891,551	\$ 13,519,849
Capital assets, not being depreciated	24,556,342	16,347,983
Total assets	<u>30,447,893</u>	<u>29,867,832</u>
Liabilities, excluding long-term liabilities	2,211,753	1,609,370
Long-term liabilities	28,434,351	28,886,232
Total liabilities	<u>30,646,104</u>	<u>30,495,602</u>
Net Position:		
Net investment in capital assets	(1,898,384)	(2,409,292)
Restricted for debt service	1,621,247	1,777,439
Unrestricted	78,926	4,083
Total net position	<u>\$ (198,211)</u>	<u>\$ (627,770)</u>

Hills of Minneola Community Development District
Management's Discussion and Analysis

The following is a summary of the District's governmental activities for the fiscal years ended September 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues	\$ 1,872,728	1,424,221
Total revenues	<u>1,872,728</u>	<u>1,424,221</u>
Expenses:		
General government	133,478	277,569
Maintenance and operations	218,542	10,420
Interest on long-term debt	1,091,149	904,246
Total expenses	<u>1,443,169</u>	<u>1,192,235</u>
Change in net position	429,559	231,986
Net position, beginning	<u>(627,770)</u>	<u>(859,756)</u>
Net position, ending	<u>\$ (198,211)</u>	<u>\$ (627,770)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2022 was \$1,443,169. The majority of these costs are interest on long-term debt.

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2022, the District's governmental funds reported combined ending fund balances of \$4,095,119. Of this total, \$11,789 is nonspendable, \$4,046,988 is restricted and the remainder of \$36,342 is unassigned.

The fund balance of the general fund increased \$44,615 due to an increase in revenues. The debt service fund balance decreased by \$95,683 due to debt service payments. The capital projects fund balance decreased by \$8,148,681 due to capital outlays.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown on page 12. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control is at the fund level.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2022, the District had \$24,556,342 invested in construction in process.

Capital Debt

At September 30, 2022, the District had \$28,515,000 in bonds outstanding. More detailed information about the District's capital debt is presented in the notes to financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact *Hills of Minneola Community Development Districts* Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

FINANCIAL STATEMENTS

Hills of Minneola Community Development District
Statement of Net Position
September 30, 2022

	Governmental Activities
Assets	
Cash	\$ 54,396
Prepaid expenses	11,769
Deposits	20
Developer receivable	368,563
Restricted assets:	
Temporarily restricted investments	5,456,803
Capital assets:	
Capital assets not being depreciated	24,556,342
Total assets	30,447,893
Liabilities	
Accounts payable and accrued expenses	1,264,910
Retainage payable	476,581
Due to developers	21,062
Accrued interest payable	449,200
Noncurrent liabilities:	
Due within one year	590,000
Due in more than one year	27,844,351
Total liabilities	30,646,104
Net Position	
Net investment in capital assets	(1,898,384)
Restricted for debt service	1,621,247
Unrestricted	78,926
Total net position	\$ (198,211)

Hills of Minneola Community Development District
Statement of Activities
Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenue		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
General government	\$ 133,478	\$ -	\$ 358,134	\$ -	\$ 224,656
Maintenance and operations	218,542	-	-	-	(218,542)
Interest on long-term debt	1,091,149	1,494,163	5,098	15,333	423,445
Total governmental activities	\$ 1,443,169	\$ 1,494,163	\$ 363,232	\$ 15,333	429,559
			Change in net position		429,559
			Net position, beginning		(627,770)
			Net position, ending		\$ (198,211)

Hills of Minneola Community Development District
Balance Sheet - Governmental Funds
September 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 54,396	\$ -	\$ -	\$ 54,396
Prepaid expenses	11,118	-	651	11,769
Deposits	20	-	-	20
Investments	-	1,794,625	3,662,178	5,456,803
Developer receivable	60,161	308,402	-	368,563
Total assets	<u>\$ 125,695</u>	<u>\$ 2,103,027</u>	<u>\$ 3,662,829</u>	<u>\$ 5,891,551</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ 58,938	\$ -	\$ 1,205,972	\$ 1,264,910
Retainage payable	-	-	476,581	476,581
Due to developers	5,500	12,478	3,084	21,062
Total liabilities	<u>64,438</u>	<u>12,478</u>	<u>1,685,637</u>	<u>1,762,553</u>
Deferred inflows:				
Unavailable revenue	13,777	20,102	-	33,879
Fund balances:				
Nonspendable	11,138	-	651	11,789
Restricted for:				
Debt service	-	2,070,447	-	2,070,447
Capital projects	-	-	1,976,541	1,976,541
Unassigned	36,342	-	-	36,342
Total fund balances	<u>47,480</u>	<u>2,070,447</u>	<u>1,977,192</u>	<u>4,095,119</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 125,695</u>	<u>\$ 2,103,027</u>	<u>\$ 3,662,829</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 24,556,342

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds 33,879

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Accrued interest payable	(449,200)	
Bonds payable	<u>(28,434,351)</u>	<u>(28,883,551)</u>

Net position of governmental activities \$ (198,211)

Hills of Minneola Community Development District
Statement of Revenues, Expenditures and Changes in the Fund Balances
Governmental Funds
Year Ended September 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Developer contributions	\$ 348,660	\$ 1,474,061	\$ -	\$ 1,822,721
Investment and miscellaneous income	-	5,098	15,333	20,431
Total revenues	<u>348,660</u>	<u>1,479,159</u>	<u>15,333</u>	<u>1,843,152</u>
Expenditures				
Current:				
General government	85,503	47,975	-	133,478
Field Operations	218,542	-	-	218,542
Debt Service:				
Interest	-	1,027,522	-	1,027,522
Principal	-	455,000	-	455,000
Capital outlay	-	-	8,208,359	8,208,359
Total expenditures	<u>304,045</u>	<u>1,530,497</u>	<u>8,208,359</u>	<u>10,042,901</u>
Excess (Deficit) of Revenues Over Expenditures	<u>44,615</u>	<u>(51,338)</u>	<u>(8,193,026)</u>	<u>(8,199,749)</u>
Other Financing Sources				
Transfers in	-	-	44,345	44,345
Transfers out	-	(44,345)	-	(44,345)
Total other financing sources	<u>-</u>	<u>(44,345)</u>	<u>44,345</u>	<u>-</u>
Net change in fund balances	44,615	(95,683)	(8,148,681)	(8,199,749)
Fund balances, beginning of year	2,865	2,166,130	10,125,873	12,294,868
Fund balances, end of year	<u>\$ 47,480</u>	<u>\$ 2,070,447</u>	<u>\$ 1,977,192</u>	<u>\$ 4,095,119</u>

Hills of Minneola Community Development District
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities**
 Year Ended September 30, 2022

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances - total governmental funds \$ (8,199,749)

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets. Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.

Capital outlay 8,208,359

Repayments of long-term liabilities are reported as expenditures in governmental funds, while repayments reduce long-term liabilities in the statement of net position.

Repayment of bonds payable 455,000

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 33,879

Revenues reported in the funds in the current year must be eliminated from the statement of activities since revenue was recognized in the prior year. (4,303)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest	(60,508)	
Amortization of bond discount	(3,119)	(63,627)

Change in net position of governmental activities		\$ 429,559
		429,559

Hills of Minneola Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Developer contributions	\$ 456,790	\$ 463,290	348,660	\$ (114,630)
Total revenues	456,790	463,290	348,660	(114,630)
Expenditures				
Current:				
General government	91,790	98,290	85,503	12,787
Field Operations	365,000	365,000	218,542	146,458
Total expenditures	456,790	463,290	304,045	159,245
Net change in fund balance	-	-	44,615	44,615
Fund balance, beginning	2,865	2,865	2,865	-
Fund balance, ending	\$ 2,865	\$ 2,865	\$ 47,480	\$ 44,615

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hills of Minneola Community Development District, (the “District”) was established on July 2, 2019 by the City of Minneola, Florida, Ordinance 2019-05 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors (the “Board”), which is composed of five members. Ownership of land within the District entitles the owner to one vote per acre. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. All of the Board of Supervisors are affiliated with the Developer and major landowners.

The Board has final responsibility for:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board (“GASB”) Statements 14, 39, and 61. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

Government-Wide and Fund Financial Statements

The financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants, contributions and investment earnings that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for Developer receivables for retainage, which are collected from the Developer when the amount is due to the contractor. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance special assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. These assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District. Certain debt service assessments are collected upon the closing of those lots subject to short term debt and are used to prepay a portion of the bonds outstanding.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund - Is the District's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Debt Service Fund - Accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Project Fund - Accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Restricted Assets

These assets represent cash and investments set aside pursuant to bond covenants.

Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

Prepaid Costs

Prepaid costs are recorded as expenditures when consumed rather than when purchased in both government-wide and fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Long Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as expenses. Bonds payable are reported net of premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2022.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet, these amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above an additional action is essential to either remove or revise a commitment.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standards

In fiscal year 2022, the District has not implemented any new accounting standards with a material effect on the District's financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors. There was one budget amendment for the fiscal year ended September 30, 2022.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
2. A public hearing is conducted to obtain comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. All budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Under GASB 72, assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

The District has the following recurring fair value measurements as of September 30, 2022:

- Money market mutual funds of \$5,457,584 are valued using Level 2 inputs.

Instead of establishing a written investment policy, the District elected to limit investments to those approved by Florida Statutes and the District Trust Indenture. Authorized District investments include, but are not limited to:

1. The Local Government Surplus Funds Trust Fund (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations of the U.S. Treasury.

Investments made by the District at September 30, 2022 are summarized below. In accordance with GASB 31, investments are reported at fair value.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
First American Government Obligation Fund Y	\$ 5,456,803	AAAm	18 Days

Credit Risk:

For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Investments in U.S. Government securities and agencies must be backed by the full faith and credit of the United States Government. Short term bond funds shall be rated by a nationally recognized ratings agency and shall maintain the highest credit quality rating. Investment ratings by investment type are included in the preceding summary of investments.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk:

In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2022, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2022, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk:

The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Improvements under construction	\$16,347,983	\$ 8,208,359	\$ -	\$24,556,342
Total capital assets not being depreciated	<u>16,347,983</u>	<u>8,208,359</u>	<u>-</u>	<u>24,556,342</u>
Governmental activities capital assets, net	<u>\$16,347,983</u>	<u>\$ 8,208,359</u>	<u>\$ -</u>	<u>\$24,556,342</u>

NOTE 5 LONG-TERM LIABILITIES

Series 2020 Special Assessment Bonds

In July 2020, the District issued \$23,520,000 of Special Assessment Revenue Bonds, Series 2020. The Bonds consist of \$2,350,000 Term Bonds due on May 1, 2025 with a fixed interest rate of 3.0%; \$3,385,000 Term Bonds due on May 1, 2031 with a fixed interest rate of 3.5%; \$6,775,000 Term Bonds due on May 1, 2040 with a fixed interest rate of 4.0%; and \$11,010,000 Term Bonds due on May 1, 2050 with a fixed interest rate of 4.0%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the property within the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2021 through May 1, 2050.

The Series 2020 Bonds are subject to redemption at the option of the District prior to maturity at a redemption price as set forth in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture. In the event of default, all principal and interest of the Bonds will become immediately due and payable.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirements as defined in the Indenture. The requirement has been met at September 30, 2022.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2020 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2022, total principal and interest remaining on the Series 2020 Special Assessment Revenue Bonds was \$37,856,856. Principal and interest paid was \$1,342,175 during the current year. Special assessment revenue of \$1,289,676, was pledged for the current year.

Series 2021 Special Assessment Bonds

In August 2021, the District issued \$5,890,00 of Special Assessment Revenue Bonds, Series 2021. The Bonds consist of \$505,000 Term Bonds due on May 1, 2026 with a fixed interest rate of 2.375%; \$710,000 Term Bonds due on May 1, 2031 with a fixed interest rate of 2.8%; \$1,790,000 Term Bonds due on May 1, 2041 with a fixed interest rate of 3.2%; and \$2,885,000 Term Bonds due on May 1, 2052 with a fixed interest rate of 4.0%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the property within the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2023 through May 1, 2052.

The Series 2021 Bonds are subject to redemption at the option of the District prior to maturity at a redemption price as set forth in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture. In the event of default, all principal and interest of the Bonds will become immediately due and payable.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirements as defined in the Indenture. The requirement has been met at September 30, 2022.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2021 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2022, total principal and interest remaining on the Series 2021 Special Assessment Revenue Bonds was \$9,837,381. Interest of \$140,347 was paid in the current year, no principal was paid. No special assessment revenue was pledged for the current year.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Long-term liability activity for the year ended September 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds Payable					
Series 2020	\$23,080,000	\$ -	\$ (455,000)	\$22,625,000	\$ 470,000
Less: Discount	(225,479)	-	7,843	(217,636)	-
Series 2021	5,890,000	-	-	5,890,000	120,000
Plus: Premium	141,711	-	(4,724)	136,987	-
Governmental activity long-term liabilities	<u>\$28,886,232</u>	<u>\$ -</u>	<u>\$ (451,881)</u>	<u>\$28,434,351</u>	<u>\$ 590,000</u>

At September 30, 2022, the scheduled debt service requirements on the bonds payable were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 590,000	\$ 1,078,080
2024	610,000	1,061,130
2025	630,000	1,043,611
2026	645,000	1,025,524
2027	670,000	1,004,410
2028 - 2032	3,065,000	4,313,342
2033 - 2037	4,310,000	4,008,200
2038 - 2042	5,230,000	3,096,440
2043 - 2047	6,355,000	1,961,900
2048 - 2052	6,410,000	586,600
	<u>\$ 28,515,000</u>	<u>\$ 19,179,237</u>

NOTE 6 RELATED PARTY TRANSACTIONS

Developer and Major Landowners Transactions:

The Developer and major landowners own the land within the District; therefore revenue in the general and debt service funds include amounts levied on those lots owned by the Developer and major landowners. The Developer and major landowners contributed \$1,662,505 or 91% of the revenue for the year ended September 30, 2022. The District's activity is dependent upon the continued involvement of the Developer and major landowners, the loss of which could have a material adverse effect on the District's operations.

NOTE 7 MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial advisory and accounting services as well as clubhouse management services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreements, the District compensates the management company for management, accounting, financial reporting and other administrative costs.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. The District has not filed any claims under this commercial coverage during the last two years.

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Hills of Minneola Community Development District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of *Hills of Minneola Community Development District* (the "District") as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McDermitt Davis

Orlando, Florida
June 13, 2023

MANAGEMENT LETTER

Board of Supervisors
Hills of Minneola Community Development District

Report on the Financial Statements

We have audited the financial statements of *Hills of Minneola Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 13, 2023.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 13, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information (Unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported:

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero, no employees.

- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as zero.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: two projects.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final budget under Section 189.016(6), Florida Statutes, this information is included in the general fund budget statement.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the District as none.
- b. The total amount of special assessments collected by or on behalf of the District as zero.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds is disclosed in the notes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis

Orlando, Florida
June 13, 2023



934 North Magnolia Avenue, Suite 100
Orlando, Florida 32803
407-843-5406
www.mcdermittdavis.com

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Hills of Minneola Community Development District

We have examined *Hills of Minneola Community Development District's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants *and the standards applicable to attestation engagements contained in Government Auditing Standards* issued by the *Comptroller General of the United States*, and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

McDermitt Davis

Orlando, Florida
June 13, 2023

**HILLS OF MINNEOLA
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
MARCH 31, 2024**

**HILLS OF MINNEOLA
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2024**

	General Fund	SRF North	SRF South	Debt Service Fund 2020	Debt Service Fund 2021	Capital Projects Fund 2020	Capital Projects Fund 2021	Total Governmental Funds
ASSETS								
Cash	\$ 147,029	\$ -	\$594,385	\$ -	\$ -	\$ -	\$ -	\$ 741,414
Investments								
Revenue	-	-	-	963,168	269,645	-	-	1,232,813
Reserve	-	-	-	1,338,412	163,410	-	-	1,501,822
Prepayment	-	-	-	-	186	-	-	186
Construction	-	-	-	-	-	44,809	15	44,824
Undeposited funds	1,600	-	-	-	-	-	-	1,600
Due from Starlight	630	-	-	-	-	-	-	630
Due from Ashton Woods	596	-	-	-	-	-	-	596
Due from LB Minneola	3,689	-	-	-	-	-	-	3,689
Due from Pulte Group	48,917	-	-	-	-	-	-	48,917
Due from Arroyo CAP II-1, LLC	43	-	414	33,372	-	-	-	33,829
Due from JEN Florida 49	3,917	-	51,734	116,168	-	-	-	171,819
Due from general fund	-	-	-	40,251	-	-	-	40,251
Due from other	-	-	-	490	-	-	-	490
Utility deposit	20	-	965	-	-	-	-	985
Prepaid expense	-	-	25	-	-	651	-	676
Total assets	<u>\$ 206,441</u>	<u>\$ -</u>	<u>\$647,523</u>	<u>\$2,491,861</u>	<u>\$ 433,241</u>	<u>\$ 45,460</u>	<u>\$ 15</u>	<u>\$ 3,824,541</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Contracts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360	\$ -	\$ 360
Retainage payable	-	-	-	-	-	322,094	271,812	593,906
Due to Landowner	-	-	-	12,478	-	3,084	-	15,562
Due to debt service fund	40,251	-	-	-	-	-	-	40,251
Landowner advance	5,500	-	-	-	-	-	-	5,500
Total liabilities	<u>45,751</u>	<u>-</u>	<u>-</u>	<u>12,478</u>	<u>-</u>	<u>325,538</u>	<u>271,812</u>	<u>655,579</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred receipts	57,792	-	52,148	150,030	-	-	-	259,970
Total deferred inflows of resources	<u>57,792</u>	<u>-</u>	<u>52,148</u>	<u>150,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>259,970</u>
Fund balances:								
Assigned								
Debt service	-	-	-	2,329,353	433,241	-	-	2,762,594
Capital projects	-	-	-	-	-	(280,078)	(271,797)	(551,875)
3 months working capital	26,170	-	148,538	-	-	-	-	174,708
Unassigned	76,728	-	446,837	-	-	-	-	523,565
Total fund balances	<u>102,898</u>	<u>-</u>	<u>595,375</u>	<u>2,329,353</u>	<u>433,241</u>	<u>(280,078)</u>	<u>(271,797)</u>	<u>2,908,992</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 206,441</u>	<u>\$ -</u>	<u>\$647,523</u>	<u>\$2,491,861</u>	<u>\$ 433,241</u>	<u>\$ 45,460</u>	<u>\$ 15</u>	<u>\$ 3,824,541</u>

**HILLS OF MINNEOLA
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDED MARCH 31, 2024**

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Assessment levy: on-roll - net	\$ -	\$ 27,108	\$ 34,261	79%
Assessment levy: off-roll	-	26,514	79,314	33%
Lot closings	459	1,600	-	N/A
Total revenues	<u>459</u>	<u>55,222</u>	<u>113,575</u>	49%
EXPENDITURES				
Professional & administrative				
Management/recording	4,000	24,000	48,000	50%
Legal - general counsel	52	105	15,000	1%
Engineering	-	-	7,500	0%
Audit	-	-	5,900	0%
Telephone	16	100	200	50%
Postage	35	89	213	42%
Printing & binding	4	25	50	50%
Legal advertising	-	117	1,500	8%
Annual district filing fee	-	175	175	100%
Insurance: GL & POL	-	5,758	6,119	94%
Contingencies	-	345	750	46%
Property taxes	-	2,748	-	N/A
Hosting & maintenance	-	-	705	0%
ADA compliance	-	199	210	95%
Total professional & administrative	<u>4,107</u>	<u>33,661</u>	<u>86,322</u>	39%
Other fees & charges				
Property appraiser & tax collector	-	542	1,071	51%
Total other fees & charges	<u>-</u>	<u>542</u>	<u>1,071</u>	51%
Total expenditures	<u>4,107</u>	<u>34,203</u>	<u>87,393</u>	39%
Excess/(deficiency) of revenues over/(under) expenditures	(3,648)	21,019	26,182	
Fund balances - beginning	107,006	81,879	89,367	
Fund balance - ending				
Assigned				
3 months working capital	26,170	26,170	26,170	
Unassigned	77,188	76,728	89,379	
Fund balances - ending	<u>\$ 103,358</u>	<u>\$ 102,898</u>	<u>\$ 115,549</u>	

**HILLS OF MINNEOLA
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL REVENUE FUND - NORTH
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDED MARCH 31, 2024**

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Assessment levy: off-roll	\$ -	\$ -	\$ 32,749	0%
Total revenues	<u>-</u>	<u>-</u>	<u>32,749</u>	0%
EXPENDITURES				
Professional & administrative				
Arbitrage rebate calculation	-	-	750	0%
Debt service fund - accounting	-	-	5,500	0%
Dissemination agent	-	-	1,000	0%
Trustee	-	-	5,500	0%
Total professional & administrative	<u>-</u>	<u>-</u>	<u>12,750</u>	0%
Field operations and maintenance				
Pressure washing	-	-	20,000	0%
Total field operations & maintenance	<u>-</u>	<u>-</u>	<u>20,000</u>	0%
Total expenditures	<u>-</u>	<u>-</u>	<u>32,750</u>	0%
Excess/(deficiency) of revenues over/(under) expenditures	-	-	(1)	
Fund balances - beginning	-	-	11,666	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,665</u>	

**HILLS OF MINNEOLA
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL REVENUE FUND - SOUTH
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDED MARCH 31, 2024**

	Current	Year to	Budget	% of
REVENUES				
Assessment levy: on-roll - net	\$ -	\$ 245,183	\$ 309,872	79%
Assessment levy: off-roll	-	250,481	402,959	62%
Total revenues	<u>-</u>	<u>495,664</u>	<u>712,831</u>	70%
EXPENDITURES				
Professional & administrative				
Arbitrage rebate calculation	-	-	1,500	0%
Debt service fund - accounting	458	2,750	5,500	50%
Dissemination agent	167	1,000	2,000	50%
Trustee	-	-	11,000	0%
Total professional & administrative	<u>625</u>	<u>3,750</u>	<u>20,000</u>	19%
Field operations and maintenance				
Field operations manager	500	3,000	6,000	50%
Field operations accounting	292	1,750	3,500	50%
Landscaping labor	2,195	122,359	304,000	40%
Insurance: property	637	8,583	15,000	57%
Backflow test	-	-	150	0%
Irrigation repair	-	1,715	8,000	21%
Plants, shrubs & annuals	375	375	15,000	3%
Tree trimming	-	-	35,000	0%
Mulch	-	981	48,000	2%
Pressure washing	-	-	4,000	0%
Signage	-	-	3,000	0%
General maintenance	22,298	22,691	10,000	227%
Fence wall repairs	-	-	2,500	0%
Electric:				
Irrigation	-	-	12,000	0%
Street lights	6,343	22,527	50,000	45%
Entrance signs	-	-	2,000	0%
Water irrigation	157	589	6,000	10%
Playground ADA mulch	-	-	5,000	0%
Total field operations & maintenance	<u>32,797</u>	<u>184,570</u>	<u>529,150</u>	35%
Other fees & charges				
Property appraiser & tax collector	-	4,904	9,683	51%
Total other fees & charges	<u>-</u>	<u>4,904</u>	<u>9,683</u>	51%
Total expenditures	<u>33,422</u>	<u>193,224</u>	<u>558,833</u>	35%
Excess/(deficiency) of revenues over/(under) expenditures	(33,422)	302,440	153,998	
Fund balances - beginning	628,797	292,935	257,455	
3 months working capital	148,538	148,538	148,538	
Unassigned	446,837	446,837	262,915	
Fund balances - ending	<u>\$ 595,375</u>	<u>\$ 595,375</u>	<u>\$ 411,453</u>	

**HILLS OF MINNEOLA
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND SERIES 2020
FOR THE PERIOD ENDED MARCH 31, 2024**

	Current Month	Year To Date	Budget	% of Budget
REVENUES				
Assessment levy: on-roll - net	\$ -	\$ 578,299	\$ 730,883	79%
Assessment levy: off-roll	-	350,751	630,367	56%
Lot closing	-	5,366	-	N/A
Interest	8,010	44,167	-	N/A
Total revenues	<u>8,010</u>	<u>978,583</u>	<u>1,361,250</u>	72%
EXPENDITURES				
Debt service				
Principal	-	-	485,000	0%
Interest	-	429,712	859,425	50%
Total debt service	<u>-</u>	<u>429,712</u>	<u>1,344,425</u>	32%
Other fees & charges				
Tax collector	-	11,566	15,227	76%
Total other fees and charges	<u>-</u>	<u>11,566</u>	<u>15,227</u>	76%
Total expenditures	<u>-</u>	<u>441,278</u>	<u>1,359,652</u>	32%
Excess/(deficiency) of revenues over/(under) expenditures	8,010	537,305	1,598	
OTHER FINANCING SOURCES/(USES)				
Transfer out	(5,230)	(33,042)	-	N/A
Total other financing sources	<u>(5,230)</u>	<u>(33,042)</u>	<u>-</u>	N/A
Net change in fund balances	2,780	504,263	1,598	
Fund balances - beginning	2,326,573	1,825,090	1,809,321	
Fund balances - ending	<u>\$ 2,329,353</u>	<u>\$ 2,329,353</u>	<u>\$ 1,810,919</u>	

**HILLS OF MINNEOLA
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND SERIES 2021
FOR THE PERIOD ENDED MARCH 31, 2024**

	<u>Current Month</u>	<u>Year To Date</u>	<u>Budget</u>	<u>% of Budget</u>
REVENUES				
Assessment levy: off-roll	\$ -	\$ 245,393	\$ 327,190	75%
Interest	1,641	7,554	-	N/A
Total revenues	<u>1,641</u>	<u>252,947</u>	<u>327,190</u>	77%
EXPENDITURES				
Debt service				
Principal	-	-	125,000	0%
Interest	-	100,852	201,704	50%
Total debt service	<u>-</u>	<u>100,852</u>	<u>326,704</u>	31%
Excess/(deficiency) of revenues over/(under) expenditures	1,641	152,095	486	
Fund balances - beginning	431,600	281,146	273,700	
Fund balances - ending	<u>\$ 433,241</u>	<u>\$ 433,241</u>	<u>\$ 274,186</u>	

**HILLS OF MINNEOLA
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND SERIES 2020
FOR THE PERIOD ENDED MARCH 31, 2024**

	Current Month	Year To Date
REVENUES		
Interest	\$ 153	\$ 630
Total revenues	153	630
EXPENDITURES		
Total expenditures	-	-
Excess/(deficiency) of revenues over/(under) expenditures	153	630
OTHER FINANCING SOURCES/(USES)		
Transfer in	5,230	33,042
Total other financing sources/(uses)	5,230	33,042
Net change in fund balances	5,383	33,672
Fund balances - beginning	(285,461)	(313,750)
Fund balances - ending	\$ (280,078)	\$ (280,078)

**HILLS OF MINNEOLA
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND SERIES 2021
FOR THE PERIOD ENDED MARCH 31, 2024**

	Current Month	Year To Date
REVENUES		
Interest	\$ -	\$ 4
Total revenues	-	4
EXPENDITURES	-	-
Total expenditures	-	-
Excess/(deficiency) of revenues over/(under) expenditures	-	4
Fund balances - beginning	(271,797)	(271,801)
Fund balances - ending	\$ (271,797)	\$ (271,797)

[THIS PAGE INTENTIONALLY LEFT BLANK]

